CFATF
GAFIC
CARIBBEAN FINANCIAL
ACTION TASK FORCE

Eighth Follow-Up Report

Trinidad and Tobago

May 30, 2013

TRINIDAD AND TOBAGO – EIGHTH FOLLOW-UP REPORT

I. Introduction

1. This report presents an analysis of measures taken by Trinidad and Tobago to comply with the CFATF follow-up procedures and the recommendations made in the third round Mutual Evaluation Report (MER). The MER of Trinidad and Tobago was adopted by the CFATF Council of Ministers in May 2007 in Guatemala. The first written follow-up report on Trinidad and Tobago was presented to the Plenary in May 2009. As a result of a decision taken by the Plenary in October 2009, three subsequent reports on recently enacted legislation, a proposed action plan submitted to the Plenary, and the feasibility of proposed deadlines were prepared by the CFATF Secretariat and distributed to Plenary delegates during the last two months of 2009 and the first month of 2010. Subsequently, Trinidad and Tobago has submitted six follow-up reports in May and October of 2010 and 2011 and May and November 2012, respectively. This report will focus on the outstanding Recommendations and the measures taken by Trinidad and Tobago since the previous follow-up report to achieve compliance.

2. Trinidad and Tobago was rated partially compliant or non-compliant on fifteen (15) of the sixteen (16) Core and Key Recommendations and 26 other Recommendations. The Core and Key recommendations were rated as follows:

Table 1; Ratings of Core and Key Recommendations

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

3. With regard to the remaining Recommendations, Trinidad and Tobago was rated partially compliant or non-compliant on twenty-six (26) as indicated below:

Table 2: Non Core and Key Recommendations rated Partially Compliant and Non-Compliant

Partially Compliant (PC)	**Non-Complaint (NC)**
R. 2(ML offence – mental element and corporate liability)	R. 6 (Politically exposed persons)
R. 11(Unusual transactions)	R. 7 (Correspondent banking)
R. 14 (Protection & no tipping-off)	R. 8 (New technologies & non face-to-face business)
R. 15 (Internal controls, compliance & audit)	R. 9 (Third parties and introducers)
R. 18 (Shell banks)	R. 12 (DNFBP – R.5,6,8-11)
R. 19 (Other forms of reporting)	R. 16(DNFBP – R.13-15 & 21)
R. 30 (Resources, integrity and training)	R. 17 (Sanctions)
R. 31 (National co-operation)	R. 21 (Special attention for higher risk countries)

R. 32 (Statistics)	R.22 (Foreign branches & subsidiaries)
R.33 (Legal persons – beneficial owners)	R. 24 (DNFBP – regulation, supervision and monitoring)
	R. 25 (Guidelines & Feedback)
	R. 29 (Supervisors)
	R. 34 (Legal arrangements – beneficial owners)
	SR. VI (AML requirements for money value transfer services)
	SR. VII (Wire transfer rules)
	SR. VIII (Non-profit organizations)

4. The following table gives some idea of the level of risk in the financial sector by indicating the size and integration of the sector in Trinidad and Tobago.

Table 3: Size and integration of Trinidad and Tobago's financial sector
As at December 2012

		Banks	Other Credit Institutions*	Securities	Insurance	TOTAL
Number of institutions	Total #	8	17		33	58
Assets	US$Mn	17,973	1,516		5,552	25,041
Deposits	Total: US$	13,284	282		n.a.	
	% Non-resident	% of deposits 1.92	.97		n.a.	
International Links	% Foreign-owned:	% of assets 46.6	% of assets 44.4	% of assets	% of assets 16.84	% of assets
	#Subsidiaries abroad**	15	7		4	26

* Refers to non-bank deposit-taking institutions.
** Refer to financial subsidiaries

II. Scope of this Report

5. The Plenary in November 2012 in the Virgin Islands decided that countries in the expedited follow-up process would be required to achieve substantial progress on outstanding recommendations and report back to the Plenary in May 2013 and must ensure full compliance with all outstanding key and core recommendations by November 2013. Given the above, this report will focus on the status and any progress made in all outstanding recommendations. Additionally, in view of the November 2013 deadline, recommended measures which are still outstanding in the key and core recommendations will be identified so Trinidad and Tobago is aware of what needs to be completed by the deadline.

III. Summary of progress made by Trinidad and Tobago

6. Shortly after the mutual evaluation visit of Trinidad and Tobago in June 2005, the Anti-Terrorism Act, 2005 (ATA) was passed on September 13, 2005. In an effort to address some

of the major recommended actions made by the examiners, the authorities in Trinidad and Tobago enacted in subsequent years the following legislation:

- The Proceeds of Crime (Amendment) Act, 2009 (POCAA),
- The Financial Intelligence Unit of Trinidad and Tobago Act, 2009 (FIUTTA)
- The Financial Obligations Regulations, 2009 (FOR)
- The Anti-Terrorism (Amendment) Act, 2010 (ATAA)
- The Financial Intelligence Unit of Trinidad and Tobago (Amendment) Act No 3 of 2011
- The Financial Intelligence Unit of Trinidad and Tobago Regulations, 2011 (FIUTTR)
- The Financial Obligations (Financing of Terrorism) Regulations, 2011 (FOFTR)
- The Financial Intelligence Unit of Trinidad and Tobago (Amendment) Act No 8 of 2011(FIUTTAA 2011)
- The Financial Intelligence Unit of Trinidad and Tobago (Amendment) Act No 8 of 2011(FIUTTAA 2011)
- The Anti-Terrorism (Amendment) Act 2011 (ATAA 2011)
- Trafficking in Persons Act (TPA)
- The Miscellaneous Provisions (Financial Intelligence Unit of Trinidad and Tobago and Anti-Terrorism) Act, 2012(MPFIU&ATA)

7. In addition to the above legislation, the Securities Act 2012 was enacted in December 2012 Other legislative measures continue to be prepared i.e. the Credit Union Bill. . Statistics have been presented demonstrating the continuing implementation of the suspicious transaction reporting system and functioning of certain law enforcement authorities.

8. Prior to this report and as a result of the enactment of the above legislation and other measures, it was noted in previous follow-up reports that Trinidad and Tobago had addressed substantial deficiencies identified in fourteen (14) Core and Key Recommendations (R.1, R.3 – R.5, R.10, R.13, R.26, R. 40, and SR.I – SR.V) and seventeen other Recommendations (R.2, R.6 – R.8, R.11, R.12, R.14, R.15 – R.18, R.20, R.21, R.25, R.32, SR. VI and SR.VII) in Trinidad and Tobago's MER. At present, examiners' recommended actions with regard to five (5) of the Core and Key Recommendations have been fully met. These Recommendations are R.1, R.3, R. 35, and SR. I and SR. V.

Core Recommendations

Recommendation 5

9. As noted in the May 2010 report while the FOR incorporated some of the examiners' recommended actions with regard to risk, timing of verification, failure to satisfactorily complete customer due diligence (CDD) and retrospective CDD on existing customers, the following recommended actions remain outstanding;

a. No requirement for information on provisions regulating the power to bind a legal person or arrangement as set out in criterion E.C. 5.4(b).

b. Provision for the application of reduced or simplified CDD measures do not fully comply with criterion E.C. 5.9

c. The requirement for financial institutions to verify the identity of the customer and beneficial owner before or during the course of establishing a business relationship or conducting transactions for occasional customers as set out in criterion 5.13 is not addressed.

d. No provision to allow financial institutions except for insurance companies to complete verification of the identity of the customer and beneficial owner following the establishment of a business relationship.

e. The requirement under E.C. 5.16 concerning the termination of a business relationship already commenced and to consider making a suspicious report on the basis of failure to satisfactorily complete CDD measures is not addressed.

f. No requirement for financial institutions or listed businesses to perform enhanced due diligence for higher risk categories of customers, business relationships or transactions as stated in criterion E.C.5.8

g. No prohibition against simplified CDD measures whenever there is suspicion of money laundering or terrorist financing or specific higher risk scenarios as required under criterion 5.11

10. The situation as regards the compliance of this recommendations remains as noted in the May 2010 report.

Recommendation 10

11. It was noted in the May 2010 report that all the examiners' recommendations were met except for the requirement for the maintenance of records of account files and business correspondence by financial institutions. The situation remains unchanged.

Recommendation 13

12. The situation as indicated in last follow-up report remains the same in relation to the legal provisions. The outstanding requirement is the exclusion of one-off transactions from the suspicious transaction reporting requirement as noted in the Follow-Up Report of May 2010. This was reported in a previous t follow-up as being under review by the authorities. With regard to implementation, the following table gives a breakdown of the types of reporting entities which submitted SARs for the period July to December 2012.

Table 4: Breakdown of Types of Reporting Entities Submitting SARs from July to December 2012

Sectors Entity	SARs submitted
Banking	68
Insurance	1
Investment Companies	17

Mortgage Companies	4
Credit Unions	13
Money or Value Transfer Services	62
Accountants/Attorneys-at-Law/Other Independent Legal Professional	1
Motor Vehicles Sales	3
Real Estate	1
Private Members Clubs	1
TOTAL	**171**

13. The level of reporting for the six month period ending June 2012 as noted in the previous report was 123, while the figure indicated in the table above for the six month period ending December 2012 is 171, a 39% increase. An analysis of the breakdown of reporting entities highlights the continuing dominance of the banks and remittance companies in submitting SARs. Total SARs submitted by listed businesses was 68 with remittance companies accounting for 62. The low level of reporting by listed businesses especially when compared with the number of registered listed businesses which was 1, 465 at the end of January 2013 suggests that reporting by listed businesses continues to be ineffective.

Special Recommendation II

14. The examiners' recommendations required the enactment of proposed legislation criminalizing the financing of terrorism, terrorist acts and terrorist organizations and making such offences money laundering predicate offences. Assessment of this recommendation was done in the follow-up report of May 2010 against the criteria of SR. II. It was noted that the provisions of the ATA and the ATAA substantially comply with the criteria of SR II. The only deficiencies were the absence of the ability for the intentional element of the FT offence to be inferred from objective factual circumstance and the disproportionately low and possibly dissuasive fines for FT offences for legal persons. These deficiencies remain outstanding.

Special Recommendation IV

15. The outstanding recommended actions as noted since the follow-up report of October, 2010 include no provisions for penalties for breaches of the section 22C (3) of the ATA imposing a mandatory reporting obligation on the basis of suspicion or reasonable grounds for suspicion that funds are linked to or related to TF. Additionally, the reporting obligation does not specify all suspicious transactions including attempted transactions regardless of the amount or whether they involve tax matters.

Key Recommendations

Recommendation 4

16. The first outstanding recommendation was with regard to the relevant competent authorities in Trinidad and Tobago having the ability to share information locally and internationally as required by their functions. As noted in previous follow-up reports, while the FIU and the Central Bank of Trinidad and Tobago (CBTT) were provided with the requisite powers under the relevant statutes, similar provisions were to be enacted for the Trinidad and Tobago Securities Exchange Commission (TTSEC) in the proposed SA. The SA was enacted in December 2012. Section 19(2) of the SA allows for the TTSEC to co-operate with and provide and receive information from other securities or financial regulatory authorities, law enforcement agencies and other government agencies or regulatory authorities in Trinidad and Tobago or elsewhere. The authorities are now fully compliant with the examiners' recommendations for the relevant competent authorities to be able to share information locally and internationally. The remaining recommendation stipulates that amending legislation requiring that no financial secrecy law will inhibit the implementation of the FATF Recommendations should be enacted. This recommendation remains outstanding.

Recommendation 23

17. With regard to the first examiners' recommendation as indicated in the Follow-Up Report dated April 2011, while relevant supervisory agencies had been designated for ensuring compliance by their licensees with AML obligations, the FOFTR stipulates that the obligations, prohibitions and offences contained in the FOR apply *mutatis mutandis* to a financial institution or a listed business, in relation to the financing of terrorism. While the application of *mutatis mutandis* effectively provides for inclusion of CFT obligations within the responsibility of the supervisory agencies, the authorities should be mindful that the blanket extension of AML obligations, prohibitions and offences to include financing of terrorism could result in inconsistencies which could affect implementation or form the basis for legal challenge. The authorities should consider conducting an in-depth review of the relevant statutes to ensure that financing of terrorism obligations, prohibitions and offences as created by the FOFTR are consistent, valid and constitutional.

18. As part of the implementation of its supervisory regime, the FIU had registered 1,465 listed businesses by end of January 2012. As noted in the follow-up report of May 2012, the FIU had implemented its supervisory regime approving compliance programs submitted by the listed businesses and entities and commenced on-site examinations of listed businesses. During the six month period from January to June 2012 the FIU received 22 compliance programs and approved 7. During the six month period from July to December 2012, the FIU received 41 additional compliance programs and only approved 2. The FIU also carried out 5 onsite visits during the first six months of 2012 and 4 during the last half of the 2012. It should be noted that it was indicated in the follow-up report of May 2012 that the FIU's target was to conduct two examinations per month for 2012. Given that the number of registered listed businesses as last reported was 1,465, the low number of approved compliance programs and onsite visits demonstrates that the supervision of listed businesses continues to be ineffective.

19. The authorities also advised that there is need for regulation 2(1) (a) of the FOR to be amended to allow for the Central Bank to be the designated supervisory authority for money transmission or remittance business. It should be noted that the definition of financial institution pursuant to the POCAA includes a person who is registered to carry on cash remitting services under the Central Bank Act. The Central Bank has advised that this terminology is limiting as its remit extends to payments systems generally, including money transmission and remittance business. With regard to other examiners' recommendations for the Trinidad and Tobago Securities Exchange Commission (TTSEC) to apply the International Organization of Securities Commissions (IOSCO) Core principles for the supervision of the securities sector with regard to AML/CFT, the SA incorporates the principles relating to the regulator as set out in the "Objectives and Principles of Securities Regulation" These principles are incorporated in sections 6 – 8, 10-12, and 14 of the SA and comply with the examiners' recommendation.

20. The examiners' recommendation for measures in the FIA to prevent criminals or their associates from gaining control or significant ownership of financial institutions to be duplicated in relevant legislation governing the supervision of other financial institutions is still largely outstanding. Section 20 of the Insurance Act gives the Central Bank power of approval over any change in controllers or chief executive officers of insurance companies. Similar requirements for the security sector and credit unions are still outstanding.

21. Additionally, AML/CFT supervision of the securities sector and credit unions are dependent on enactment of the SA which as noted above was passed in December 2012 and the Credit Union Bill. With the passage of the SA, information as to the implementation of the AML/CFT supervision of the securities sector should be submitted in future follow-up reports

22. With regard to recommendation that money transfer companies and cash couriers being subject to AML/CFT supervision the authorities advise that the CBTT with the assistance of a technical expert from the Office of Technical Assistance, US Department of Treasury has developed a draft AML/CFT supervisory framework for money remitters and bureau de change. Additionally, the CBTT is working on guidelines and legislation to regulate money remittance business. The above developments with regard to money transfer companies and bureau de change are the beginning of measures necessary to comply with the requirements of the Methodology. While the examiners' recommendations refers to cash couriers being subject to AML/CFT supervision, this is not a requirement of the Methodology and as such will not be considered in assessing compliance with Recommendation 23. Given the above, the examiners' recommended actions still remain substantially outstanding.

Recommendation 26

23. As reported in a previous follow-up report, most of the examiners' recommended measures were met with the enactment of the FIUTTA. These included implementation of a legislative framework with a view to gaining membership to the Egmont Group, introduction of periodic reports by the FIU on its operations and issuing of public reports and strengthening and restructuring of staff of the FIU. With regard to Egmont membership, the authorities advise that the FIU had made amendments to the FIUTTA in August 2012 to

address Egmont's concerns and had responded to Egmont in September 2012 with regard to all issues that were raised. In July 2013, the membership application will be considered by the Egmont Plenary.

24. Concern about the autonomy of the FIU was indicated in the previous follow-up reports with regard to employment of staff since some staff appointments are approved by the Public Services Commission and other positions are approved by the Permanent Secretary of the Ministry of Finance. Section 7 of the FIUTTA which revises section 3 of the FIUTT provides for the appointment of members of staff, consultants and experts after consultation with or on the advice of the Director of the FIU. This provision makes the FIU Director's consultation a legal requirement and therefore removes concern about the FIU's autonomy in this regard.

25. With regard to the recommendation that the FIU consider the introduction of public periodic reports about its operations including ML and TF trends, the FIU Annual Reports for 2010 and 2011 were presented in the Parliament of Trinidad and Tobago on January 27, 2012 in accordance with section 18(2) of the FIUTTA. The Annual Report for 2012 was submitted to the Minister of Finance on November 23, 2012. The reports were also made available to the public and published on the FIU's website. The reports contain trends and typologies and statistics on the operations of the FIU. In addition local and foreign trends and typologies on money laundering are also available on the FIU's website. Given the above, the issue of Egmont membership remains outstanding.

Recommendation 40

26. The examiners' recommended action requires the authorities to implement legislation to enable law enforcement agencies and other competent authorities to provide the widest range of international co-operation to their foreign counterparts. The follow-up report of May 2010 indicated that the FIU and the Central Bank have the power to share information with local and foreign authorities under the FIUTTA and the FIA respectively. The follow-up report of November 2012 indicated that amendments to the FIUTTA allow for the FIU to disseminate financial intelligence and information to local and foreign authorities and affiliates within the intelligence community.

27. With regard to the ability of the TTSEC to provide the widest range of international co-operation, Section 19(2) of the SA allows for the TTSEC to co-operate with and provide and receive information with other securities or financial regulatory authorities, law enforcement agencies and other government agencies or regulatory authorities in Trinidad and Tobago or elsewhere. Additionally, section 19(4) allows the TTSEC to enter into MOUs with any agency of a foreign government or regulatory body responsible for supervision of the financial services industry in furtherance of the purposes of the SA. It is noted that section 6(i) of the SA stipulates that one of the functions of the TTSEC is to ensure compliance with POCA and any other AML/CFT law. As such, the above provisions comply with the examiners' recommendation for the TTSEC to be able to provide the widest range of international co-operation. Statistics on this matter should be provided in future follow-up reports.

28. The authorities have advised that an MOU between the Financial Investigation Division (FID) of Jamaica and the FIU was signed on November 13, 2012. With regard to implementation, from July to December 2012, the FID assisted with one external investigation and the FIU handled 15 incoming requests and sent 6 outgoing requests to foreign authorities. The above measures fully comply with the examiners' recommendations

with regard to implementing appropriate legislation. Statistics suggest that the FIU and the FIB are implementing the provisions.

Special Recommendation III

29. As indicated in the follow-report dated June 2010, assessment of the compliance with the examiners' recommended action focused on the measures to address the identified deficiency of lack of implementation of S/RES/1267(1999) and S/RES/1373(2001). While the legislation as enacted by Trinidad and Tobago substantially complies with the criteria of SRIII, there are still some outstanding issues which are set out below.

30. As noted in the previous follow-up report, section 22 of the ATA provides for procedures for freezing assets of designated entities i.e. individuals or entities and their associates designated as terrorists by the Security Council of the United Nations. However, it is noted that with regard to the Attorney General being able to apply for a freezing order for anyone other than UN designated entities, that section 22B(1)(b) of the ATA limits such orders to entities and does not include individuals.

31. As stated in previous follow-up reports , section 34 of the ATA has been amended to allow a customs officer, immigration officer, or police officer above the rank of sergeant who reasonably believes that property in the possession of a person is property intended to be used for the purpose of a terrorist act or for financing terrorism, terrorist property or property of a person or entities designated by the United Nations Security Council to apply for a restraint order for the property concerned.

32. Section 34 of the ATA provides for the restraining of property involved in terrorism or terrorist financing rather than all property of individuals or entities engaged in terrorism as stated in the resolution. As such, the scope of the above provision would be narrower in application than required by the resolution.

33. S/RES/1373(2001) also requires countries to examine and give effect to, if appropriate, the actions initiated under the freezing mechanisms of other countries. Such procedures should ensure the prompt determination, according to applicable national legal principles, whether reasonable grounds or a reasonable basis exists to initiate a freezing action and the subsequent freezing of funds or other assets without delay.

34. In Trinidad and Tobago, the above procedures are governed by the Mutual Assistance in Criminal Matters Act. As indicated in Trinidad and Tobago's mutual evaluation report, section 30 of the referenced statute allows for assistance to countries for confiscating or forfeiting property orders and orders that restrain dealings with property derived or obtained from the commission of a specified serious offence. One of the requirements for providing assistance is dual criminality. The criminalization of terrorism and terrorist financing under the ATA therefore provides the basis for the authorities in Trinidad and Tobago to incorporate assistance in giving effect to freezing mechanisms of other jurisdictions under the procedures established by the Mutual Assistance in Criminal Matters Act. However the requirement for dual criminality may limit application with regard to freezing mechanisms giving the constraints on freezing described above.

Other Recommendations

Recommendation 6

35. As indicated in the Follow-Up Report of May 2010, provisions of the FOR substantially comply with the examiners' recommendations which included all of the criteria of Recommendation 6. The only outstanding requirement is that the approval of senior management of a financial institution be required for continuing a relationship with a customer or beneficial owner who becomes a politically exposed person (PEP) or is subsequently found to be a PEP. .

Recommendation 7

36. The Follow-Up Report of May 2010 indicated that except for the requirement that a respondent institution be able to provide relevant identification data upon request to the correspondent institution for "payable-through accounts", all the examiners' recommendations which include all criteria of Recommendation 7 were met. The situation remains unchanged for this report.

Recommendation 8

37. The Follow-Up Report of May 2010 noted that except for the requirement for financial institutions to be required to have measures for managing risks including specific and effective CDD procedures that apply to non-face to face customers, all the examiners' recommendations which include all criteria of Recommendation 8 were met.

38. Section 12.3.2 (v) of the Central Bank of Trinidad and Tobago Guidelines (CBG) requires financial institutions to have policies and procedures in place to prevent the misuse of technology for money laundering and terrorist financing schemes. Additionally, financial institutions are required to ensure that their policies and procedures address non-face to face transactions which have an inherent risk of fraud or forgery. While the above measure complies with the outstanding requirement it is only applicable to the financial institutions under the supervision of the Central Bank. Further the status of the CBG with regard to its enforceability will have to be demonstrated by effective implementation through the imposition of sanctions for identified AML/CFT breaches. As such, the outstanding recommendation has only been partially met.

Recommendation 9

39. The examiners' recommended actions for third parties and introducers include all the essential criteria of Rec. 9. While regulations 13 and 14 of the FOR were intended to meet the criteria of Rec. 9, the follow-up report of May 2010 indicated that the regulations were unclear and did not comply with the criteria. The situation is unchanged for this report, subsequently the Recommendation remains outstanding.

Recommendation 11

40. It was noted in the May 2010 report the requirement for financial institutions to examine and record findings in writing on the background and purpose of all complex,

unusual large transactions or unusual patterns of transactions and to keep such findings available for competent authorities and auditors for at least five years was outstanding. The situation remains unchanged for this report. .

Recommendation 12

41. The situation with regard to compliance with the examiners' recommendations for Recommendation 12 remains the same as indicated in the last follow-up report. As noted in previous follow-up reports DNFBPs, motor vehicle sales, money or value transfer services, gaming houses, pool betting, national lotteries, on-line betting games, private members clubs and art dealers are defined as listed business and have been subjected to the same AML/CFT requirements as financial institutions. However, it was noted that with regard to the activities subject to AML/CFT requirements, that management of securities account and the creation, operation or management of legal persons or arrangements by accountants, attorneys at law and independent legal professionals are not included. With regard to the activities of trust and company service providers, acting as (or arranging for another person to act as) a trustee of an express trust has also not been included. This deficiency remains outstanding.

42. With regard to the examiners' recommended action that the requirements of Recommendations 5, 6 and 8-11 should be applied in circumstances detailed in Recommendation 12. It was noted in the follow-up report of May 2010 that the FATF requirement that casinos should be subject to above Recommendations when their customers engage in financial transactions equal to or above USD3, 000 had not been included in the enacted legislation. At present the applicable transaction threshold for gaming houses, pool betting, national lotteries on-line betting games and private members' clubs is the same as all financial institutions and listed businesses i.e. TTS90,000 and over or US$14,285 for one-off transactions. No update has been provided with regard to this issue. The requirements of Recommendations 5, 6 and 8-11 as enacted are applicable to all the listed businesses and while the examiners recommended actions for Recs. 5, 6, 8, 10 and 11 have been substantially met those of Rec. 9 are still largely outstanding as indicated in this report.

43. A previous follow-up report noted that while the FIU was responsible for supervising listed businesses, this supervision was limited to AML obligations, since combating of the financing of terrorism was not included in section 34 of POCAA. However, as noted under Recommendation 23 in this report, supervisory agencies are now responsible under the FOFTR for ensuring compliance of financial institutions and listed businesses with the obligations, prohibitions and offences relating to the financing of terrorism. Information on the establishment and implementation of an AML supervisory regime by the FIU can be found in sections of this report dealing with Recs. 23 and 24.

44. In accordance with the examiners' recommendation to educate and inform the DNFBPs and persons engaged in relevant business activities about their legal responsibilities, the authorities have carried out and continue to carry out a number of training sessions, conferences and outreach measures. During the period January to June 2012, the FIU provided training to 15 entities including 3 banks and 7 credit unions. From July to December 2012, the FIU conducted training for 12 entities including 4 banks, 3 credit unions, 4 accountants/attorneys-at-law and 1 listed business.

Recommendation 15

45. As noted in the May 2010 report the only recommendation outstanding was the requirement for information on new developments in methods and trends in money laundering and financing of terrorism to be included as part of training to be provided by financial institutions to their staff. The situation remains unchanged for this report.

Recommendation 16

46. As already noted under Recommendation 12, while "listed business" has been extended to include all FATF DNFBPs, the list of detailed activities subject to AML/CFT obligations does not include all FATF requirements. Since listed businesses are subject to the same AML/CFT requirements as financial institutions the situation as noted in the analysis of the requirements of Recommendations 13 to 15 are also applicable to DNFBPs.

47. With regard to Recommendation 13, the situation as indicated in last follow-up report remains the same in relation to the legal provisions. The outstanding requirement is the exclusion of one-off transactions from the suspicious transaction reporting requirement.

48. With regard to Recommendation 14, the examiners' recommended actions to prohibit the disclosure of reporting to the designated authority/FIU and ensure that the confidentiality requirements in POCA apply to the personnel of the FIU were all met by enactment of POCAA and the FIUTTA as indicated in previous follow-up reports.

49. With regard to Recommendation 15, the examiners' recommended measures with regard to internal controls, compliance, training and hiring procedures have been addressed in the FOR and the FOFTR except as noted under Recommendation 15 in this follow-up report.

50. As part of ensuring implementation of the above measures, section 55(5) of POCA requires every financial institution or listed business to develop and implement a written compliance program approved by the FIU. In tandem with this provision, regulation 31(1) of the FIUTTR requires financial institutions and listed businesses to submit compliance programs to the FIU within three months of the coming into effect of the FIUTTR. The FIUTTR became enforceable on February 10, 2011.

51. For the period February, 2011 to January 2012, the FIU received 159 compliance programs, consisting of 96 from financial institutions and 63 from listed businesses. From January to June 2012, the FIU received 22 compliance programs and approved 7. From July to December 2012, 41 additional compliance programs were received and 2 approved. The above figures demonstrate a significant decline in the rate of submission and approval of compliance programs for the year 2012 with a significant number of listed businesses being in breach of regulation 31(1) as stated above. From January to June 2012, the FIU issued 214 warning letters to private members clubs, accountants/attorneys, jewelers and one motor vehicle retailer registered with the FIU concerning non-compliance with respect to regulation 31(1) of the FIUTTR. From July to December 2012, the FIU issued 60 similar letters. The number of warning letters is small in comparison with the number of listed businesses in breach of regulation 31(1) and given the decline in the number of submitted compliance programs appears ineffective. The FIU has advised that it has been engaged with the attorneys' and accountants' respective associations in Trinidad and Tobago with a view to

distributing a reporting template for compliance programs for submission before the end of 2013. This will account for approximately 800 listed businesses.

52. With regard to the reporting of suspicious transactions the authorities advise that only 68 SARS have been submitted by listed businesses for the period July to December 2012. This suggests that the reporting of suspicious transactions and activity by listed businesses is ineffective.

Recommendation 17

53. The Follow-Up Report of October 2010 noted that the examiners' recommendation for considering the amendment of the provisions for sanctions in the POCA to allow for penalties to be applied jointly or separately was dealt with under section 68(3) of the Interpretation Act which allows for the imposition of the stipulated fines in the penalties in POCA separately on companies.

54. With regard to the other outstanding recommendation for increasing the range of sanctions for AML/CFT non-compliance to include disciplinary sanctions and the power to withdraw, restrict or suspend the financial institution's licence where applicable, the Central Bank's range of sanctions for non-compliance with AML/CFT laws was extended for banks and insurance companies under the FIA and the Insurance Amendment Act 2009 respectively.

55. The authorities have advised that section 10 and 12 of the FIA further provides for the Central Bank to issue AML/CFT guidelines and to be able to impose compliance directions or seek restraining orders for breaches of the guidelines. Section 57 of the SA allows the TTSEC to consider issuing a warning, private reprimand or public censure or suspend the registration of a registrant for various reasons including prosecution for the breach of any law relating to the prevention of money laundering and combating the financing of terrorism. Section 58 of the SA goes on to allow the TTSEC to revoke a registration on the basis of a conviction for a similar breach. The above measures appear limited to warnings, censure or suspension and does not afford a wide range of possible sanctions particularly in relation to restricting activities or management of registrants. As such, this recommendation is partially met.

56. The FIU's range of sanctions include the issuing of directives to non-regulated financial institutions or listed businesses which are violating or are about to violate provisions of the FIUTTAA 2011, the FOR, the ATT, the FIUTTA, the FIUTTR and any other guidelines issued by the FIU. These directives will be in addition to the penalties already available under the mentioned statutes. Failure to comply with a directive can result in the FIU applying to the High Court for an Order requiring the unregulated financial institution or listed business to comply with the directive.

57. The only sanction the FIU has imposed since enactment in May 2011is to issue warning letters to listed businesses registered with the FIU concerning non-compliance with regulation 31(1) of the FIUTTR and failure to submit quarterly terrorist reports. Additionally, during the period July to December 2012, the Central Bank renewed the licence of a bureau de change for six months instead of a year pending correction of deficiencies identified on an AML/CFT on-site examination.

Recommendation 19

58. The situation is unchanged from the previous follow-up report which noted that while measures substantially comply with the examiners' recommended actions, documentation regarding the consideration of the feasibility and utility of a large currency transaction reporting system needs to be submitted for verification.

Recommendation 21

59. As indicated in a previous follow-up report, all the examiners' recommended measures were addressed in POCAA and the FIUTTA except for the requirement for financial institutions to give special attention to business relationships with persons (including legal persons and other financial institutions) from or in countries which do not or insufficiently apply the FATF Recommendations. This recommendation remains outstanding.

60. The Follow-Up Report for May 2012 noted that the recommendation for effective measures to be put in place to ensure that financial institutions are advised of concerns about weaknesses in the AML/CFT systems of other countries was mandated by subsection 17(1)(a) of the FIUTTA requiring the FIU to publish a list of countries identified by the FATF as non-compliant or not sufficiently compliant. The FIU and the CBTT have published on their respective websites FATF's Public Statements dated February 16, 2012, June 22, 2012 and October 19, 2012.

Recommendation 22

61. The situation remains unchanged as noted in the previous report. All of the examiners' recommendations concerning Recommendation 22 have been imposed on financial institutions under the supervision of the Central Bank via the AML/CFT Guidelines. However, with regard to other financial entities, all of the examiners' recommended measures remain outstanding except for the requirement for branches of financial institutions to apply the higher AML/CFT standard where minimum host and home country AML/CFT requirements differ.

Recommendation 24

62. The situation as noted in the last Follow-Up Report has remained unchanged. With regard to the examiners' recommendation that gaming houses (or private member clubs), pool betting and the national lottery on line betting games should be subject to a comprehensive regulatory and supervisory regime, previous follow-up reports noted that the FIU was designated in the FOR as the competent authority responsible for ensuring compliance by listed businesses which includes DNFBPs, gaming houses (or private member clubs), pool betting and the national lottery on line betting game with AML/CFT obligations.

63. Regulation 28(1) of the FIUTTR requires supervised entities to register with the FIU within three (3) months of the FIUTTR coming into force. The total number of registrants at the end of January 2012 was 1,465 listed businesses. The total number of registrants listed as

at the end of 2012 is 1,581. While the above measures provides for the FIU to implement a regulatory and supervisory regime to ensure that gaming houses or private members clubs are effectively implementing the required AML/CFT measures, the FIU has not conducted any on-site examination of a private members club for 2012. This suggests that the FIU has yet to implement an effective supervisory regime for gaming houses or private members clubs.

64. The situation remains unchanged with the recommendation for regulatory measures to prevent criminals or their associates from holding or being the beneficial owner of a significant or controlling interest, holding a management function in, or being an operator of a gaming house (or private members club), pool betting and the national lottery on line betting games still outstanding.

65. In accordance with the above, regulation 30 (1) of the FIUTTR requires the FIU to provide guidelines and standards to supervised entities. While there is a general provision in the FIUTTR for sanctions for financial institutions or listed businesses committing offences for which there in no specified penalty, breach of the guidelines issued under regulation 30(1) is not specified as an offence. Guidance Note on Suspicious Transaction/Activity Reporting Standards and Guidance Note on Procedure for Reporting Terrorist Funds have been issued by the FIU. The above measures are initial steps in the development of an effective supervisory regime for DNFBPs. Given the above outstanding requirements, this recommendation remains largely outstanding.

Recommendation 25

66. A previous follow-up report noted that the recommendation for the designated authority/FIU to have a structure in place to provide financial institutions that are required to report suspicious transactions, with adequate and appropriate feedback, was met by section 10 of the FIUTTA. For the period July to December 2012, the FIU acknowledged all 171 STRs/SARs submitted to the FIU with 16 related to specific deficiency issues arising out of the STRs/SARs submissions.

67. Under section 8(3) (d) of the FIUTTA, the FIU is required to set reporting standards to be followed by financial institutions and listed businesses in furtherance of section 55(3) of the POCA which deals with suspicious transaction reporting. Guidance Note on Suspicious Transaction/Activity Reporting Standards and Guidance Note on Procedure for Reporting Terrorist Funds have been issued by the FIU and are available on its website.

68. With regard to the Central Bank AML/CFT Guidelines being enforceable and having sanctions for non-compliance a previous follow-up report noted that sections 10 and 86 of the FIA create a legal basis for the enforceability of the Central Bank AML/CFT Guidelines. Effective implementation of this enforceability still has to be demonstrated by the Central Bank. Many of the requirements in Central Bank's 2005 Guidelines have been codified in the FOR 2010. As a result, the Central Bank issued revised Guidelines as of October 2011. The Guidelines have been published on the Central Bank's website.

69. With regard to the recommendation that guidelines similar to the CBTT AML/CFT Guidelines should be issued by the relevant authorities for all financial institutions and persons engaged in relevant business activity stipulated in the POCA, regulation 30 (1) of the FIUTTR requires the FIU to provide guidelines and standards to supervised entities. Guidelines for motor vehicles dealers, private members clubs and real estate have been

published on the FIU website. These guidelines do not provide guidance as to best practices. Additionally, they only cover some of the entities included as listed businesses. The TTSEC Guidelines on Anti-Money Laundering and Combating the Financing of Terrorism were publicly launched in April 2012 and are available on the TTSEC's website. The above measures substantially comply with the examiners' recommendations. The outstanding requirement is the need for the FIU to issue guidelines for those listed businesses which have no guidelines.

Recommendation 29

70. Concerning the recommended action that the Credit Union Supervisory Unit (CUSU) have adequate powers to supervise credit unions for compliance with AML/CFT obligations, the authorities advised in a previous follow-up report that a decision had been taken to place the supervision of credit unions under the Central Bank and that legislation was being developed to accommodate this change. The CUSU ceased operation in 2006. The authorities advised since June 2010 that a credit union bill was been drafted and under review. The situation remains unchanged for this report.

71. It was noted in the previous follow-up report, until enactment of the proposed Credit Union Bill, the FIU is the designated supervisory authority for credit unions for AML obligations. At the last report, the FIU had registered 175 credit unions and received thirty-six (36) compliance programs from credit unions since the enactment of the FIUTTR in February 2011. For the period January to December 2012 five additional compliance programs were received from credit unions and the FIU has only conducted two (2) on-site visits to credit unions. The FIU conducted nine (9) training sessions with six hundred and seventy-four (674) attendees from credit unions during the same period. While the provision of training has increased from the 6 outreach sessions in 2011, the submission of only five compliance programs, the reported lack of any warning letters to credit unions regarding the aforementioned and the completion of only two (2) on-site examinations suggest that effective AML/CFT supervision of credit unions has not been achieved.

72. As noted in a previous follow-up report, the recommended actions for all supervisors to have adequate powers of enforcement and sanctions against financial institutions, their directors or senior management and the need to have systems in place for combating ML and FT and to review the effectiveness of these systems addressed specific deficiencies of the TTSEC and the CUSU. As already mentioned concerns about the CUSU are being dealt with by transferring supervisory responsibility to the Central Bank in new legislation.

73. With regard to the TTSEC, section 89 of the SA empowers the SA to carry out on-site examinations of its registrants, i.e. compliance reviews. These reviews include assessing compliance with the provisions of the SA, POCA, and any other written law in relation to the prevention of money laundering and combating the financing of terrorism. Section 90 of the SA gives the chief executive officer of the TTSEC the power to issue directions to take such measures that may be considered necessary to remedy any breaches of the provisions of the Act, guidelines made thereunder and any law in relation to the prevention of money laundering and combating the financing of terrorism or unsafe or unsound practice in conducting the business of securities revealed during a compliance review or any other inspection. Section 90(8) of the SA specifies a penalty for failure to comply with directions on conviction on indictment of a fine of TT$500,000 (US$77,600) and imprisonment for two years. The measures above are limited to the application of one specific sanction and does not allow for a range of sanctions to be applied proportionately nor does it include as the

ultimate sanction the revocation of registration. Additionally, there is no provision for the application of sanctions to the directors and senior management of the financial institution. As such, this recommendation has only been partially met. Given the above, only one of the examiners' recommendations has been partially complied with.

Recommendation 30

74. The main recommended actions under this Recommendation address deficiencies in resources and training in the FIU, the Director of Public Prosecutions (DPP), the Magistracy, Customs Division, the Police, the Strategic Services Agency (SSA), TTSEC and CUSU. The authorities advised in a previous follow-up report that the DPP was contemplating establishing a specialist Proceeds of Crime/Money Laundering Unit and a plan had been submitted to the Attorney General since October 2010. At present the DPP Office is in the process of organizing with the Criminal Prosecuting Services of the UK for experts to assist in April 2013 with the establishment of the Financial Crimes/Proceeds of Crime Unit and assist with training in the same area between April and August 2013.

75. The situation with regard to the Financial Investigations Branch (FIB) dedicated to the investigation of money laundering offences remains unchanged from the last Follow-Up Report. The FIB was transferred to the Trinidad and Tobago Police Force and re-established. The FIB is currently located at the old Special Anti-Crime Unit of Trinidad and Tobago (SAUTT) Headquarters and the resources of the former unit are now being used by the FIB. There is currently twenty (20) staff members within the FIB, ten (10) are regular serving officers, eight (8) are special reserve officers and two (2) are civilians.

76. With regard to the FIU, it was noted in previous follow-up reports that the FIU had instituted a continuing training program for staff. In July 2012, four (4) FIU officers attended an Anti-Money Laundering Training Seminar hosted by the CBTT/Office of Technical Assistance, US Treasury.

77. With regard to the staffing of the FIU, this is addressed under Recommendation 26 in this report in relation to the autonomy of the FIU. In August 2011, Cabinet approved the strengthening of staffing complement of the FIU with the creation of a Compliance and Outreach Division which has a staff complement of seven (7). The Analytical Division of the FIU has an approved structure of six (6) analysts. During the period July to December 2012, the Analytical Division was fully staffed. A senior Legal Officer was also appointed. Additionally, renovation (compartmentalizing) of the office space of the FIU is currently ongoing.

78. No information on the staffing requirements and training needs of the DPP has been submitted for this follow-up report. Additionally, no information on AML/CFT training provided to staff of the FIB for the last half of 2012 has been received.

79. In 2012 the TTSEC made arrangements for six (6) members of staff to attend AML/CFT training. The enforcement arm of the Division of Legal Advisory and Enforcement has staff members with AML/CFT training. In addition the TTSEC has established a cross functional working group for AML/CFT issues and intends to begin development of a compliance unit during the course of 2013..

80. The authorities advise that the mandate of maintaining AML/CFT compliance with the FATF Recommendations was transferred from the SSA to the AML/CFT Compliance Unit of the Ministry of National Security in March 2010. The unit is staffed with a Director, Deputy Director, Legal Officer, Research Officer and Operations Officer. Members have completed training in the Certified Anti-Money Laundering Specialist (CAMs) designation and also attained the Florida International Bankers Association (FIBA) Anti-Money Laundering Certified Associate (AMLCA) qualifications. The staff members have attended various training sessions and conferences. No information regarding AML/CFT training received by staff members of the Compliance Unit for the last half of 2012 has been submitted for this report.

81. With regard to the recommendations concerning the training and shortage of staff at the Customs Division, the authorities advised in the previous report that staff members of the Customs and Excise Division had access to Certified Fraud Detection and Investigation training and also training in financial investigation. Additionally, the Customs and Excise Division had adequate training and internal capacity to carry out their functions. No information in relation to the numbers of staff trained in the specified areas or the total number of staff were provided for the last follow-up report or for this report.

82. With regard to staffing constraints faced by the Magistracy, the authorities submitted information that as of 2012 there were one (1) Chief Magistrate, one (1) Deputy Chief Magistrate, ten (10) Senior Magistrates and forty-five (45) Magistrates. No information as to whether this figure is an increase or decrease over former levels or whether the length of time for resolving cases has improved has been submitted to make an evaluation on effectiveness.

83. The above demonstrates that increased resources are being provided to the FIU along with appropriate AML/CFT training. There is need to provide more relevant information on the FIB, the Compliance Unit, the Magistracy and Customs Division for an evaluation of effectiveness.

Recommendation 31

84. With regard to the recommendation concerning the establishment of the legal framework necessary to formulate a National Anti-Money Laundering Committee as noted in previous follow-up reports an AML/CFT Committee was established in November 2010 and has been active in addressing issues of implementation of Trinidad and Tobago's AML/CFT regime, reviewing AML/CFT legislation, securing technical assistance and drafting AML/CFT policy among other functions. No information about the activities of the AML/CFT Committee during the period July to December 2012 has been forwarded for this report.

85. With regard to the recommendation for the introduction of MOU's between the CBTT, the TTSEC and the FIU, section 8(3) of the FIA 2008 allows the Central Bank to enter into MOU's with the Deposit Insurance Corporation, other regulatory bodies and the designated authority i.e. the FIU to share information. The Central Bank already has a multilateral MOU to share information with other regional regulators. The previous follow-up report noted that discussions on the formulation of an MOU with the FIU were ongoing. No further information on this matter has been submitted.

86. Section 19 of the SA provides for information sharing between TTSEC and the Central Bank, FIU or any other agency which exercised regulatory authority under law. It also permits information sharing with specified foreign entities. The authorities advise that discussions and drafting are in the advanced stages with a view to finalizing the MOUs between the TTSEC, the Central Bank and the FIU. In December 2012, the TTSEC submitted its re-application to IOSCO to become an A-List signatory to the IOSCO MOU which governs information sharing with appropriate measures for confidentiality. The TTSEC is currently awaiting feedback on the status of its application.

87. In relation to the recommendation for improved co-operation amongst law enforcement and other competent authorities, as noted in the previous report measures were in place to allow for the sharing of information between the FIU, the Criminal Tax Investigation Unit (CTIU), the Customs & Excise Division, the investigation of all reports sent by the FIU to the COP and the receipt of analysed reports from the FIU and the investigation and subsequent feedback by the Board of Inland Revenue (BIR).

88. As noted in the previous follow-up report consultations between the various law enforcement agencies are being held regularly. The first of such meetings was held in August 2011, with the FIB. For the period January to July 2012, the FIU, Customs, Immigration, DPP, FIB, Criminal Tax Investigations Unit and BIR held three meetings to discuss SARs and the coordination of work. Four similar meetings were held with the same agencies during the period July to December 2012.

89. Letters of Exchange/MOUs between law enforcement authorities have been drafted. The FIU and the Central Bank held their first meeting in August 2011 to discuss the approval of compliance programmes of financial institutions and proposed to have quarterly meetings of supervisory authorities. No additional information on these matters has been submitted for this report.

90. The examiners' recommended action also referred to cooperation amongst other competent authorities. Information with regard to this aspect of the recommended action has not been provided.

91. Concerning the last recommendation for the composition of the FIU to be expanded to include personnel from different relevant entities, in the October 2010 report the authorities advised that members of the Counter Drug and Crime Task Force had been transferred to the FIU and the FIB. The enactment of the FIUTTA and the formal establishment of the FIU have resulted in the development of hiring procedures which would not allow for the direct assignment of personnel from different relevant entities as set out in the recommendation. However, hiring practices as set out should result in the employment of appropriate staff. The above measures demonstrate substantial compliance with the examiners' recommendations with increased co-operation among law enforcement authorities and implementation of a National Anti-Money Laundering Committee.

Recommendation 32

92. There has been no change since the previous follow-up report in relation to the recommendation to review the effectiveness of the FIU systems to combat ML and FT. As indicated, section 9 of the FIUTTA requires the FIU to implement a system for monitoring the effectiveness of its anti-money laundering policies by maintaining comprehensive statistics on suspicious transaction or suspicious activity reports received and transmitted, money laundering investigations and convictions, property frozen, seized and confiscated and

international requests for mutual legal assistance or other cooperation. While the above provision did not include FT, section 3(f) of the MPFIU&ATA amends section 9 to incorporate financing of terrorism policies..

93. Statistics with regard to the operations of the FIB in 2012 have been submitted for this report. It should be noted that SARs submitted to the FIU are analyzed and intelligence reports based on these analyses are forwarded to the FIB as reflected in the table below. For the period July to December 2012, a breakdown of the activities of the FIB is presented in the following table.

Table 5: Activities of the FIB for the July to December 2012

Activities	Number
Intelligence reports received from FIU	11
Intelligence reports investigated	11
New ML investigations for the period	1
Non-SARs related investigations	14
On-going ML investigations	11
Assistance in external investigations	1
New cash forfeiture investigations	4
Ongoing forfeiture investigations	11
Ongoing cash forfeiture investigations	4

94. In addition to the above, the FIB reported four (4) cash seizures comprising TT$558,959 and negligible foreign currency and four (4) detention orders for the same cash, two (2) forfeiture orders and two (2) restraint orders. . The FIB also applied for nine (9) search warrants and twenty-four (24) production orders during the period July to December 2012. Of the twenty-five (25) investigations conducted by the FIB during the period , four (4) were submitted to the DPP for possible prosecution, four (4) lacked sufficient information or evidence and one(1) did not merit further investigation after review. Eight (8) matters concerning ongoing confiscation investigations were also referred to the DPP. Information on the money laundering prosecution begun in August 2012 has not been submitted for this report. .

95. While the Central Authority made no mutual legal assistance requests for the period July to December 2012, it received 4 such requests. Information as to the status of these requests has not been provided for this report.

96. In addition to the provision for the maintenance of statistics by the FIU, section 18(1) of the FIUTTA requires that annual reports on the performance of the FIU be prepared and submitted to the Minister within two months of the end of the financial year. The financial year end of the FIU is September, 30. The Annual Reports for 2010 and 2011 were published in January 2012 and the one for 2012 was submitted to the Minister of Finance in November 2012.

97. While section 9 of the FIUTTA requires the FIU to implement a system for monitoring the effectiveness of its anti-money laundering policies by maintaining comprehensive statistics on suspicious transaction or suspicious activity reports received and transmitted, money laundering investigations and convictions, property frozen, seized and confiscated and international requests for mutual legal assistance or other cooperation, it is noted that the Annual Reports only contained information on suspicious transaction or suspicious activity reports received and transmitted . While the provisions address the FIU, the examiners' recommended action refers to tangible results from other relevant stakeholders in the system. The authorities advised in a previous follow-up report that the office of the DPP generates an annual report that is statistically based. No figures from this report have ever been presented for the follow-up reports.

98. For the period July to December 2012, the Customs and Excise Division sent information on eight hundred and ninety-four (894) currency declaration forms to the FIU, provided assistance in fiver (5) investigations, comprising two (2) foreign and three (3) local. During the same period three (3) detention orders were served and eight (8) charges laid for making a false declaration and six (6) charges for importation/exportation of concealed goods. Additionally, two (2) SARs were disseminated by the FIU to the Customs and Excise Division,

99. The following table was submitted to show the number of incoming and outgoing requests received and sent by the FIU for the period July to December 2012.

Table 6: No of requests received and sent by FIU from July to December 2012

Type of Agency	No. of Incoming Requests	No. of Outgoing Requests
Local LEAs	75	15
Local FIs and DNFBPs	0	297
Foreign FIUs	11	2
Foreign LEAs	4	2
Total	90	316

100. Information pertaining to the nature of the request and the time required to respond would have to be provided in order to assess the effectiveness of co-operation. Information on the number of SARs submitted to the FIU and a breakdown of the types of reporting entities can be found in the section of this report dealing with Rec. 13. Information about on-site examinations conducted by the FIU is reported under Rec. 23.

101. No information was provided in the last follow-up report with regard to the examiners' recommended action that measures be instituted to review the effectiveness of Trinidad and Tobago's ML and TF systems. The situation remains unchanged.

102. The Central Bank has conducted six (6) on-site inspections for the period July to December 2012, two (2) each in the banking and insurance sectors, one (1) on a credit institution and another on a bureau de change. These figures are double those reported for the first six months of 2012 and are therefore an improvement.

103. No information was provided in the last follow-up report or has been provided for this report on the examiners' recommended action for a review of the effectiveness of the systems for AML/CFT extradition cases. At present, the above statistics demonstrate implementation on the part of the FIU, the FIB, the CBTT and the Customs and Excise Division. Further information with regard to certain details of the submitted statistics as referred above should be forwarded in future reports. There is also the need to submit information with regard to measures instituted to review the effectiveness of Trinidad and Tobago's ML and TF systems. While the level of compliance has improved it has not become largely compliant.

Recommendation 33

104. The situation remains unchanged from the previous report with regard to the recommendation for a comprehensive review to determine ways to ensure that adequate and accurate information on beneficial owners can be available on a timely basis. .In the previous follow-up report, the authorities advised that the FIU and the Registrar General's Office had entered into a MOU making the exchange of information in respect of beneficial owners easier and accessible on a timely basis. Furthermore, the Registrar General had computerized its information system thereby making access to information easier. Additionally, the authorities advised that the FIB is also able to access information from the Registrar General's Office by virtue of an MOU. The Central Bank has online access to the Companies Registry. While these measures should allow for easier access by the FIU, FIB and the Central Bank to information held by the Registrar General, there has been no report on the situation with regard to the access of other competent authorities.

105. It is also noted that no information has been submitted with regard to any measures to ensure that the information held by the Registrar General's Office on beneficial ownership and control of legal persons is adequate, accurate and current. As such this recommendation remains largely outstanding.

Recommendation 34

106. The only recommended action for Rec. 34 required the Trinidad and Tobago authorities to take steps to implement a mechanism to prevent the unlawful use of legal arrangements in relation to money laundering and terrorist financing by ensuring that its commercial, trust and other laws require adequate transparency concerning the beneficial ownership and control of trusts and other legal arrangements.

107. It was noted in the follow-up report of October 2010, that regulations in the FOR would require all financial institutions and listed businesses to identify and verify the identities of the parties to a trust. Trust service providers are included in listed businesses and are therefore required to comply with the above provisions. However, as noted in the section of this report dealing with Rec. 12 trust and company service providers, acting as (or arranging

for another person to act as) a trustee of an express trust and the creation, operation or management of legal persons or arrangements by accountants, attorneys at law and independent legal professionals are not included as part of the activities subject to AML/CFT obligations. As such, while financial institutions are required to maintain information on the beneficial ownership and control of trusts and other legal arrangements, such requirements are not applicable to accountants, attorneys at law, independent legal professionals and trust and company service providers.

108. The authorities have advised that an amendment to the First Schedule of POCA to deal with above issue is to be proposed and the Compliance Unit was preparing the policy for the approval of Cabinet by November 2012. No information on the current status of this matter was submitted for this report. As such adequate transparency concerning the beneficial ownership and control of trusts and other legal arrangements has only been partially met.

Special Recommendation VI

109. As noted in the previous follow-up reports, money or value transfer service operators were included as listed businesses in POCAA and therefore subject to the same AML/CFT requirements as financial institutions. Additionally, it was reported that the Central Bank was responsible for licensing and supervising money remitters and that an appropriate framework was being developed. The authorities advised that a regulatory and supervisory framework for money remitters was in an advance stage of development.

110. With regard to the examiners' recommended action requiring the implementation of a system of monitoring money transfer companies, the authorities advised that the Central Bank conducted AML/CFT on-site examinations on cambios and that money remitters were registered with the FIU as the POCAA includes remittance business as listed businesses. The Central Bank revised its AML/CFT Guidelines to include sector specific guidance to cambios. It was indicated that the Central Bank had acquired the services of a technical expert from the Office of the Technical Assistance, United States Department of the Treasury to assist with the finalizing and implementation of a regulatory framework for money remitters and a supervisory framework for insurance brokers, cambios and money remitters. The Central Bank has developed draft AML/CFT regulations and licensing guidelines for money remitters. During the period July to December 2012, the Central Bank inspected one (1) bureau de change and the FIU one money remitter. While the above figures demonstrate the start of onsite AML/CFT inspections of cambios and money remitters by the Central Bank and the FIU, the low number raises concern about effectiveness. The authorities should attempt to improve the figures in future to demonstrate ongoing effective implementation.

111. The other outstanding recommendations requiring money transfer companies to maintain a current list of agents and the authorities to implement measures set out in the Best Practice Paper for SR VI remain as reported in the follow-up report dated October 2010.. At the time authorities advised that the National Anti-Money Laundering Committee and the Compliance Unit of the Ministry of National Security were reviewing them and would be proposing an appropriate amendment.

IV. Conclusion

112. As noted in the last Follow-Up Report, the measures put in place since the Fifth Follow-Up Report, have dealt with the continuing efforts of the FIU to achieve effective operations and implement a supervisory regime for DNFBPs through identifying and registering listed business and commencing an on-site inspection function. While these measures have been put in place, some of them are problematic, such as the supervisory function of the FIU which from the start is ineffective given present resources and the number of listed businesses. It is also noted that there is no initiative with regard to measures for ensuring that criminal elements are not involved in the ownership or management of private members clubs which conduct casino operations.

113. The main development noted for this report is the enactment of the SA thus providing for the implementation of an AML/CFT supervisory regime by the TTSEC for the securities industry. The provisions of the SA enhance the level of compliance of Recs. 4, 17, 23, 29, 31, and 40. It is expected that information with regard to the implementation of the AML/CFT supervisory system will be submitted in future reports.

114. Statistics have been submitted in relation to MLAT requests, international exchange of information, on-site AML/CFT inspections, and money laundering investigations, cash seizures, restraint orders and STR reporting. These demonstrate continuing implementation in the areas of international co-operation and the functions of the law enforcement authorities and the Central Bank. .

115. As noted in the last follow-up report, developments with the Credit Union Bill have slowed and it is still outstanding. This is particularly important in relation to supervision for compliance with AML/CFT obligations for credit unions. Finally while a confiscation/forfeiture regime with regard to terrorist financing has been legally established, there is need to demonstrate implementation. Based on the foregoing it is recommended that Trinidad and Tobago remain on expedited follow-up and be required to report back to the Plenary in November 2013.

Matrix with Ratings and Follow Up Action Plan 3rd Round Mutual Evaluation
Trinidad and Tobago

Forty Recommendations	Rating	Summary of factors underlying rating	Recommended Actions	Undertaken Actions
Legal systems				
1.ML offence	NC	• For money laundering offences the POCA only recognizes property as being the proceeds of crime where a person has been convicted of a predicate offence. • Terrorism, including terrorist financing and piracy is not covered under Trinidad and Tobago legislation as predicate offences; • Predicate offences for ML do not extend to conduct occurring in another jurisdiction that would have constituted an offence had it occurred domestically. • The Mission concluded that AML offences are not effectively investigated, prosecuted and convicted. There were no ML convictions to date of the on site visit. • The money laundering legislation does not appear to be effective as there have been no convictions in 6 years.	• Consider defining the term money laundering in the POCA and also, for completeness sake, broadening the scope of section 43 beyond drug trafficking to include "or a specified offence". • Terrorism, including terrorist financing, and piracy should be covered under Trinidad and Tobago legislation.	• The examiners' recommendation regarding the definition of the term money laundering being included in the Proceeds of Crime Act, 2000 (POCA) and broadening the scope of section 43 beyond drug trafficking to include "a specified offence" has been incorporated in the POCAA. • Section 43 of the Proceeds of Crime Act 2000 is amended by deleting the words "drug trafficking" and substituting the words "a specified offense", thereby broadening the scope of section 43 beyond drug trafficking. Accordingly, Section 43 of Proceeds of Crime Act 2000 has been amended by virtue of Section 22 of the Proceeds of Crime (Amendment) Act 2009 and states the following: • *"A person is guilty of an offence who conceals, disposes, disguises, transfers, brings into Trinidad and Tobago or removes from Trinidad and Tobago and money or other property knowing or having reasonable grounds to suspect that the money or other property is derived, obtained or realized, directly or indirectly from a specified offence"* • A specified offence has been defined in the POCAA to include an indictable offence and any act committed or omitted to be done outside of Trinidad and Tobago. • With regard to piracy, section 2 of the Criminal Offences Act Chapter 11:01 states that every offence which if done or committed in England, would amount to an offence in common law shall, if done or committed in Trinidad and Tobago, be taken to be an indictable offence and shall be punished in the same manner as it would be in England, under or by virtue of any special or general statute providing for the punishment of such offence, or if there be no such statute, by

				common law. In the UK, piracy is criminalized as the common law offence of piracy jure gentium and under section 2 of the Piracy Act 1837 as noted in the UK MER. In accordance with section 2 of the Criminal Offences Act, these provisions make piracy an indictable offence in Trinidad and Tobago. Additionally, section 6 of the Civil Aviation (Tokyo Convention) Act Chapter 11:21 provides for the jurisdiction of a Court in Trinidad and Tobago with respect to piracy committed on the high seas to be extended to piracy committed by or against an aircraft. • The financing of terrorism is criminalized under Section 22A. (1-4) of the Anti-Terrorism (Amendment) Act,2010 as follows: *22A. (1) Any person who by any means, directly or indirectly, willfully provides or collects funds, or attempts to do so, with the intention that they should be used or in the knowledge that they are to be used in whole or in part-* *(a) in order to carry out a terrorist act; or* *(b) by a terrorist; or* *(c) by a terrorist organisation, commits the offence of financing of terrorism.* *(2) An offence under subsection (1) is committed irrespective of whether –* *(a) the funds are actually used to commit or attempt to commit a terrorist act;* *(b) the funds are linked to a terrorist act ; and* *(c) the person alleged to have committed the offence is in the same country or a different country from the one in which the terrorist or terrorist organisation is located or the terrorist act occurred or will occur.* *(3) A person who contravenes this section commits an offence and is liable on conviction on indictment –* *(a)in the case of an individual, to imprisonment for twenty five years; or* *(b) in the case of a legal entity, to a fine of two million dollars.* *(4) A director or person in charge of a legal entity*

				who commits an offence under this section is liable on conviction on indictment be to imprisonment for twenty-five years
			• Predicate offences for ML in the POCA should also be extended to conduct occurring in another jurisdiction that would have constituted an offence had it occurred domestically.	• Predicate offences for money laundering under the POCA no.55 of 2000 are extended to conduct occurring in another jurisdiction that would have constituted an offense had it occurred domestically by expanding the meaning of specified offence under section 5 (g) to include, among other things; Any act committed or omitted to be done outside of Trinidad and Tobago which would constitute an indictable offence in Trinidad and Tobago;
			• Include in the POCA that where it is proven that property is obtained from the proceeds of crime it should not be necessary that a person be convicted of a predicate offence in order for the court to make a confiscation order in relation to such property.	• POCA as drafted meets the perceived deficiency. This conclusion is based on the fact that confiscation of proceeds can only occur on the basis of conviction for a specified offence. While this procedure does recognize proceeds of crime on the basis of a conviction, this is only absolutely necessary for confiscation purposes. • Sections 18 to 20 of POCA allows for restraint and charging orders to be made against realizable property prior to a person being charged with an offence under POCA. There is no specific provision in POCA requiring conviction of a specified offence as a pre-condition for the application for a restraint or charging order to be made against realizable property i.e. criminal proceeds. Applications for such orders are required to be supported by affidavits which may contain statements of information or belief with sources and grounds. • The above provisions would suggest that for money laundering offences under POCA it is not necessary that a person be convicted of a predicate offence to recognize property as being the proceeds of crime and thereby dealing with the deficiency which forms the basis for the recommended action. • The Trafficking in Persons Act was assented to on the 9th June 2011. This Act gives effect to the UN Protocol to Prevent, Suppress and Punish

				Trafficking in Persons, Especially Women and Children, Supplementing the UN Convention Against Transnational Organized Crime. This Act will now make the trafficking in persons a specified offence and is therefore a predicate offence to money laundering. See Appendix 1 No further action is required under this recommendation. Statistics in respect of ML are addressed in recommendation 10 and the attached appendices.
2.ML offence – mental element and corporate liability	PC	• There is no dissuasive criminal or administrative sanctions for money laundering against a company directly • The Mission concluded that AML offences are not effectively investigated, prosecuted and convicted. There were no ML convictions up to date of the on site visit.	• Fast track the Proceeds of Crime (Amendment) Bill 2005, which will seek to strengthen the application of the POCA. • Introduce the Financial Obligations Regulations to strengthen their AML regime.	• The Proceeds of Crime (Amendment) Act 2009 came into effect on 9th October, 2009 • The Financial Obligation Regulations were made by the Minister of Finance in January 2010.There is dissuasive criminal or administrative sanctions for money laundering against a company directly. • The corresponding underlying deficiency identified by the examiners in respect of a lack of dissuasive criminal or administrative sanctions for money laundering against a company directly has been addressed. • Section 68(3) of the Interpretation Act provides that where in any written law more than one penalty linked by the word "and" is prescribed, the penalties can be imposed alternatively or cumulatively. This provision therefore allows for the imposition of the stipulated fines in the penalties in POCA separately on companies. The penalties applicable under the POCAA through amendment of section 53(1) are for offences under sections 43, 44, 45 and 46 of POCA on conviction on indictment to a fine of twenty-five million TT dollars approximately US$3,950,000 and imprisonment for fifteen years and for offences under section 51 on summary conviction to a fine of five million TT dollars approximately US$790,000 and imprisonment for five years and offences under section 52 to a fine of TT$250,000 approximately US$39,500 and

				imprisonment for three years. No further action is to be taken under this recommendation. Statistics are included in recommendation 10 and the attached appendices.
3. Confiscation and provisional measures	PC	• Confiscation is limited to persons convicted of predicate offence. Therefore, the courts cannot make a confiscation order where the property in question is found to be the proceeds of crime unless there is a conviction with respect to such property (s. 3 of POCA). • Provision for confiscation under the POCA is not widely used/implemented. There has been no confiscation of assets under POCA for ML offences. • Law enforcement agencies are limited in their powers to obtain production orders and search warrants under POCA in order to identify and trace property that may become subject to confiscation. Such orders can only be obtained for offences under the Dangerous Drug Act or Part 2 of POCA (ML offences) [pursuant to the definition of "specified offence" contained in section 2 of the POCA].	• The T&T authorities should consider expanding/widening the scope of offences that are subject to production orders and search warrants by expanding the definition of a "specified offence" contained in section 2(1) of the POCA.	• The definition of "a specified offence" in section 2 of POCA has been amended to include as noted above, an indictable offence thereby extending the range of offences subject to production and search orders. The scope of offenses that are subject to production orders and search warrants has been widened by expanding the definition of "specified offense" under section 2 POCA no55 2000. "Specified offence" now means: *(a) an indictable offence committed in Trinidad and Tobago whether or not the offence is tried summarily; No. 10 Proceeds of Crime (Amendment) 2009 5* *(b) any act committed or omitted to be done outside of Trinidad and Tobago, which would constitute an indictable offence in Trinidad and Tobago; or* *(c) or an offence specified in the Second Schedule.";* It is submitted that under this recommendation confiscation without conviction is an additional element. At this point in time there is no civil forfeiture regime in Trinidad and Tobago. However the utility of implementing a civil forfeiture regime in Trinidad and Tobago is actively being researched by the Compliance Unit of the Ministry of National Security. The ICRG has accepted the legal opinion in respect of this matter and is no longer a deficiency. At the March 2012 meeting of the NAMLAC consideration was given to the implementation of a civil forfeiture system. The AML/CFT Committee

				directed the Compliance Unit to conduct further research on the suitability of two civil forfeiture regimes within the constitutional framework of Trinidad and Tobago. This research is on-going.
Preventive measures				
4. Secrecy laws consistent with the Recommendations	PC	▪ While most of the competent authorities have access to information, there are no measures allowing for the sharing of information locally and internationally. ▪ There are no measures for the sharing of information between financial institutions as required by Recommendations 7 and 9 and Special Recommendation VII.	• The mission recommends that the relevant competent authorities in Trinidad and Tobago be given the ability to share locally and internationally, information they require to properly perform their functions.	▪ Section 8 of the Financial Intelligence Unit of Trinidad and Tobago Act No. 11 of 2009, facilitates efficient execution of information sharing duties on the part of the competent authorities of Trinidad and Tobago. The sharing of information is achieved at the domestic and international level. This will be elaborated upon. Please see Appendix 1 for the number of requests received and sent by the FIUTT for the period July – December, 2012. ▪ Section 8 (3) (e) of Act no. 11 2009, empowers the FIU to engage in the exchange of financial intelligence with members of the Egmont Group ▪ Section 8 (3) (f) of Act no. 11 2009, empowers the FIU to disseminate at regular intervals, financial intelligence and information to local and foreign authorities and affiliates within the intelligence community, including statistics on recent money laundering practices and offences. • Sec 26. of the FIU Act 2009 states 'Notwithstanding any other law pertaining to the disclosure of personal information, the power of the FIU to collect, disseminate or exchange information under this Act, shall prevail. This in effect overrides any existing law regarding disclosure of information and ensures that the FATF recommendations can be implemented without inhibition • Section 8(2) of the Financial Institutions Act empowers Central Bank of Trinidad and Tobago to engage in information sharing practices with international regulatory bodies as well as the

			▪ It is recommended to amend the legislation to specifically require that no financial institution secrecy law will inhibit the implementation of the FATF Recommendations (or a similar requirement).	designated authority i.e. the FIU under Proceeds of Crime Act No 55 of 2000. Similar sharing of information provisions have been included in the new Insurance Bill and the draft Credit Union Bill. • Section 6 of the Insurance Act 1980 was amended by the Insurance Amendment Act of 2009 to facilitate sharing of information with any local or foreign regulatory agency or body that regulates financial institutions for purposes related to that regulation. • The **Securities Act, 2012,** No. 17 of 2012 was proclaimed on December 31, 2012. This Act provides protection to investors from unfair, improper or fraudulent practices; foster fair and efficient securities markets and confidence in the securities industry in Trinidad and Tobago and reduce systemic risk. Please see attached at Appendix II for the Securities Act 2012.
5.Customer due diligence	NC	• None of the CDD requirements are included in legislation, regulations or other enforceable means and existing requirements are only applicable to financial institutions supervised by the CENTRAL BANK OF T&T.	• The T&T authorities may wish to consider to set out measures in laws or implementing regulations with sanctions for non-compliance for the following: • Financial institutions should not be permitted to keep anonymous accounts or accounts in fictitious name • Financial institutions should be required to undertake customer due diligence measures when establishing business relations, carrying out occasional or linked transactions above US 15,000, carrying out occasional wire transfers as covered in Special__Recommendation VII, when there is suspicion of ML or FT regardless of exemptions or amounts, and when there is doubt about the veracity or adequacy of previously obtained customer identification data.	• Regulation 19 (1) of the Financial Obligation Regulations, 2010, prohibits the keeping of anonymous accounts or accounts in fictitious names by financial institutions. Such institutions are compelled to identify and record the identity of customers. • Regulation 11 (1) of the Financial Obligation Regulations, 2010, requires financial institutions to apply customer due diligence procedures in the following instances: (a) pursuant to an agreement to form a business relationship; (b) as a one-off or occasional transaction of ninety thousand dollars or more; (c) as two or more one-off transactions, each of which is less than ninety thousand dollars but together the total value is ninety thousand dollars

\			**Error! Hyperlink reference not valid.** • Financial institutions should be required to identify the customer (whether permanent or occasional, and whether natural or legal persons or legal arrangements) and verify that customer's identity using reliable, independent source documents, data or information.	or more and it appears, whether at the outset of each transaction or subsequently that the transactions are linked; or (d) as a one-off or occasional wire transfer of six thousand dollars or more or two or more one-off transactions, each of which is less than six thousand dollars, but together the total value is six thousand dollars or more and it appears, whether at the outset of each transaction or subsequently that the transactions are linked, • Additionally sub regulation (11)(2) specifies that whenever a financial institution or listed business has reasonable grounds to suspect that the funds used for a transaction are or may be the proceeds of money laundering or any other specified offence, procedures and policies identified in the regulation should be applied. The procedures and policies referred to are requirements for customer due diligence as detailed in Part III of the FOR. • Regulation 11(2) does not deal explicitly with terrorist financing as required by E.C. 5.2, however the term specified offence with its definition in POCA including an indictable offence would incorporate terrorist financing. • The threshold of TT$90,000 for occasional transactions and TT$6,000 for occasional wire transfers are equivalent to US$14,285 and US$950 respectively. The stipulated thresholds are within the Methodology limits of US$15,000 and US$1,000. • With regard to the remaining requirement for customer due diligence whenever financial institutions have doubts about the veracity or adequacy of previously obtained customer identification data, regulation 18(1) of the FOR which requires financial institutions and listed businesses to perform due diligence procedures when there is doubt about the veracity of any information previously given by a customer, complies with the requirement.

				• The recommendation for financial institutions to identify the customer and verify that customer's identity using reliable, independent source documents is incorporated in regulation 11(3) which requires evidence of the identity of the customer in accordance with the compliance program established under regulation 7(a). This regulation requires that procedures governing customer identification, documentation and verification of customer information and other customer due diligence measures form part of a financial institution and listed business' compliance program. Specific information and documentation requirements for individuals, corporate entities and trust fiduciaries are detailed in regulations 15, 16 and 17. Regulation 15 requires full name, address and proof thereof, date and place of birth, nationality, nature and place of business/occupation where applicable, occupational income, purpose of proposed business relationship or transaction and source of funds and any other appropriate information. A valid photo identification document is also required as well as a bank reference for foreign customers. Only certified copies of unavailable original documents are acceptable.
			• Financial institutions should be required to verify that any person purporting to act on behalf of a legal person or legal arrangement is so authorised, and identify and verify the identity of that person.	• Regulation 16 outlines the requirements for business customers. It is noted that regulation 16 states that the requirements in regulation 15 shall also be applicable to a business customer. Additionally, the regulation requires financial institutions and listed businesses to verify the identity of the directors and other officers of a company, partners of a partnership, account signatories, beneficial owners and sole traders by means of documentary evidence. Thus, Financial institutions and listed businesses are also required to obtain; - Certificates of Incorporation or Certificates of Continuance - Articles of Incorporation - Copy of the by-laws, where applicable - Management accounts for the last three years for self-employed persons and

				businesses in operation for more than three years - Information on the identity of shareholders holding more than ten per centum of the paid up share capital - Where management accounts are not available, other forms of proof of the integrity of the source of funds to be used for transactions can be requested. • With regard to trustees, nominees or fiduciary customers, regulation 17 stipulates in addition to the requirements outlined in regulation 15, financial institutions or listed businesses must obtain evidence of the appointment of the trustees by means of a certified copy of the Deed of Trust, information on the nature and purpose of the trust and verification of the identity of the trustee. Trustee in this regulation is defined to include the settlor, protector, person providing the trust funds, controller or any person holding power to appoint or remove the trustee. • The criterion for financial institutions to verify that any person purporting to act on behalf of a legal person or legal arrangement is so authorized, and identify and verify the identity of that person forms part of the customer due diligence (CDD) procedures for customers who are legal persons or legal arrangements. This criterion is addressed in regulation 12(2), which states that where a beneficial owner or customer is a legal person or where there is a legal arrangement, the financial institution or listed business shall: • verify that any person purporting to act on behalf of the legal person or legal arrangement is so authorized and identify and verify the identity of that person; • verify the legal status of the legal person or legal arrangement;

				• understand the ownership and control structure of the legal person or legal arrangement; and • determine who are the natural persons who have effective control over a legal person or legal arrangement. • Legal arrangement has been defined for this regulation to include an express trust in accordance with the Methodology. • In relation to the examiners' recommendation concerning the identification of beneficial owners, regulation 12(1) states that a financial institution or listed business should record the identity of the beneficial owner of any account held at the financial institution or listed business or potential account and shall request original identification documents, data or other information from an applicant for business. Additionally, regulation 19(2) requires where a new account is opened or a new service is provided by a financial institution and the customer purports to be acting on his own behalf but the financial institution suspects otherwise, the institution shall verify the true identity of the beneficial owner and if not satisfied with the response, it should terminate relations with the customer. Beneficial owner is defined as a person who ultimately owns and controls an account or who exercises ultimate control over a legal person or arrangement. • The Compliance Unit has noted that regulation 19(2) refers only to financial institution and does not include listed businesses which would cover DNFBPs. This is a drafting error and a submission will be made to the Office of the Attorney General to correct this. Discussions were held by the Supervisory Working Group of the National AML/CFT Committee on this issue. It was concluded that this regulation should

				include listed businesses. Consideration will also be given to adding a requirement to report the anonymous accounts or accounts in fictitious names to the Compliance Officer whom shall consider whether a suspicious activity report be submitted to the FIU. It was also concluded that the Financial Obligations Regulations (FOR) need to be revised to address other areas of concern raised by the Examiners and accordingly a comprehensive review of the FOR is now being undertaken. It is anticipated that this will be completed by October 2012. • The examiners' recommendation that financial institutions should be required to determine the natural persons who ultimately own or control customers that are legal persons or legal arrangements is met by regulation 12(2)(d). (above). • With regard to the examiners' recommendation for financial institutions to conduct due diligence on business relationships regulation 12 (3) requires a financial institution to conduct on going due diligence on or continuous review of the business relationship and monitor transactions undertaken during the course of the relationship, to maintain up to date records of information and ensure consistency with their business and risk profile and where necessary its source of funds.. • Regulation 11 (5) specifies measures that should be taken when there is doubt about the veracity or adequacy of previously obtained customer identification data. In such cases the Financial Institution or listed business is compelled to discontinue the transaction and report same to the Compliance Officer in accordance with Regulation 7 (1) (b), (c) and (d). • Regulation 7 speaks of the following:

			• Financial institutions should be required to identify the beneficial owner, and take reasonable measures to verify the identity of the beneficial owner using relevant information or data.	(a) procedures governing customer identification, documentation and verification of customer information, and other customer due diligence measures. (b) methods for the identification of suspicious transactions and suspicious activities (c) guidelines for internal reporting of suspicious transaction and suspicious activities (d) guidelines for adopting the risk-based approach to monitoring financial activity. This includes categories of activities or business that are considered to be of a high risk. • Regulation 12 (2) considers that where the beneficial owner of an account is a legal person or a person acting pursuant to a legal arrangement, the Financial Institution or listed business shall: (a) verify that any person purporting to act on behalf of the legal person or legal arrangement is so authorized and identify and verify the identity of that person; (b) verify the legal status of the legal person or legal arrangement; (c) understand the ownership and control structure of the legal person or legal arrangement; and (d) Determine who are natural persons who have effective control over a legal person or legal arrangement. Note that for the purpose of this Regulation, "beneficial owner" means the person who ultimately owns and controls an account, or who exercises ultimate control over a legal person or arrangement. Regulation 15 of the Financial Obligation Regulations, 2010, states that relevant identification records shall be obtained by the Financial Institution or listed business upon the initiation of a business relationship. The detailed information to be recorded are as follows: (a) full name of the applicant(s) (b) permanent address and proof thereof (c) date and place of birth (d) nationality (e) nature and place of business/ occupation where applicable, occupational income (f) signature (g) purpose of the proposed business relationship or transaction or source of funds

			• Financial institutions should be required to determine the natural persons who ultimately own or control customers that are legal persons or legal arrangements. • Financial institutions should be required to conduct due diligence on the business relationship. • The T&T authorities may set out the following measures in laws, regulations or enforceable guidelines with sanctions for non-compliance: Financial institutions should be required to implement the other criteria of Recommendation 5 concerning remaining CDD measures, risk, timing of verification, failure to satisfactorily complete CDD and existing customers	(h) any other information deemed appropriate by the Financial Institution or listed business. • The following points are noteworthy: - a valid photo bearing identification shall be subject to scrutiny. For this purpose, identification documents may include a passport, a national identification card or a license to drive a motor vehicle. - where the above documents are not available in its original form, copies shall be acceptable only where they are certified. Further identification documents, which are easily obtainable (example birth certificates) shall not be accepted as a sole means of identification. - where there is foreign customer involvement reference shall be sought from the foreign customer's bank. • Section 10 of the FIA 2008 allows the Central Bank to issue guidelines to aid compliance in POCA, Anti-Terrorism Act 2005 and the FOR 2010. Section 12 of the FIA allows the Central Bank to take action, for example, issue of compliance directions, for contravention of any guidelines issued under Section 10. Non-compliance with a compliance direction is an offence. • Section 65 of the Insurance Act 1980 as amended by the Insurance Amendment Act of 2009 allows the Central Bank to issue compliance directions to an insurer, intermediary, controller, officer, employee or agent for inter alia that has violated or is about to violate any of the provisions of any law or Regulations made thereunder; if it has failed to comply with any measure imposed by the Central Bank in accordance with the Act or Regulations; or if committing or pursuing unsafe and unsound practices. Consequently, the Central Bank can issue compliance directions to an insurer or intermediary for non-compliance with AML/ CFT requirements. A person who fails to comply with a compliance direction is liable on summary conviction to a fine of $5 million. • Part VII of the Financial Obligation Regulations, 2010, addresses the issue of penalties. Regulation

				42 states that where a financial institution or listed business fails to comply with specific mandatory obligations (as outlined below), it shall be subject to penalties. These penalties are provided for by virtue of Section 57 (1) of the Proceeds of Crime Act No.55 of 2000, and carries the effect of imposing sanctions on any person who knowingly contravenes or fails to comply with the provisions. o These mandatory obligations are as follows: Regulation 3 makes the designation of a compliance officer mandatory. Detailed guidance regarding associated procedure is provided by the various sub-regulations. o Regulation 7 makes the establishment of a compliance programme mandatory. Detailed guidance regarding measures and guidelines to be included in such a compliance programme is provided in the sub-regulations. o Regulation 8 makes internal reporting mandatory. Detailed guidance regarding the precise rules which should underpin this exercise is provided in the sub-regulations that follow. o Part III of the Financial Obligation Regulations, 2010, makes customer due diligence practice mandatory. o Part IV of the Financial Obligation Regulations, 2010, provides for customer due diligence provisions that are applicable to the insurance sector. o Part V of the Financial Obligation Regulations, 2010, makes sound and reliable record-keeping practice mandatory. o Regulation 8 (2) of the Financial Obligation Regulations, 2010, states that the Financial Institution or listed business shall also ensure that the compliance officer and other employees, have timely access to customer identification data and other records and relevant information, to enable them to produce reports in a timely manner. o Part III of the Financial Obligation Regulations, 2009, addresses the

				application of customer due diligence in all ascertainable customer categories encompassed within the overall spectrum of customers.
6.Politically exposed persons	NC	• None of the requirements are included in legislation, regulations or other enforceable means and existing requirements are only applicable to financial institutions supervised	• Financial institutions should be required to put in place appropriate risk management systems to determine whether a potential customer, a customer	• Regulation 20 of the Financial Obligation Regulations, 2010, 20. (1) defines "politically exposed person" as a person who is or was entrusted with important public functions in a
		• by the CENTRAL BANK OF T&T.	• or the beneficial owner is a PEP.	• foreign country such as — (a) a current or former senior official in the executive, legislative, administrative or judicial branch of a foreign government, whether elected or not; (b) a senior official of a major political party; (c) a senior executive of a foreign government-owned commercial enterprise; (d) a senior military official; (e) an immediate family member of a person mentioned in paragraphs (a) to (d) meaning the spouse, parents, siblings or children of that person and the parents, siblings and additional children of the person's spouse; and (f) any individual publicly known or actually known to the relevant financial institution to be a close personal or professional associate of the person mentioned in paragraphs (a) to (d). • In particular, the following sections are noteworthy: o Regulation 20(2) of the Financial Obligation Regulations, 2010 ensures that appropriate measures shall be put in place on the part of the financial institution or listed business to ascertain whether an applicant is in fact a Politically Exposed Person. o Regulation 20(3) of the Financial Obligation Regulations, 2010 imposes mandatory obligation to impose Enhanced Due Diligence Procedures when dealing with a politically exposed person. • The sub-regulations provide detailed guidance

				regarding the various groups of persons that may be deemed high-risk and may warrant the application of customer due diligence procedures. • In addition, Section 12.3.2 of the Central Bank's Guideline on Anti-Money Laundering and the Combating of Terrorist Financing suggests that financial institutions should consider extending enhanced due diligence to persons considered local PEPs in addition to foreign PEPs. See Appendix I for the Central Bank of Trinidad and Tobago Guidelines on AML/CFT
			• Financial institutions should be required to obtain senior management approval for establishing or continuing business relationships with a PEP. • Financial institutions should be required to take reasonable measures to establish the source of wealth and funds of PEPs • Financial institutions should be required to conduct enhanced ongoing monitoring of business relationships with PEPs.	• Regulation 20 (4) of the Financial Obligation Regulations, 2010, stipulates that before entering into a business relationship with a politically exposed person, a financial institution or listed business must obtain the permission of a senior management official within the said institution. • Regulation 20 (5) of the Financial Obligation Regulations, 2010, stipulates that where the institution or business has entered into a business relationship with the politically exposed person, reasonable measures should be taken to ascertain the source of wealth. • Regulation 20 (5) of the Financial Obligation Regulations, 2010, stipulates that where the institution or business has entered into a business relationship with the politically exposed person, it shall conduct enhanced on-going monitoring of that relationship. No further action is to be taken under this recommendation
7.Correspondent banking	NC	• None of the requirements are included in legislation, regulations or other enforceable means and existing requirements are only applicable to financial institutions supervised by the CENTRAL BANK OF T&T.	• Financial institutions should be required to gather sufficient information about a respondent institution to understand fully the nature of the respondent's business and to determine the reputation of the institution and the quality of the supervision,	• Regulation 21 (2) (a) of the Financial Obligation Regulations, 2010, imposes mandatory obligations upon a correspondent bank to collect sufficient information about its respondent bank to understand fully the nature of the business which it is required to undertake and shall only establish correspondent accounts with a foreign bank, after determining that it is effectively

				supervised by the competent authorities in its
			• including whether it has been subject to a ML or TF investigation or regulatory action.	• Regulation 21 (4) states that A correspondent bank shall also ascertain whether the respondent bank has been the subject of money laundering investigations or other regulatory action in the country in which it is incorporated or in any other country. It is to be noted that this provision does not include terrorist financing investigations; however this will be addresses in Anti-Terrorism Regulations. The policy in respect of the Anti-Terrorism Regulations is to be presented to Cabinet and when approved thereafter they will be drafted.
			• Financial institutions should assess the respondent institution's AML/CFT controls, and ascertain that they are adequate and effective.	• Regulation 21 (2) (b) of the Financial Obligation Regulations, 2010, imposes mandatory obligations obligation upon a correspondent bank to collect sufficient information about its respondent bank to assess the anti-money laundering controls of the respondent bank.
			• Financial institutions should obtain approval from senior management for establishing new correspondent relationships.	• Regulation 21 (3a) of the Financial Obligation Regulations, 2010, imposes mandatory obligations on a correspondent bank to obtain approval from senior management before establishing new correspondent relationships.
			• Financial should document the respective AML/CFT responsibilities of each institution in the correspondent relationship.	• Regulation 21 (3b) of the Financial Obligation Regulations, 2010, imposes mandatory obligation on a correspondent bank to record the respective responsibilities of the correspondent and respondent banks.
			• In the case of "payable-through accounts", financial institutions should be satisfied that the respondent institution has performed all the normal CDD measures set out in Rec. 5 on customers using the accounts of the correspondent and the respondent institution is able to provide relevant customer identification data upon request to the correspondent.	• Regulation 21 (3d) of the Financial Obligation Regulations, 2010, imposes mandatory obligation on a correspondent bank to satisfy itself that the respondent bank has verified the identity of and performed on-going due diligence on the customer with respect to "payable-through accounts".
				• Section 12.4 of the Central Bank's revised Guideline on Anti- Money Laundering and the Combatting of Terrorist Financing lists

				correspondent banking and payable through accounts as high-risk activities and recommends that financial institutions conduct enhanced due diligence on such activities.
8.New technologies & non face-to-face business	NC	• None of the requirements are included in legislation, regulations or other enforceable means and existing requirements are only applicable to financial institutions supervised by the CENTRAL BANK OF T&T.	• Financial institutions should be required to have policies in place or take such measures to prevent the misuse of technological developments in ML or TF schemes.	• Regulation 23 (1) of the Financial Obligation Regulations, 2010, imposes mandatory obligation on a financial institution or listed business to pay special attention to any money laundering patterns that may arise with respect to technological developments in the following respects: (a) new or developing technology that might favor anonymity (b) use of such technology in money laundering offences, and shall take appropriate measures to treat such patterns.
			• Financial institutions should be required to have policies and procedures in place to address specific risks associated with non-face to face business relationships or transactions. These policies and procedures should apply when establishing customer relationships and conducting ongoing due diligence.	• Regulation 23 (2) of the FOR 2010 states that A financial institution or listed business shall put special know-your-customer policies in place to address the specific concerns associated with non-face-to-face business relationships or transactions.
			• Financial institutions should be required to have measures for managing risks including specific and effective CDD procedures that apply to non-face to face customers.	• The Financial Obligations (financing of terrorism) Regulations 2011 have been made by the Honourable Minister of National Security and have been laid in Parliament. These Regulations prescribe the policies that financial institutions must require to have in place to pay attention to any TF patterns that may arise as a result of new technological advancements. Regulations are attached Section 12.3.2 (v) of the Central Bank's Guideline on AML/ CTF requires financial institutions to have policies and procedures in place to prevent the misuse of technology for money laundering or terrorist financing schemes. Institutions offering internet based and/or telephone products and services are required to ensure that reliable and secure methods to verify the identity of customers are instituted. Further

				financial institutions are required to ensure that their policies and procedures address non face to face transactions which have an inherent risk of fraud or forgery. A discussion on implementation concerns arising from Regulation 23 of the FOR is scheduled to occur at the next Supervisory Working Group Meeting in August 2012. Thereafter, the results of this discussion will feed into the comprehensive review of the FOR which is now being undertaken. The review of the FOR is on-going.
9.Third parties and introducers	NC	• The requirements in place are not mandatory and are applicable only to the financial institutions supervised by the Central Bank.	The T&T authorities may set out the following measures in laws, regulations or enforceable guidelines with sanctions for non-compliance: • Financial institutions relying upon a third party should be required to immediately obtain from the third party the necessary information concerning the elements of the CDD process in criteria 5.3 to 5.6. • Financial institutions should be required to take adequate steps to satisfy themselves that copies of identification data and other relevant documentation relating to CDD requirements will be made available from the third party upon request without delay. • Financial institutions should be required to satisfy themselves that the third party is regulated and supervised and had measures in place to comply with the CDD requirements set out in Recommendations 5 and 10. • Competent authorities should determine in which countries third parties meet the conditions by taking into account information available on whether these countries adequately apply the FATF Recommendations. • The ultimate responsibility for customer identification and verification should remain with the financial institution relying on the third party.	• Regulation 13 and 14 of the Financial Obligations Regulations were drafted to meet Recommendation 9 of the FATF. • However, it has been recognized that the scope of these regulations are unclear and as such they are being reviewed by the Compliance Unit of the Ministry of National Security. Regulation 13 was discussed by the Supervisory Working Group and it was decided that consideration will be given to redrafting Regulation 13 to comply with FATF revised recommendation 10 (b) (4). To clarify subsection 3, it was suggested that regulations 15 (2) and 16 (2) be used as reference. To clarify subsection 4, it was suggested that this be split into two to deal separately with individuals and persons who are financial institutions or listed businesses. Regulation 14 was also discussed and it was concluded that consideration will be given to redrafting Regulation 14 to comply with FATF revised recommendation 17 (a) and (b). These proposals feed into the comprehensive review of the FOR which is now being undertaken. The review of the FOR is on-going.
10.Record keeping	NC	▪ The requirements in place are not mandatory and are applicable only to the financial institutions supervised by the Central Bank.	• The T&T authorities may wish to introduce the proposed Financial Obligation Regulations as soon as possible and include the following; • Financial institutions should be required to maintain all necessary records on transactions, both domestic	• Regulation 31 (1) of the Financial Obligation Regulations, 2010, imposes a mandatory obligation on a Financial Institution or listed business to retain records of-

			and international, for at least five years following the completion of the transaction (or longer if requested by a competent authority in specific cases and upon proper authority). This requirement applies regardless of whether the account or business relationship is ongoing or has been terminated.	(a) all domestic and international transactions; (b) identification data updated through the customer due diligence process. These records shall be maintained in either electronic format or in written form for a period of six years. This enables the financial institution or listed business to immediately and efficiently action lawful requests for information from auditors, other competent authorities and law enforcement authorities that request these records. These records may be used for the purpose of criminal investigations or the prosecution of persons charged with criminal offences.
			• Transaction records should be sufficient to permit reconstruction of individual transactions so as to provide, if necessary, evidence for prosecution of criminal activity.	• Regulation 32(1) specifies the contents of transaction and identification records to be maintained including original documents and details of a transaction such as amount and type of currency and copies of evidence of identity as required under regulations 15 to 17. The above records are to be maintained to allow financial institutions and listed businesses to comply with requests for information from auditors, other competent authorities and law enforcement authorities.
			• Financial institutions should be required to maintain records of the identification data, account files and business correspondence for at least five years following the termination of an account or business relationship (or longer if requested by a competent authority in specific cases upon proper authority).	• Regulation 32 (2) of the Financial Obligation Regulations, 2010, requires that records be retained for a period of six years. The six year period is calculated as follows: (a) In the case where a financial institution or listed business and an applicant for business have formed a business relationship, at least six years from the date on which relationship ended. (b) in the case of a one-off transaction, or a series of such transactions, at least six years from the date of the completion of the one-off transaction or, as the case may be, the last of the series of such transactions.
			• Financial institutions should be required to ensure that all customer and transaction records and information are available on a timely basis to domestic competent authorities upon appropriate authority.	• Regulation 31 (3) of the Financial Obligation Regulations, 2010, states that all transaction records shall be- (a) kept in the format specified by the FIU, and with sufficient detail to permit reconstruction of individual transactions. • Regulation 31 (3) (b) of the Financial Obligation

				Regulations, 2010, imposes obligations on a financial institution or listed business to make transaction records available to the FIU upon its request. This capability to ensure availability and efficient transfer of records to the FIU upon request is achieved by virtue of Regulation 8 (2) of the Financial Obligation Regulation, 2009, which ensures that the Compliance Officer and other employees of the financial institution or listed business have timely access to customer identification data and other records and relevant information. This enables them to produce reports in a timely manner. The Securities Act 2012, section 87 of the SA2012 requires market actors to keep books and records for a period of at least six years. Such books records include those that are reasonably necessary in the conduct of its business operations including proper recording of the transactions that it executes on behalf of others. These documents would include proper records regarding beneficial ownership. In addition Section 88 of the Securities Act 2012 requires that a market actor deliver to the Commission any such books and records upon request. Further Section 151 states that notwithstanding any other written law any person can be requires to supply to the Commission within the time and in the manner specified any book, record, document, information or class of information requested. No further action is to be taken under this recommendation. Supervisory authorities have not identified this requirement as being an issue in any of the onsite inspections. Similarly, law enforcement authorities have not encountered situations in which requested information to which this recommendation refers has not been available to them.

11.Unusual transactions	PC	▪ There is no requirement for financial institutions to examine the background and purpose of all complex, unusual large transactions or unusual patterns of transactions that have no apparent or visible economic or lawful purpose, to set forth their findings in writing, and to keep such findings for competent authorities and auditors for at least five years.	• The POCA should be amended to require financial institutions to examine and record their findings in writing on the background and purpose of all complex, unusual large transactions, or unusual patterns of transactions, that have no apparent or visible economic or lawful purpose, and to keep such findings available for competent authorities and auditors for at least five years.	• The Proceeds of Crime (Amendment) Act 10 of 2009, amends Section 55 of the Proceeds of Crime Act No 55 of 2000. By virtue of Section 30 (2)(a) (ii) every financial institution or listed business shall pay special attention to all complex, unusual, or large transactions, whether completed or not, to, all unusual patterns of transactions and to insignificant but periodic transactions which have no apparent economic or visible lawful purpose. Further, Section 30 (2)(b) states that all complex, unusual or large transactions shall be reported to the FIU. • There is a requirement under section 55(2)(c) for the examination of the background and purpose of all transactions which have no economic or visible legal purpose. However a drafting error occurred as this section refers to transactions covered in (a)(i) rather than (a)(ii) which deals with complex, unusual large transactions . This drafting error is presently being reviewed by the Compliance Unit of the Ministry of National Security, with a view to addressing this error. This concern will be addressed in the revision of the POCA.
12.DNFBP – R.5, 6, 8-11	NC	• The DNFBP's are not supervised or regulated for AML compliance. • Lawyers, notaries, other independent legal professionals, accountants and trust and company service providers are not subject to AML/CFT obligations. • Casino's, real estate agents, and jewellers have been designated under the law, but none of the requirements set out in Recommendations 5 – 10 have been implemented. • No requirement to examine the background and purpose of the transactions and no requirement to keep	• Lawyers, notaries, other independent legal professions, accountants and trust and company service providers should be subject to AML/CFT FATF requirements. • DNFBPs and persons engaged in relevant business activities should be supervised for AML/CFT compliance	• The first schedule of the Proceeds of Crime Act No 55 of 2000 provided a limited list of businesses which conduct relevant business activity to be subject to AML/CFT FATF requirements. This list was later revised, by virtue of the Proceeds of Crime (Amendment) Act 10 of 2009, to include a wider spectrum of listed businesses to be subject to AML/CFT FATF compliance. Accordingly, The relevant business activity are now ascertained as follows: Real Estate Business Motor Vehicle Sales

		the findings for DNFBP's. • No requirement to pay special attention to complex – unusual large transactions or unusual patterns of transactions for DNFBP's.	• The requirements of Recommendations 5 to 10 should be imposed on all DNFBPs as stipulated in the circumstances detailed in Recommendation 12.	Gaming Houses Jewelers Pool Betting National Lottery On-line betting games Money or Value Transfer Services A Private Members' Club An Accountant, an Attorney-at-Law or other independent legal professional An Art Dealer Trust and Company Service Provider It is proposed that: Under the interpretation section referring to an Accountant, an Attorney-at-Law or other independent Legal Professional, the following will be included when the Schedule is amended :- • management of securities account and the creation, operation or management of legal persons or arrangements by accountants, • attorneys at law and independent legal professionals, and • under Trust And Company Service Providers, acting as (or arranging for another person to act as) a trustee of an express trust be included in amendments to the First Schedule of POCA. For this Amendment to be done on the First Schedule of POCA, the Minister may by Order subject to an affirmative resolution of Parliament, amend the Schedule. The Compliance Unit is in the process of preparing the policy to guide the amendment of the schedule for the approval of Cabinet. This will be submitted to Cabinet by November 2012. • Section 34 of The Proceeds of crime (Amendment) Act10 of 2009 states that until regulations are made under section 56 for the selection of the Supervisory Authority, the FIU shall be the supervisory authority for financial institutions (only Co-operative Societies; Cash Remittance Services and Postal Service) and listed businesses.

			• Government should put more effort in educating and informing the DNFBPs and persons engaged in relevant business activities about their responsibilities under the legislation and about other relevant AML/CFT issues and developments.	• The FIU Regulations, 2011 came into force in February 2011 and was made under Section 27 of the FIU Act. Part VIII of the FIU Regulations; Regulation 28 is a requirement for supervised entities to register with the FIU. The total number of registrants for the review period Jul – Dec. 2012 is 43 (see Appendix V for details). • Currently, the overall threshold value of ninety-five thousand dollars and over is extrapolated in the context of pool betting, National Lottery On-line betting games and Private Members' Clubs. • The FATF requirement that casinos should be subject to above Recommendations when their customers engage in financial transactions equal to or above USD3000 has not been included in the enacted legislation and at present the applicable transaction threshold for gaming houses, pool betting, national lotteries on-line betting games and private members' clubs is the same as all financial institutions and listed businesses i.e. TTS95,000 and over or US$14,285 for one-off transactions. • This is presently under review and policy direction in this respect is expected from the AML/CFT Compliance Unit of the Ministry of National Security in November 2010. • The FIU is tasked with the education and training of DNFBP's. A training session was conducted with the Association of Real Estate Agents in April 2010 by the FIU in collaboration with the Compliance Unit of the Ministry of National Security. In May 2010 and June 2010 the FIU conducted training with a money remittance company and real estate company respectively. Post the passage of the legislation the FIU has trained 1816 participants which includes 5 insurance companies, 1 Bank, 3 Investment companies, 2 Real Estate Agencies, 1 Remittance Company

			• The requirements of Recommendations 11 and 21 should be imposed on all DNFBPs as stipulated in the circumstances detailed in Recommendations 12 and 16.	Post the passage of the legislation the FIU (February 2011 to August 2011) has trained 1933 participants which includes 5 insurance companies, 1 Bank, 5 Investment companies, 2 Real Estate Agencies, 1 Remittance Company, 1 Motor Vehicles Sales and 1 Private Members Club. With regards to outreach to the Listed Business (DNFBPs) the FIU had newspapers ads (6th 9th and 16th of May 2010) informing them of their obligations under the POCA and FOR concerning Compliance and STR/SAR reporting. The Ministry of National Security hosted the International Governance and Risk Institute (GovRisk) Regional Symposium from 12th – 16th August, 2010. This symposium was aimed at building institutional capacity and knowledge in the field of money laundering. Technical assistance was sought by the Ministry of National Security from **the United Nations Office on Drugs and Crime** (UNODC) and a specialized workshop on the Prevention and fight against Terrorism Financing was held from 24 to 27 August 2010. This workshop targeted listed businesses, financial institutions, prosecutors and judges in Trinidad and Tobago. On September 14, 2010 the FIU hosted an AML/CFT training seminar specifically geared at Private Members' Clubs (PMCs). The FIUTT has undergone an outreach, awareness and training drive to make designated non-financial businesses and professionals and other listed entities that they regulate aware of their responsibilities under the various AML/CFT legislation that currently exists in Trinidad and Tobago. Please see Appendix VI for updated information on awareness training conducted by the FIU for the period Jul – Dec 2012

				• DNFBP's are defined as "listed business" and have been subjected to the same AML/CFT requirements as financial institutions in POCA, the FIUTTA, the FOR, FIU Regulations and the ATAA Thus, the requirements of Recommendations 5, 6 and 8-11 are applicable to all the listed businesses • The FIU has published on its website, daily newspapers and in the official Gazette of Trinidad and Tobago a list of countries which do not or insufficiently comply with FATF Recommendations the last being October 2012.
13.Suspicious transaction reporting	NC	• The reporting agency is the designated authority rather than the FIU and suspicion is based on illicit activities rather than all predicate offences • No requirement to report suspicious transactions related to terrorist financing • No requirement to report suspicious transactions regardless of whether they involve tax matters.	• The POCA should be amended to require reporting to the FIU rather than the designated authority of suspicious transactions related to the proceeds of all ML predicate offences as defined in FATF Recommendation1. .	• The recommendation for suspicious transaction reporting to the FIU is set out in section 55(3) of POCA as amended in POCAA and in section 22C (3) of the ATA as amended in ATAA, requires financial institutions and listed businesses on knowing or having reasonable grounds to suspect that funds being used for the purpose of a transaction to which subsection (2) refers are the proceeds of a specified offence, to make a suspicious transaction or suspicious activity report to the FIU. Specified offence is defined under the POCAA as an indictable offence committed in Trinidad and Tobago whether or not the offence is tried summarily. The enactment of the ATAA criminalized the financing of terrorism making it an indictable offence and therefore a predicate offence for money laundering. As noted with regard to the examiners' recommended action under Recommendation 1, piracy has also been criminalized as an indictable offence. The Proceeds of Crime (Amendment) Act No 10 of 2009, deletes the words "Designated Authority" as mentioned under POCA No 55 of 2000 wherever they occur and substitutes it with the word "FIU". • Sec 55 (3D) of the POCA Amendment states a

			• The requirement to report should be applied regardless of the amount of the transaction and if it involves tax matters.	report shall be made irrespective of the type of specified offence from which the funds may be generated including offences under the income Tax Act, the Corporation Tax Act and the Value Added Tax Act. In reviewing the above, we recognize that the legislative requirement in respect of Suspicious transaction reporting does not include one-off transactions. This is presently under the review of the AML/CFT Compliance Unit of the Ministry of National Security and recommendations will be made to address this discrepancy. This concern is before the Supervisory Working Group of the AML/CFT Committee for discussion. Pending the outcome of these discussions, appropriate provisions will be made to amend the FOR to include the reporting of suspicious one-off transactions. Please see attached at Appendix III for entities that have submitted SARs to the FIU for the period July to December, 2012.
14.Protection & no tipping-off	PC	• No prohibition of disclosure of the reporting of a suspicious transaction to the designated authority/FIU.	• The POCA should be amended to prohibit the disclosure of reporting to the designated authority/FIU as stipulated in Section 55 (3) of the POCA.	• The recommendation for POCA to be amended to prohibit the disclosure of reporting to the designated authority/FIU as stipulated in section 55(3) of POCA has been enacted in POCAA by inserting section 55(3A) which makes the disclosure by the director or staff of a financial institution or listed business of the submission of a suspicious transaction or suspicious activity report to the FIU an offence liable on summary conviction to a fine of TT$250,000 approximately US$39,500 and imprisonment for three years. The Financial Intelligence Unit of Trinidad and Tobago Act No 11 of 2009 addresses the ramifications of disclosure of information in two key respects:- on the part of any person and-on the part of an FIU officer. These will be elaborated upon.

			• The POCA should be amended to ensure that the confidentiality requirement in Subsections 55(8) and (9) also applies to the personnel of the FIU.	With respect to the disclosure of information on the part of any person other than an FIU officer, Section 23 (1) of Act NO 11 of 2009 states that any person other than an FIU officer, who, in the course of his business obtains or receives information from the FIU, commits an offence if he knowingly discloses— (a) the information to any person; or (b) the fact that an analysis has been recommended by the FIU, is liable on summary conviction to a fine of two hundred and fifty thousand dollars and to imprisonment for three years. • With respect to the disclosure of information on the part of a FIU officer, Section 24 of Act No 11 of 2009 states that a FIU officer or other person who discloses the fact that an investigation into a suspicious transaction or suspicious activity report has been recommended by the FIU or that an investigation has commenced, otherwise than in the proper exercise of his duties, is guilty of an offence, and is liable on summary conviction, to a fine of two hundred and fifty thousand dollars ($ 250,000) and to imprisonment for three (3) years. • Section 22 (1) of the Financial Intelligence Unit of Trinidad and Tobago Act No 11 of 2009 states that a FIU Officer who discloses information that has come into his possession as a result of his employment in the FIU to a person otherwise than in the proper exercise of his duties, commits an offence and is liable on summary conviction to a fine of two hundred and fifty thousand dollars and imprisonment for three years. No further action is to be taken under this recommendation
15.Internal controls, compliance & audit	PC	• Internal controls requirements are too general and do not include FT. • No requirement for the designation of a	The T&T authorities may wish to amend legislative provisions for internal controls and other measures to include the following:	• These recommendations have been addressed in regulations 3 to 8 of the FOR.

		compliance officer at management level • No requirement for AML/CFT compliance officer and other appropriate staff to have access to relevant information • Employee training is limited to the identification of suspicious transactions • No requirement for financial institutions to place screening procedures when hiring employees.	Internal procedures, policies and controls to prevent ML and FT covering inter alia CDD, record retention, detection of unusual and suspicious transactions and the reporting obligation. • Appropriate compliance management arrangements should be develop to include at a minimum the designation of an AML/CFT compliance officer at management level. • The AML/CFT compliance officer and other appropriate staff should have timely access to customer identification data and other CDD information, transaction records, and other relevant information.	• Regulation 7 provides for the establishment of a compliance programme to include procedures, methods and guidelines covering CDD, record retention, identification of suspicious transactions and suspicious activities and internal reporting obligations. • Regulation 3(1) requires financial institutions and listed businesses to designate a manager or official at managerial level as Compliance Officer. Regulation 4 details the functions of the Compliance Officer. • Regulation 8(2) requires financial institutions and listed businesses to ensure that the Compliance Officer and other employees have timely access to customer identification data and other records and relevant information to enable them to produce reports in a timely manner. Regulation 6 requires training for directors and all members of staff. Training is specified for obligations under the POCA, the FIUTTA, the FOR, the ATA and guidelines on the subject of money laundering issued in accordance with the FOR and understanding the techniques for identifying suspicious activity. Information on new developments in methods and trends in money laundering and financing of terrorism is not included. • Regulation 5(1) requires financial institutions and listed businesses to utilize the industry best practices in determining their staff recruitment policy in order to hire and retain staff of the highest level of integrity and competence. The above provisions comply with a substantial number of the examiners' recommendations. However, as noted the training obligation does not cover new developments in method and trends in money laundering and terrorist financing. • Regulation 4 (1) of the Financial Obligations Regulations 2010 imposes obligations on the

				designated compliance officer to ensure that the necessary compliance programme procedures and controls required by these regulations are in place with the financial institution or listed business. • Regulation 3 (1) of the Financial Obligations Regulations 2010, addresses the setting up of a sound compliance programme within an organization. Accordingly, a financial institution or listed business shall for the purpose of securing AML/CFT compliance, designate a manager or official employed at managerial level as the Compliance Officer of that institution or business. - With respect to the designation of the compliance officer, the following criteria must be satisfied. - Where the financial institution or listed business employs five persons or less, the employee who occupies the most senior position, shall be the Compliance Officer. - Where the financial institution or listed business is an individual who neither employs nor acts in association with another person, that individual shall be the Compliance Officer. The Compliance Officer shall be trained by the financial institution or listed business. • Regulation 4 (4) of the Financial Obligation Regulations, 2010, requires that guidelines to financial institutions be issued. The guidelines shall indicate the circumstances that may be considered, in determining whether a transaction or activity is suspicious.
			• Employee training should include information on new developments including current ML and FT techniques, methods and trends, clear explanations of all aspects of AML/CFT laws and obligations and requirements concerning CDD and suspicious	• Regulation 6 of the Financial Obligation Regulations, 2010, provides guidance on specific training issues to be adequately covered by directors and by extension all members of staff. These are as follows: - the Proceeds of Crime Act No 55 of 2000;

			transaction reporting. • Financial institutions should be required to put in	the Proceeds of Crime (Amendment) Act No 10 of 2009 - the Financial Intelligence Unit of Trinidad and Tobago Act, 2009; - these regulations; and - guidelines on the subject of money laundering In addition to this, Regulation 6 (1) (b) ensure that subsequent to the training staff should develop an overall understanding of the techniques for identifying any suspicious transactions or suspicious activities. Regulation 6 (2) outlines the envisaged effect of training. The essential idea here is that employees at all levels of the financial institution or listed business would become capable of detecting suspicious transactions and other suspicious activities. Regulation 6 (3) requires that records of the training programmes administered to its employees shall be kept. The requirement that training in current ML and FT should include information on new developments techniques, methods and trends was included in the CBTT Guidelines 2011 for Financial Institutions. Section 22.3 of the Guidelines requires Financial Institutions to "Develop an appropriately tailored training and awareness programme consistent with their size, resources and type of operation to enable their employees to be aware of the risks associated with ML and TF. The training should also ensure employees understand how the institution might be used for ML or TF; enable them to recognise and handle potential ML or TF transactions; and to be aware of new techniques and trends in money laundering and terrorist financing" Consideration will be given when the FOR is amended to capture all supervised entities (financial institution and listed business) as discussed above. • Regulation 5 (1) of the Financial Obligation Regulations, 2010, requires that the best practices

			place screening procedures to ensure high standards when hiring employees	of industry to be utilized with a view of determining its staff recruitment policy. It is intended that this approach ensures that staff of the highest levels of integrity and competence shall be hired and retained. In an attempt to achieve high standards regarding screening procedures of staff to be potentially hired, Regulation 5 (2) requires the following specific information to be maintained for a period of six years and made available to the Central Bank, the FIU and any Supervisory Authority when necessary: - the name - addresses - position titles and - other official information pertaining to staff appointed or recruited by the financial institution or listed business.
			• The AML/CFT compliance officer and other appropriate staff should have timely access to customer identification data and other CDD information, transaction records, and other relevant information.	• Regulation 8 (2) of FOR 2010 states that The financial institution or listed business shall also ensure that the Compliance Officer and other employees have timely access to customer identification data and other records and relevant information to enable them to produce reports in a timely manner. The **Financial Obligations (financing of terrorism) Regulations** have been made by the Honourable Minister of National Security and have been laid in Parliament. The Financial Obligations (financing of terrorism) Regulations applies mutatis mutandis to the Financial Obligations Regulations and as such the requirements for internal controls and other measures under the FOR now extend to the financing of terrorism.
16.DNFBP – R.13-15 & 21	NC	• No SAR's from DNFBP's have been submitted to the Designated Authority/FIU. • No evidence that the DNFBP's are	• The requirements of Recommendations 13 and 14 as detailed in section 3.7.2 of this report should be imposed on all DNFBPs as stipulated in the	• The first schedule of the Proceeds of Crime Act No 55 of 2000 provides a limited list of businesses which conduct relevant business activity to be subject to AML/CFT FATF

		complying with legislated requirements of Rec. 15. • See section 3.7.3 for factors relevant to Recs. 13 and 14. • See section 3.8.3 for factors relevant to Rec. 15.	circumstances detailed in Recommendation 16. • The requirements of Recommendations 15 as detailed in section 3.8.2 of this report should be imposed on all DNFBPs as stipulated in the circumstances detailed in Recommendation 16	requirements. The relevant business activity are ascertained as follows: ▪ - Real Estate Business ▪ -Motor Vehicle Sales ▪ -Postal Services ▪ -Gaming Houses ▪ -Jewellers ▪ -Pool Betting ▪ -National Lottery On-line betting games • This list was later revised, by virtue of the Proceeds of Crime (Amendment) Act 10 of 2009, to include a wider spectrum of listed businesses to be subject to AML/CFT FATF compliance. Accordingly, the following listed businesses is included for the purposes of compliance with AML/CFT FATF requirements: ▪ - Money or Value Transfer Services ▪ - A Private Members' Club ▪ -An Accountant, an Attorney-at-Law or other independent legal professional ▪ -An Art Dealer ▪ -Trust and Company Service Provider As previously stated listed businesses are subject to the same AML requirements as financial institutions and as such the requirements detailed in Recommendations 13, 14 and 15 apply equally to DNFBP's Listed businesses are mandated to register with the FIU. The FIU Regulations, 2011 came into force in February 2011 and was made under Section 27 of the FIU Act. Non-regulated financial institutions and Listed businesses (Supervised Entities) are mandated to register with the FIU in accordance with regulation 28 of the FIU Regulations, 2011. POCA Chap. 11:27 : Section 55 (5) states : "Every financial institution or listed business shall develop and implement a written compliance programme approved by the FIU."

FIU Regulations 2011 : Part IX
Reg. 31 (1) requires both financial institution and listed business to submit a compliance programme to the FIU.

For the period Jul. – Dec 2012
52 compliance programmes were received by the FIU. **17** were received from Financial institutions and **35** from Listed Businesses**.**

Number of SAR's submitted for the FIUs for the reviewed period for financial institutions and listed businesses, is shown in the table below.

Note: 2011 refers to the period: Oct 1st, 2010 to Sept. 30th 2011. 2012 refers to the period: Oct. 01, 2011 to Sept. 30 2012.

Financial Institutions : Breakdown of Submission

Financial Institutions	No. of STR/ SARs 2011	No. of STR/ SARs 2012
Banks	151	154
Insurance Companies	9	10
Investment Companies	28	22
Mortgage Companies	14	7
Securities Dealers	0	5
Total	202	198

Listed Businesses : Breakdown of Submission

Supervised Entities	No. of STR/ SARs 2011	No. of STR/ SARs 2012
Attorneys-at Law	2	1
Co-operative Societies	5	16
Jewellers	0	1
Money/Value Transfer	90	38
Motor Vehicle Sales	1	3

				Postal 0 1 **Real Estate** 3 0 **Total** 101 60 Please see Appendix III for entities that have submitted SARs to the FIU for the period Jul-Dec, 2012. Please see attached at Appendix IV Compliance Programmes sent to and approved by the FIUTT for the period Jul – Dec, 2012.
17.Sanctions	NC	• No provisions in legislation to withdraw restrict or suspend the license of the financial institution for non-compliance with AML/CFT requirements. • The requirements set out in Rec. 17 are included in the POCA 2000, but there are no provisions in the legislation to withdraw, restrict or suspend the license of the DNFBP.	• The authorities should consider amending the provisions for sanctions in the POCA to allow for penalties to be applied jointly or separately. • The authorities should consider increasing the range of sanctions for AML/CFT non-compliance to include disciplinary sanctions and the power to withdraw, restrict or suspend the financial institution's license, where applicable.	• The recommendation for considering the amendment of the provisions for sanctions in the POCA to allow for penalties to be applied jointly or separately was due to the examiners' concern that all penalties in the POCA include both a term of imprisonment and a fine with no indication that the penalties could be applied separately. This raised questions as to the applicability of the penalties to legal persons. As noted before, section 68(3) of the Interpretation Act provides that where in any written law more than one penalty linked by the word "and" is prescribed, the penalties can be imposed alternatively or cumulatively. This provision therefore allows for the imposition of the stipulated fines in the penalties in POCA separately on companies. • The Financial Obligation Regulations, 2010, ensures that any financial institution or listed business which does not comply with any of its obligations under these regulations commits an offence and is liable on summary conviction or on conviction on indictment, to the penalty prescribed in section 57 of the Proceeds of Crime Act No 55 of 2000. • Regulation 40 of the Financial Obligations Regulations allows the Supervisory Authority be it the Central Bank, the TTSEC or the FIU to use the regulatory measures as outlined in the legislation that governs the supervised entities to bring about compliance with AML/ CFT requirements. Therefore the FIA enhances the powers of the Central Bank to enforce

				compliance with AML/ CFT legislation by allowing for the issuance of compliance directions. Non-compliance with the compliance direction can be enforced by court order and restraining order or other injunctive or equitable relief. Section 86 of the FIA gives the Inspector of Financial Institutions power to issue compliance directions or seek restraining orders for actions violating any provision of the FIA and associate regulations, measures imposed by the Central Bank or unsafe or unsound practice in conducting the business of banking. Unsafe and unsound practice is defined to include without limitation any action or lack of action that is contrary to generally accepted standards of prudent operation and behaviour. This definition allows for the Inspector of Financial Institutions to exercise the above power with regard to AML/CFT breaches. In addition, section 10 of the FIA gives the Central Bank the power to issues Guidelines to inter alia aid compliance with the POCA, ATA or any other written law relating to the prevention of money laundering and combating the financing of terrorism. Section 12 of the FIA also allows the Central Bank to issue a compliance direction or take any other action under section 86 for contravention of a guideline referred to in section 10. • Section 23 of the FIA mentions the restriction and revocation of a license. (1) The Board may revoke a license where— *(g)* the licensee fails to comply with a direction under section 24 or 27 or with a compliance direction issued by the Central Bank under section 86. Section 65 of the Insurance Act was amended by section 8 of the Insurance Amendment Act 2009. The amendment allows the Central Bank to issue compliance directions to a registrant, controller, officer, other employee, agent of a registrant etc

				under the Insurance Act where they have:- o committed, is committing, or is about to commit an act, or is pursuing or is about to pursue any course of conduct, that is an unsafe and unsound practice; o committed, is committing, or is about to commit, an act, or is pursuing or is about to pursue a course of conduct, that may directly or indirectly be prejudicial to the interest of policyholders; o violated or is about to violate any of the provisions of any law or Regulations made thereunder; o breaches any requirement or failed to comply with any measure imposed by the Central Bank in accordance with the Act or Regulations made thereunder. • In addition to issuing compliance direction, the Central Bank may seek a restraining order or other injunctive relief. • Disciplinary sanctions for AML\CFT non-compliance have been included in the Securities Act 2012. • The Securities Act 2012 provides that the Commission may refuse to register, renew or reinstate the registration of an applicant where such registration is not in the public interest. • Section 52(2) of the SA2012 provides that the Commission may refuse to register, renew or reinstate the registration of an applicant where such registration is not in the public interest. Section 52(3) allows the Commission to use its discretion to place restrictions on a person's registration. Under Section 57 the Commission may, where it considers to be in the public interest, issue a warning, private reprimand or public censure or may suspend the registration of a registration for various reasons including prosecution for a breach of any law in relation to the prevention of money laundering and combating the financing of terrorism. Section 58 goes on to allow the Commission to revoke the registration of a registration where it is in the

				public interest or for reasons including conviction for a breach of any law in relation to the prevention of money laundering and combating the financing of terrorism. • Under the FIU (Amendment) (No. 2), 2011, Section 15, creates Part IIIA – "The Supervisory Authority." Section 18G creates administrative sanctions for compliance. It states: 18G. (1) Notwithstanding any other action or remedy available under this Act, if in the opinion of the FIU, a non-regulated financial institution or listed business has violated or is about to violate the provisions of the Act, the Financial Obligations Regulations, 2010, the Anti-Terrorism Act, 2005, the Financial Intelligence Unit of Trinidad and Tobago Act, 2009, the Financial Intelligence Unit of Trinidad and Tobago Regulations, 2011 and any other guidelines issued by the FIU, it may issue a directive to such non-regulated financial institution or listed business to— *(a)* cease or refrain from committing the act or violation, or pursuing the course of conduct; or *(b)* perform such duties as in the opinion of the FIU are necessary to remedy the situation or minimize the prejudice. 18G (9) Where a non-regulated financial institution or listed business to whom a directive is issued fails to comply with the said directive, the FIU may, in addition to any other action that may be taken under this Act, apply to the High Court for an Order requiring the non-regulated financial institution or listed business to comply with the directive, to cease the contravention or do anything that is required to be done.". The FIU in January 2012 issued written warning letters to Private Members Clubs, Accountants and Jewelers registered with the FIU, concerning their non-compliance with respect to Regulation 31 of the FIU Regulations 2011. Please see Appendix V and VI for information on

				sanctions taken by the FIUTT and the CBTT for the period Jul-Dec, 2012
18.Shell banks	PC	• There are no provisions to prevent financial institutions to enter, or continue, correspondent banking relationships with shell banks. • There are no provisions to require that financial institutions should satisfy themselves that respondent financial institutions in a foreign country do not permit their accounts to be used by shell banks.	• Shell banks should be prohibited by law. • Financial institutions should not be permitted to enter into, or continue, correspondent banking relationships with shell banks; • Financial institutions should be required to satisfy themselves that respondent financial institutions in a foreign country do not permit their accounts to be used by shell banks.	• Trinidad and Tobago acknowledges that there is no express prohibition in the Financial Institutions Act 2008 against shell banks. • However, The Basel Committee on Banking Supervision defines shell banks as banks that have no physical presence (i.e. meaningful mind and management) in the country where they are incorporated and licensed and are not affiliated to any financial services group that is subject to effective consolidated supervision. Trinidad and Tobago therefore contends that the provisions in the FIA 2008 relating to the process of licensing and supervision of banks, whether locally incorporated or branches of foreign international banks implicitly prohibit shell banks. In this regard, we draw attention to the following:- • All licensed banks must have a physical presence in Trinidad and Tobago as a locally incorporated bank or subsidiary or as a foreign branch. For a foreign branch the principal representative must be ordinarily resident in Trinidad and Tobago and must be the branch of an international bank that is subject to effective supervision in its home country. • All licensed banks are subject to the same prudential requirements. A foreign branch must satisfy the same capital and other requirements as a locally incorporated bank or subsidiary. • The locally incorporated bank or foreign branch must maintain at its offices all records and books pertaining to its operations and must be able to immediately provide same to the Inspector upon his request. • All subsidiaries or foreign branches of banks must be subject to supervision of both home regulators in other jurisdictions and Trinidad and Tobago as host regulator. • Locally incorporated banks and foreign branches must submit all returns and annual audited financial statements to the Central Bank. • Where a licensee is part of a financial group the financial group must be so structured and managed that it may be supervised by the Central

				Bank or by an equivalent supervisor in its home jurisdiction. • Persons are prohibited from conducting banking business or business of a financial nature without a licence being issued in accordance with the FIA. It is therefore our view that these provisions serve to prohibit shell banks in Trinidad and Tobago. • Further regulation 22. (1) of the FOR states that a bank shall not enter or continue a correspondent banking relationship with a bank— (a) incorporated in a jurisdiction in which it has no physical presence; or (b) Which is unaffiliated with a financial group regulated by a supervisory authority in a country where the Recommendations of the Financial Action Task Force are applicable. • Regulation 22 (2) of the Financial Obligation Regulations, 2010, states that a financial institution or listed business shall ensure that the respondent financial institution or business in a foreign country, does not permit a shell bank to use its accounts. No further action is to be taken under this recommendation
19.Other forms of reporting	PC	• No indication that the authorities considered implementing a system where financial institutions report all transactions in currency above a fixed threshold to a national central agency with a computerized database. • No indication that when the Customs Division discovers an unusual international shipment of currency, monetary instruments, precious metals or gems etc, it considers notifying, as appropriate, the Customs Service or other competent authorities of the countries from which the shipment	• The authorities should consider the feasibility and utility of implementing a system where financial institutions report all transactions in currency above a fixed threshold to a national agency with a computerized data base.	• Regulation 31 and 32 of the FOR states that financial institutions and listed businesses retain records of all domestic and international transactions in electronic or written form. • The FIU is presently considering a regime for the systematic reporting of; - Foreign exchange transactions - Cash transactions - Money transactions The imposition of such a regime is outside the FIUs' statutory remit. The spirit and intention of the AML/CFT law in this jurisdiction is on

		originated and/or to which it is destined, and co-operates with a view toward establishing the source, destination, and purpose of such shipment and toward the taking of appropriate action.		reporting on **suspicion** regardless of the amount of money involved in the transaction. Any requirement to report otherwise will require legislative amendment.
			• When the Customs Division discovers an unusual international shipment of currency, monetary instruments, precious metals or gems etc, it should consider notifying, as appropriate, the Customs Division or other competent authorities of the countries from which the shipment originated and/or to which it is destined, and should co-operate with a view toward establishing the source, destination, and purpose of such shipment and toward the taking of appropriate action.	• The Customs and Excise Division is a member of the World Customs Organization which has developed a global system for gathering data and information for intelligence purposes called the Customs Enforcement Network. As an active member of this network we regularly post information concerning unusual international shipment of currency and precious gems, etc to this database as the means of notifying the Customs service from which the shipment originated and/or is destined with a view to taking appropriate action in accordance with each country international obligations. Additionally as members of the Caribbean Customs Law Enforcement Council (CCLEC) we regularly update the CCLEC's seizure intelligence database (SID) for the aforementioned purposes, including establishing the source destination and purpose of such shipments. Both databases rely on encryption technology to protect communications and data transfers. All payment of duties and taxes to the Comptroller of Customs and Excise on any one day by any one consignee in excess of TT$5,000.00 can only be made by a certified Manager's cheque.
			• The Customs Division's computerized database of Customs Declaration Forms should be subject to strict safeguards to ensure proper use of the information that is recorded.	• The Customs and Excise database also relies on encryption technology to protect communication and data transfer and access is limited to only specific Officers
20.Other NFBP & secure transaction techniques	LC	• The only measure taken by the Government of Trinidad and Tobago to encourage the	• Authorities should consider applying the relevant FATF Recommendation to non-financial businesses	• The AML/CFT regime in Trinidad and Tobago is applicable to financial institutions and listed

		development and use of modern and secure techniques for conducting financial transactions that are less vulnerable to ML has been not issuing large denomination banknotes.	and professions (other than DBFBP's) that are at the risk of being misused for ML or TF.	business. Listed business is defined in the POCAA to mean a business or profession listed in the First Schedule. Section 35 of the POCAA has amended the First Schedule to include not only DNFBPs but also motor vehicle sales and the business of an art dealer which are now subject to AML obligations. This provision satisfies the examiners' recommended action above.
			• Measures should be taken to encourage the development and use of modern and secure techniques for conducting financial transactions that are less vulnerable to ML	• To further strengthen this system, the Government of Trinidad and Tobago has requested technical assistance from the International Monetary Fund to undertake a risk assessment of its relevant sectors to ascertain their risk of being misused for ML or TF. This was to be conducted in tandem with the Fourth Round Mutual Evaluation which has been postponed. • The AML/CFT Compliance Unit of the Ministry of National Security is currently conducting the national risk assessment of the SIP framework. The aim of this exercise is to measure the risks of non-financial businesses and professions being used for ML & TF.
21.Special attention for higher risk countries	NC	• Financial institutions are not required to give special attention to business relationships and transactions with persons (including legal persons and other financial institutions) from or in countries, which do not or insufficiently apply the FATF Recommendations. • There is no legal requirement for the background and purpose of transactions having no apparent economic or visible lawful purpose with persons from or in countries which do not or insufficiently apply the FATF Recommendations to be examined and written findings made available to assist competent authorities and auditors. • Only the Central Bank circulates the NCCT list to the financial institutions it supervises.	• The POCA should be amended to require financial institutions to give special attention to business relationships and transactions with persons (including legal persons and other financial institutions) from or in countries which do not or insufficiently apply the FATF Recommendations • Effective measures should be put in place to ensure that financial institutions are advised of concerns about weaknesses in the AML/CFT systems of other countries.	• Section 55 of POCA has been amended by POCAA by substituting section 55(2) (a) (i) which requires financial institutions and listed businesses to pay special attention to all business transactions with persons and financial institutions in or from other countries which do not or insufficiently comply with the recommendations of the FATF • Section 17(1)(a) of the FIUTTA requires the FIU to publish as frequently as necessary, by notices in the Gazette and in at least two newspapers in daily circulation in Trinidad and Tobago, a list of countries identified by the FATF as non-compliant or not sufficiently compliant with their recommendations. Section 55(2) (c) requires

			• The background and purpose of transactions having no apparent economic or visible lawful purpose with persons from or in countries which do not or insufficiently apply the FATF Recommendations should be examined and written findings made available to assist competent authorities and auditors. • That the Government Trinidad and Tobago have in place arrangements to take the necessary countermeasures where a country continues not to apply or insufficiently applies the FATF Recommendations.	financial institutions and listed businesses to examine the background and purpose of all transactions which have no economic or visible legal purpose under paragraph (a)(i) and make available to the Supervisory Authority, written findings after its examination where necessary. The FIU and the Central Bank of Trinidad and Tobago has published on their respective websites, FATF's Public Statement dated: • 16 Feb. 2012 • 22 Jun, 2012; • 19 Oct, 2012 The FATF Public Statement and Improving Global AML/CFT Compliance: on-going process statement -19 Oct. 2012 was published on the FIU website and can be found on www. fiu.gov.tt • Section 55 (2) C of POCA as amended states 55 (2) Every financial institution or listed business shall- (c) examine the background and purpose of all transactions which have no economic or visible legal purpose • The Financial Obligation Regulations, 2010, and the Financial Intelligence Unit of Trinidad and Tobago Act No 11 of 2009 both address the issue of special attention. Accordingly, special attention is afforded to business relationships and transactions with persons (including legal persons and other financial institutions) from or in countries which do not or insufficiently apply the FATF Recommendations. These will be elaborated upon. Regulation 7 of the Financial Obligation Regulations, 2010, states that any ascertainable compliance programme shall contain measures which include the compilation of a listing of countries which are non-compliant, or do not sufficiently comply with the

				recommendations of the Financial Action Task Force. Financial institutions have indicated that transactions from countries which are non-compliant, or do not sufficiently comply with the FATF Standards are carefully scrutinized to ensure that the reasons given for the transactions are valid before a decision is taken to permit the transaction. In some instances transactions are stopped. In addition enhanced due diligence is also applied when dealing with transactions involving severe risk territories. Section 17 (1) of the Financial Intelligence Unit of Trinidad and Tobago Act No 11 of 2010, imposes a) as frequently as is necessary, the obligation of publishing notices in the Gazette and in at least two newspapers in daily circulation in Trinidad and Tobago, a list of the countries identified by the Financial Action Task Force, as noncompliant or not sufficiently compliant with its recommendations; and b) periodically, information on trends and typologies of money laundering, locally and internationally, as well as appropriate statistics and any other information that would enhance public awareness and understanding of the nature of money laundering and its offences. - In Section 17 (2) of Act No 11 of 2000, the need for the FIU to set out measures that may be utilized by a financial institution or listed business, against such countries is addressed. These measures may be set out by Order. The FIU and the Central Bank website currently contain a list of countries that do not sufficiently comply with FATF 40+9 Recommendations.
22.Foreign branches & subsidiaries	NC	• No legal requirements for financial institution to ensure that their foreign branches and subsidiaries observe AML/CFT measures consistent with FATF standards.	The T&T authorities may wish to introduce legislation or enforceable regulations to include the requirements for financial institutions to:	There is currently no specific requirement in law or regulations that address this issue. However, the section 4.4 of the Central Bank's AML/ CFT Guideline issued in October 2011 requires inter alia a financial institution to ensure that at a minimum the Guideline is

			• pay particular attention that their branches and subsidiaries in countries which do not or insufficiently apply the FATF Recommendations observe the AML/CFT requirements consistent with home country requirements and the FATF Recommendations; • apply the higher standard, to the extent that local (i.e. host country) laws and regulations permit, where the minimum AML/CFT requirements of the home and host countries differ; • inform their home country supervisor when a foreign branch or subsidiary is unable to observe appropriate AML/CFT measures because this is prohibited by local (i.e. host country) laws, regulations or other measures.	also implemented in their branches and subsidiaries abroad. Central Bank's AML/ CFT Guidelines are considered other enforceable means. In addition, the Bank's licensing procedures reflect this Recommendation in practice. A branch is not a separate legal entity from the locally incorporated financial institution and therefore the laws of the home country would also apply to the branch in a foreign jurisdiction. To the extent that the host country also has laws with which the foreign branch must comply the entity must also meet those standards. Therefore if the home country has higher AML/ CFT standards, the branch would be required to meet the higher standard in the host jurisdiction to the extent that the local (i.e host country laws) permit. With respect to foreign subsidiaries, there is currently no specific requirement in law or regulations that address this issue.
23.Regulation, supervision and monitoring	NC	• Relevant supervisory agencies have not been designated as responsible for ensuring the compliance of their supervised financial institutions with AML/CFT requirements. • The TTSEC does not apply the requirements of the IOSCO Principles for the supervision of the securities sector with regard to AML/CFT. ▪ Only the financial institutions supervised by the CENTRAL BANK OF T&T are subject to AML/CFT regulation and supervision. ▪ Only financial institutions under the FIA are subject to all measures necessary to prevent criminals and their associates from gaining control or significant ownership of financial institutions. ▪ The securities sector, credit unions, money transfer companies and cash couriers are not subject to AML/CFT supervision. ▪ Money transfer companies and cash couriers are not licensed, registered or	• Authorities should formally designate the relevant supervisory agencies with the responsibility for ensuring compliance by their licensees with AML/CFT obligations.	• In POCAA, supervisory authority has been defined as the competent authority for ensuring compliance by financial institutions and listed businesses with requirements to combat money laundering. Regulation 2(1) of the FOR specifies the supervisory authority for different types of financial institutions as follows; a) Central Bank – financial institutions licensed under the FIA, insurance companies and intermediaries under the Insurance Act, authorized dealers (cambios and bureaus de change) under the Exchange Control Act, or a person who is registered to carry on cash remitting services under the Central Bank Act b) TTSEC – persons licensed as a dealer or investment advisor under the Securities Industries Act. c) FIU – other financial institutions and listed business.

		appropriately regulated		d) The Commissioner of Co-operative Development has the powers of general supervision of the affairs of societies and shall perform the duties of registrar of societies (including credit union societies). (Cooperative Societies Act 1971). With respect to (a) above the ambit of the Central Bank is to supervise money transmission or remittance business generally and is not limited to cash remitting services. This is a drafting error in the Financial Obligations Regulations and is in need of amendment. We have recognized that the above definition does not include the combating of terrorism, but this will be addressed in the Anti-Terrorism Regulations. The policy to guide the Anti-Terrorism Regulations is currently being drafted by the Compliance Unit of the Ministry of the National Security and will be submitted to Parliament. Trinidad and Tobago Securities and Exchange Commission (TTSEC) is the supervisory body for the securities sector. For the purposes of AML/CFT compliance in the securities sector, the Proceeds of Crime (Amendment) Act No 10 of 2009, provides a definition of "security" as including the following: - any document, - instrument or - writing evidencing ownership of, or - any interest in the capital, - debt property, -profits, - earnings or -royalties of any person or - enterprise and - without limiting the generality of the foregoing, includes any— - bond, debenture, note or other - evidence of indebtedness; - share, stock, unit or unit certificate, - participation, certificate, certificate of share or interest; - document, instrument or writing - commonly known as a security; document,

				instrument or writing evidencing an option, subscription or other interest in respect of— - a financial institution; - a credit union within the meaning of the Co-operative Societies Act; or - an insurance company; - investment contract; - document, instrument or writing constituting evidence of any interest or participation in— - a profit-sharing arrangement or - agreement; - a trust; or - (iii) an oil, natural gas or mining lease, claim or royalty or other mineral rights The FIU is currently in the process of approving compliance programmes that are submitted by the listed businesses and entities that they supervise. Fifty two (52) compliance programmes have already been submitted to the FIU for the period Jul – Dec 2012. In August 2011, the FIU completed its Compliance Examination Manual and commenced Onsite examinations. The examinations completed by the FIU are as follows: August 2011: 2 listed businesses (Attorneys at law) October 2011: 2 (1 Motor Vehicles sales and 1 Real Estate) December 2011: 2 Private member clubs March 2012: 1 Attorney-at-Law April 2012: 1 Jeweller May 2012: 1 Co-operative Society/Credit Union June 2012: 1 Motor Vehicle Sale July 2012: 1 Motor Vehicle Sales September 2012: 1 Money or Value Transfer Services November 2012: Motor Vehicle Sales December 2012: 1 Co-operative Society/Credit Union Please see Appendix IV for a summary of the Number of Onsite Visits conducted by the FIU for the period Jul-Dec, 2012.

			• The TTSEC should apply the requirements of the IOSCO Core Principles for the supervision of the securities sector with regard to AML/CFT. • The measures in the FIA to prevent criminals or their associates from gaining control or significant ownership of financial institutions should be duplicated in the relevant legislation governing the supervision of other financial institutions under the POCA.	• The IOSCO Core principles have been included in the Securities Act 2012 which was proclaimed. Please see Appendix XVI for document which sets out the sections of the Securities Act 2012 and their relationship to the IOSCO Principles. • The Securities Act 2012 contains several references to AML/CFT supervision. In particular Section 6(i) lists ones of the functions of the Commission is to ensure compliance with the Proceeds of Crime Act and any other written law in relation to the prevention of money laundering and combating the financing of terrorism. • Section 33(2) of the FIA state that; *A person who—* a) *has been convicted by a court for an offence involving fraud, dishonesty, a contravention of the Proceeds of Crime Act or any regulations made thereunder or such other statutory provision in relation to the prevention of money laundering and the combating of terrorist financing as may be in force from time to time;* *b) is or was convicted of an offence under this Act; or* *c) is not a fit and proper person in accordance with the criteria specified in the Second Schedule, shall not act or continue to act as a director or officer of, or be concerned in any way in the management of a licensed Institution or financial holding company.* • Insurance companies under the Insurance Act are also required to notify the Central Bank of any change to controllers (i.e. controlling shareholders or significant shareholders owning 33 1/3% of more, CEO etc). Controllers are required to be fit and proper on an ongoing basis and must satisfy Central Bank's requirements in this regard. Section 20 of the Insurance Act refers.

				• Money or value transfer services are provided for as financial institutions and listed business in the first schedule of the Proceeds of Crime (Amendment) Act No 10 of 2009. The Central Bank was given the power to supervise the operations of money transmission and remittance business via an amendment to the Central Bank Act in 2008. The Central Bank with assistance from a technical expert from the Office of Technical Assistance, United Stated Department of Treasury has developed a draft AML/ CFT Supervisory Framework for money remitters. In addition, the Central Bank is working on converting drafting Money Remittance Regulations into a Bill based on advice from the Office of the Chief Parliamentary Council (CPC). A draft a licensing regime it's for the regulation and supervision of Money Remitters in Trinidad and Tobago. Further, since December 2011 the Central Bank has commenced meetings with money remitters to discuss their AML/ CTF regimes and advise on the regulatory regime being developed by the Central Bank. In May 2011 the FIU (Amendment) (No. 2), 2011, Section 15, created Part IIIA – "The Supervisory Authority," which gives the FIU the authority to carry out supervisory functions. This includes the registration of all Listed Businesses and non-regulated financial institutions, the supervision of supervised entities for AML/CFT, and the authority to apply administrative sanctions for compliance. As part of the implementation of its supervisory regime, the FIU has registered 1581 Listed Businesses and non-regulated financial institutions. *(See appendix V for total registrants for Jan – Dec. 2012). While the FIU reported 1592 registrants as June 2012, a data clean up exercise confirmed a variance of 60 registrants for 2011(Oct 2010 to Sept 2011). This was due to factors such as registration applications received from businesses which did not fall within the ambit of the POCA and requests from registered entities to de-register.*

			• The securities sector and credit unions should be subject to AML/CFT supervision. Money transfer companies and cash couriers should be licensed, registered, appropriately regulated and subject to AML/CFT supervision.	The FIU has also conducted 12 sessions in AML/CFT Awareness /Training during the period Jul – Dec2012, please see Appendix VII for updated information on the number of training sessions conducted by the FIU for the period Jul –Dec 2012. The FIU utilised ICT to inform and educate its Supervised Entities on their requirement. Publications made thus far includes: • Guide to developing an AML/CFT Compliance Programme • Notice to Supervised Entitites to register with the FIU • Guide to STR/SAR Reporting • Customer Due Diligence Guide • Guide to structuring an AML/CFT compliance Programme; • 3 Specific Guidelines for PMC, MV and Real estate. • Reporting forms (STR/SAR, FIU Registration form, Quarterly Terrorist Property Report forms) • Advisories • Typologies reports • List of NCCTs Further, the FIU reviewed 32 compliance programmes and approved 2 compliance programmes for Financial Institutions for the period July – Dec 2012. Reviews are on-going. A feedback link has been established on the FIU website to encourage Supervised Entities and the public to communicate with the FIU **(fiufeedback@gov.tt).** A draft framework for the regulation of money remitters is at an advanced stage of development. Work is on-going on the development of the framework for the regulation of money remitters According to Section 36(cc) of the Central Bank Act, the Central Bank of Trinidad and Tobago has the power to supervise the operations of payment systems

				in Trinidad and Tobago generally, interbank Payment Systems in accordance with the Financial Institutions Act and the transfer of funds by electronic means including money transmission or remittance business. Therefore, the Central Bank has supervisory authority of Money or Value Transfer Services.
24. DNFBP – regulation, supervision and monitoring	NC	• There is no legal requirement to ensure that the gaming houses (or private member clubs), pool betting and the national lottery on line betting games are subject to a comprehensive regulatory and supervisory regime that ensures they are effectively implementing the AML/CFT measures required under the FATF Recommendations. • There are no legal or regulatory measures to prevent criminals or their associates from holding or being the beneficial owner of a significant or controlling interest, holding a management function in, or being an operator of a Gaming House (or Private Member Club), Pool Betting and the National Lottery on line Betting Games. • There is no designated competent authority or SRO responsible for monitoring and ensuring compliance of DNFBPs with AML/CFT requirements.	• Gaming houses (or private member clubs), pool betting and the national lottery on line betting games should be subject to a comprehensive regulatory and supervisory regime that ensures they are effectively implementing the AML/CFT measures required under the FATF Recommendations • Legal or regulatory measures should be taken to prevent criminals or their associates from holding or being the beneficial owner of a significant or controlling interest, holding a management function in, or being an operator of a gaming house (or private member club), pool betting and the national lottery on line betting games. • A competent authority or SRO should be designated as responsible for monitoring and ensuring compliance of DNFBPs with AML/CFT requirements.	• Regulation 2(1) of the FOR specifies the FIU as the supervisory authority for other financial institutions and listed businesses. Listed businesses as defined in POCA include DNFBPs. The FIU is presently responsible for supervising DNFBPs but only for AML compliance • FIU (Amendment) (No. 2), 2011, Section 15, created Part IIIA – "The Supervisory Authority," Section 18E (1) states: The FIU shall effectively monitor non-regulated financial institutions and listed businesses for which it is the Supervisory Authority and shall take the necessary measures to secure compliance with this Act and the following written laws: *(a)* the Proceeds of Crime Act; *(b)* the Anti-Terrorism Act; *(c)* the Financial Obligations Regulations, 2010; *(d)* the Financial Intelligence Unit of Trinidad and Tobago Regulations, 2011; *(e)* the regulations made under the Anti-Terrorism Act; and *(f)* any other written laws by which the recommendations of the Financial Action Task Force are implemented as well as guidelines issued in pursuance of this Act and the laws identified in paragraphs *(a)* to *(e)*. Section 2 of POCA has been amended by POCAA to include gaming houses (or private member clubs), pool betting and the national lottery on line betting games as listed businesses and thereby subject to AML requirements. Under Section 34 of POCAA the FIU has been named as the Supervisory Authority for listed businesses until regulations for the selection of a Supervisory Authority are made. The

				Supervisory Authority has been defined in the POCAA as the competent authority responsible for ensuring compliance by financial institutions and listed business with AML obligations. The process of identifying and registering listed businesses has begun and is ongoing. The first advertisement mandating registration of listed businesses has been published in the local newspapers. The Inland Revenue VAT registration office and the Port of Spain High Court is providing assistance in this process. Once this has been completed an appropriate supervisory and regulatory regimes will be established and implemented. Advertisement mandating registration of listed businesses was published in the local newspapers and placed on the FIU website. The total number of registrants for the period Jul to Dec , 2021 is 43. The FIU has received 52 compliance programmes and continues with onsite inspection of its Supervised Entities.
			• Competent authorities should establish guidelines that will assist DNFBP's to implement and comply with their respective AML/CFT requirements	• The Financial Intelligence Unit Regulations 2011 that have been enacted allows for the FIU to issue guidelines accordingly. • Under Section 34 of POCAA the FIU has been named as the Supervisory Authority for listed businesses until regulations for the selection of a Supervisory Authority are made. The Supervisory Authority has been defined in the POCAA as the competent authority responsible for ensuring compliance by financial institutions and listed business with AML obligations. Regulation 2(1) of the FOR specifies the FIU as the supervisory authority for other financial institutions and listed businesses. Listed businesses as defined in POCA include DNFBPs.

				The FIU is presently responsible for supervising DNFBPs but only for AML compliance. In respect of Counter financing of terrorism compliance this will be addressed in the Anti-Terrorism Regulations. The FIU (Amendment) (No. 2), 2011, Section 15, created Part IIIA gives the FIU the responsibility for supervising non-regulated financial institutions and listed businesses for AML and CFT compliance. • Further section 55 of POCA states that '*Every financial institution or listed business shall develop and implement a written compliance program, approved by the FIU'.* Therefore all DNFB's are required to submit a compliance programme to the FIU which they are to adhere and comply. • The Financial Intelligence Unit Regulations 2011 have been enacted. The Regulations mandate the registration of listed businesses with the FIU within three (3) months of the coming into effect of the Regulations. • The Financial Obligations (financing of terrorism) Regulations have been made by the Honourable Minister of National Security and have been laid in Parliament. These Regulations prescribe the policies that financial institutions must require to have in place to pay attention to any TF patterns that may arise as a result of new technological advancements. The FIU has created guidelines for the following supervised entities: • Motor Vehicles Dealers • Real Estate • Private Members club These guidelines have been published on the FIU website www.fiu.gov.tt
25. Guidelines & Feedback	NC	• The Designated Authority/FIU does not provide feedback to financial institutions that are required to report suspicious	• The designated authority/FIU should have a structure in place to provide financial institutions that are required to report suspicious transactions,	• Section 10 of the Financial Intelligence Unit of Trinidad and Tobago Act No 11 of 2009, imposes a requirement on the FIU that feedback shall be

		transactions. • The CENTRAL BANK OF T&T AML/CFT Guidelines are applicable only to banks and insurance companies. • There are no guidelines to assist DNFBPs to implement and comply with their respective AML/CFT requirements".	with adequate and appropriate feedback. • The CENTRAL BANK OF T&T AML/CFT Guidelines should be enforceable and have sanctions for non-compliance.	provided in writing to the financial institution or listed business regarding suspicious transaction or suspicious activity report received from the same. For the period October 1st, 2010 to Sept. 30th 2011, and Oct. 01, 2011 to Jan. 31st 2012, the FIU provided 403 feedback responses to financial institutions and Listed businesses upon their submission of STRs/SARs. For the period Jul – Dec 2012 the FIU acknowledged all (171) STR/SAR submitted to the FIU and 16 were related to specific deficiency issues arising out of STR/SAR submissions. Section 8(3)(d) of the FIU Act requires the FIU to set reporting standards to be followed by financial institutions and listed businesses in furtherance of section 55(3) of the POCA. The FIU has drafted the required standards and has published same on their website for stakeholders' comments which was received and is currently making amendments to the reporting standard before seeking further stakeholder comments. The process has been completed and published on the FIU website as "STR/SAR Reporting Guideline." The FIU also published guidelines for Reporting Entities on the procedures for reporting terrorist funds. • Section 10 of the FIA states that the Central Bank may issue guidelines on any matter it considers necessary to, inter alia, aid compliance with POCA, the ATA, or any law relating to AML/CFT. Although contravention of a guideline referred to in section 10 does not constitute an offence, the Central Bank or the Inspector of Financial Institutions may take action under section 86 of the FIA. Section 86 of the FIA gives the Inspector of Financial Institutions power to issue compliance directions or seek restraining orders for actions violating any provision of the FIA and associate regulations, measures imposed by the Central Bank or unsafe or unsound practice in conducting the business of banking. Unsafe and unsound

			• Guidelines similar to the CENTRAL BANK OF T&T AML/CFT Guidelines should be issued by the relevant authorities for all financial institutions and persons engaged in relevant business activity stipulated in the POCA.	practice is defined to include without limitation any action or lack of action that is contrary to generally accepted standards of prudent operation and behaviour. The Insurance Act also allows for compliance directions to be issued for unsafe and unsound practices. While the above provisions create a legal basis for the enforceability of the CENTRAL BANK OF T&T AML/CFT Guidelines, effective implementation of this enforceability still has to be demonstrated by the Central Bank. Please see Appendix VI for information on Sanctions taken by the CBTT for the period July-December, 2012. • Further it should be noted that many of the present requirements in the Central Bank's 2005 Guideline have been codified in law in the FOR 2010. The Central Bank issued a revised AML/ CFT Guideline in October 2011. The Guidelines provide clarification to banks, insurance companies, insurance intermediaries, money remitters, bureau de change etc on what is required to fulfill the requirements of the FOR, ATAA, POCAA and FIUATT etc. The Central Bank guidelines have been revised and reissued as of October 2011. • This Financial Intelligence Unit Regulations 2011 deals with this issue. • Central Bank's revised AML/ CFT Guideline also include money remittance businesses. • The Board of Commissioners of the TTSEC has approved guidelines for the Securities Industry and these will be issued shortly. The TTSEC guidelines were publicly launched on April 23, 2012. These guidelines are available on their website at www.ttsec.org.tt

Institutional and other measures				
26.The FIU	NC	• There is no (legally established) FIU that receives, analyses and disseminates financial information (FIU legislation not introduced to clearly indicate the powers of this entity). • The FIU lacks the legal authority to obtain and disseminate financial information. • Operational independence and more autonomous structure (reconsider "designated authority structure) of the FIU is needed • The FIU does not prepare and publish periodic reports of operations, typologies, trends and its activities for public scrutiny**.**	• Proceed quickly to enact FIU legislation. The required Legislative framework should be implemented with the view to gain membership to the Egmont Group of FIUs. • Introduce Periodic reports prepared by the FIU in relation to its operation in order to test its growth and effectiveness. This report should also serve to show ML and TF trends.	• The FIUTTA has been enacted. Part III of the FIUTTA provides for the functions and powers of the FIU. These include the collection, analysis and dissemination of financial intelligence and information among local and foreign law enforcement authorities, the ability to request necessary financial information from reporting entities, the ability to share financial intelligence with local and foreign authorities, the establishment of reporting standards and the publication of annual and periodic reports. Concerning the Egmont membership procedure the FIU is at stage 7 having been invited as an Observer to the Egmont Group (LWG & OWG) Meeting in Aruba 14-17 March 2011. At the Egmont Plenary in March 2011 the FIUTT was recommended by the Outreach Working Group (OWG). However, the Legal Working Group (LWG) did not have sufficient time to fully review FIUTT response to the LWG initial questions as such the LWG deferred their recommendation. The LWG has since requested clarification on outstanding issues on several occasions to which the FIUTT has responded . The FIU received feedback from the Egmont Secretariat and in August 2012 made amendments to the FIU Act to address Egmont's' concerns. In September 2012 the FIU responded to Egmont, addressing all issues that were raised. • Section 18(1) of the FIUTTA requires the Director of the FIU to submit an annual report to the Minister of Finance on the performance of the FIU, including statistics on suspicious activity reports, the results of any analyses of these reports, trends and typologies of money laundering activities or offences. • On January 27, 2012 the FIU annual reports for 2010 and 2011 were laid in the parliament of Trinidad and Tobago in accordance with section

				18(2) of the FIU Act and made available to the public. The reports are also published on the FIU website www.fiu.gov.tt. The FIU 2012 Annual Report is completed and should be available to the public within the first quarter of 2013.
			• Consider strengthening and restructuring the staff of the FIU so as to encourage self-sufficiency and operational independence.	• With regard to staffing, section 3(2) of the FIUTTA states as follows: - The FIU shall consist of such number of suitably qualified public officers including a Director and Deputy Director as may be necessary, for the performance of its functions and may include- - public officers, appointed, assigned, seconded or transferred from another Ministry or statutory corporation to the FIU; and - Officers and other persons appointed on contract by the Permanent Secretary of the Ministry of Finance. In order to demonstrate its growth and effectiveness, checks and balances are installed at three (3) levels. Four levels **a) Maintenance of Statistics** Section 9 of the Financial Intelligence Unit of Trinidad and Tobago Act No 11 of 2009, specifically requires the FIU to implement a system for monitoring the effectiveness of its anti-money laundering policies by maintaining comprehensive statistics on— (a) suspicious transaction or suspicious activity reports received and transmitted to law enforcement; (b) money laundering investigations and convictions; (c) property frozen, seized and confiscated; and (d) International requests for mutual legal assistance or other co-operation. The above statistics will provide information regarding ML and TF trends. **b) The Installation of a Reporting Mechanism within the FIU**

				Section 18 (1) of the Financial Intelligence Unit of Trinidad and Tobago Act No 11 of 2009 requires that annual reports be prepared to capture the above information. Accordingly, the Director of the FIU shall submit within sixty days of the end of the financial year an annual report to the Minister on the performance of the FIU. This includes statistics on suspicious transaction and suspicious activities reports, the results of any analyses of these reports, trends and typologies of money laundering activities or offences. **c) Accountability to Parliament** Subsequently, Section 18 (2) imposes an obligation on the Minister to lay the report in Parliament within thirty days of receipt of a report from the Director. Section 17 (1) of the Financial Intelligence Unit of Trinidad and Tobago Act No 11 of 2009, imposes an obligation on the FIU to publish a list of the countries identified by the Financial Action Task Force, as noncompliant or not sufficiently compliant with its recommendations. This exercise shall be undertaken as frequently as is necessary, through the use of Notices placed in the Gazette and in at least two newspapers in daily circulation in Trinidad and Tobago d) **Autonomy and Independence** Section 22A (1) states, "The Director shall not disclose or cause to be disclosed to the Minister (Finance) or to any other person, except in accordance with this Act, the personal or financial details pertaining to an individual or business. The FIU budget is allocated by the Ministry of Finance for the year October 2010 to September 2011. Disbursement of funds is at the FIU's discretion. From the budget year 2011 to 2012 the FIU's budget will be reflected as a separate item in the Budget of the Ministry of Finance and the Economy. Disbursement

			• The FIU should consider publicizing periodic reports for the wider public.	of funds is at the FIU's discretion. This will strengthen the FIU independence and autonomy. With regard to the strengthening and restructuring the staff of the FIU, Permanent positions of Director and Deputy Director have been advertised by the Public Service Commission (PSC), an independent body which has completed interviews at the end of June 2011. The PSC selection of FIU Director was vetoed and a Director has been seconded to the position of Director of the FIU for the extended period from 31st October 2011 to April 30 2012. On November 8, 2011 the PSC appointed a Deputy Director to FIUTT. The PSC has appointed a Director of the FIU retroactively from February 14, 2011. Job descriptions for the new positions of Director Analyst, Intelligence research specialist and Analyst have been approved by the Public Service Commission (PSC). As at January 14, 2013 the full complement of officers (6) were appointed to the Analytical Division of the FIU which comprise of (1) Director Analyst; (1) Intelligence Research Specialist; and (4) Analysts. Job description and job questionnaire for the Senior Legal Officer have been completed as well as the job descriptions of Director; Supervisor and Compliance Officers for the Compliance & Outreach division of the FIU has been completed and submitted to the Ministry of Finance and the Economy in January 2012. Appointments were made during the period July to December 2012 to the positions of (1) Senior Legal Officer and compliance and Outreach Division (7) inclusive of Director, Supervisor and Compliance Officers. In July and August, 2011 an Information Systems Manager and the Network Administrator were appointed to the FIU respectively. The Database Manager was appointed by the PSC in May 2012 to the FIU. The IT Division of the FIU is now fully staffed. • Section 17 (1) (b) enhances public awareness and

<table>
<tr><td></td><td></td><td></td><td></td><td>understanding of the nature of money laundering and its offences. This section imposes an obligation on the FIU to publish, periodically, information on trends any typologies of money laundering, locally and internationally, as well as appropriate statistics and any other information.

The FIU published its 2010 and 2011 Annual Report which was made available to the public in January 2012 and is also available on the FIUs' website for the general public. The report contains trends and typologies and statistics on the operations of the FIU. The FIU 2012 Annual Report is completed and should be available to the public within the first quarter of 2013.In addition, there are trends and typologies of money laundering both local and foreign are also on the FIUs' website www.fiu.gov.tt</td></tr>
<tr><td>27.Law enforcement authorities</td><td>LC</td><td>• The lack of resources is hampering the ability of Law enforcement authorities to properly investigate ML and FT offences.</td><td>• Pay more attention to pursuing Money-Laundering offences based on received and analysed SAR's.

• The effectiveness of the system to combat AML(/CFT) offences should be improved.</td><td>• The FIB post passage of POCAA in October 2009:

o Confiscation investigation (1)
o Money laundering investigations (2)
o Production Orders obtained under POCA (5)
o Search Warrants obtained under POCA (1)

<u>On-going Money laundering and confiscation investigations 2010</u>

<table><tr><td><u>On-Going ML Investigations</u></td><td><u>On-going Confiscation Investigations</u></td></tr><tr><td>9</td><td>1</td></tr></table>
<u>Production Orders, Search Warrants and Confiscation orders obtained from 1st September 2010 to 10th December 2010</u>

<table><tr><td><u>Production Orders</u></td><td><u>Search Warrants</u></td></tr><tr><td>18</td><td>Nil</td></tr></table>
On-going Money Laundering and Confiscation Investigations 2011</td></tr>
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				<table><tr><th>On-going ML Investigations</th><th>On-going Confiscation Investigations</th></tr><tr><td>1</td><td>2</td></tr></table> **Production Orders, Search Warrants and Confiscation orders obtained for 2011** <table><tr><th>Production Orders</th><th>Search Warrants</th></tr><tr><td>**16**</td><td>**3**</td></tr></table> **On-going Money Laundering and Confiscation Investigations 2012** <table><tr><th>On-going ML Investigations</th><th>On-going Confiscation Investigations</th></tr><tr><td>**4**</td><td>**0**</td></tr></table> **Production Orders, Search Warrants and Confiscation orders obtained for 2012** <table><tr><th>Production Orders</th><th>Search Warrants</th></tr><tr><td>**24**</td><td>**9**</td></tr></table> See Appendix IX for statistical information from the FIB. Please see Appendix IX for the Investigations conducted and currently on-going by the FIB for the period July-December, 2012. Further, a procedure has been established to Identify money laundering offences and other offences from which proceeds are generated. To this end a mandatory template has been created to obtain financial information of all persons charged with a specified offence as defined in POCA. This can be accessed via a direct online database by the Financial Investigations Branch. • A formal administrative review of the laws,

			• Enact the Police Service Reform Bill quickly in order to reform the Police Service with the view to improve efficiency and restore public trust.	institutions and human resource needs of the security community is being undertaken to arrive at an assessment of where assets and personnel should be deployed. This review taken in conjunction with this Recommendation would be used to strengthen the resources needed by law enforcement. • The AML/CFT Compliance Unit of the Ministry of National Security is currently conducting an assessment of the AML/CFT architecture of Trinidad and Tobago by the use of the SIP framework. The aim of this exercise is to measure the risks of institutions being used for ML & TF as well as what crime types are most likely to lead to ML and TF threats.
			• Increase involvement of the Customs and Excise Division in combating money laundering and terrorist financing	• The Financial Investigations Branch is the designated Unit to investigate AML/CFT matters. The FIB is now established as a unit within the Trinidad and Tobago Police Service. • The Police Service Act was amended in 2006 (Police Services (Amendment) Act, 2007). The amended Act helps improve the efficiency within the Police Service. The enactment of the Police Complaints Authority Act, 2006, establishes the Police Complaints Authority to regulate the members of the police service against corruption and misconduct and is an attempt to restore public trust.
			• The Customs and Excise Division should consider reviewing its policy in relation to the sharing of data.	• Throughout the year members of the Customs and Excise Division have been invited and attending workshops, training and conferences to understand their role in the AML/CFT regime and also increase their involvement in combating money laundering and terrorist financing. - GovRisk Conference 9th-13th August 2010 - UNODC Workshop 24-27th August. - Strategic Implementation Planning Framework Workshop held on 12-15 October 2010 In addition, the Comptroller of Customs and

			• The DPP office should continue to implement its special project on ML prosecutions.	Excise is currently a member of the National AML/CFT Committee. This allows the Customs and Excise Division to have a great input into the structuring, organizing and implementation of Trinidad and Tobago's AML/CFT Regime. • The policy of the Customs and Excise Division includes the sharing of information and intelligence with approved law enforcement agencies nationally, regionally and internationally. The sharing of data is governed by existing laws and best practice, including forwarding to the Financial Intelligence Unit for analysis, all data collected from arriving passengers who have declared currency and bearer-negotiable instruments in excess of the specified sum. • **Under Law enforcement authorities**, The DPP office has implemented its special project on Money Laundering prosecutions. The office of the DPP is engaged on an on-going basis in the prosecution of money laundering matters. • Subsequent to the change in government in 2010 there has been a change in the policy of the business plan for the DPP which included Proceeds of Crime/ Money Laundering Unit. However, having regard to the need to advance investigations and prosecutions related to financial crime /money laundering, the DPP is in the process of setting up a financial crime/money laundering unit within the Office of the DPP. This unit will inter alia, act as a point of contact and advice for the police in respect of financial investigations and will conduct applications under POCA. The unit will consist of approximately six officers and will be formed by the end of the first quarter of 2012. • The DPP Office is in the process of organizing with CPS UK (ie the Criminal Prosecution Services of the UK) to have their experts assist us in April 2013 with setting up of the Financial Crimes/Proceeds of Crime Unit and assist us

				with training in the same area between April and August 2013.
29.Supervisors	NC	• The Credit Union Supervisory Unit do not have the power to compel production of or to obtain access to all records, documents or information relevant to monitoring compliance. • The CUSU do not have the authority to conduct inspections of relevant financial institutions including on-site inspection to ensure compliance. • Supervisors do not have adequate powers of enforcement and sanction against financial institutions and their directors or senior management for failure to comply with AML/CFT requirements.	• The CUSU should have the power to compel production or to obtain access to all records, documents or information relevant to monitoring compliance • The CUSU should have the authority to conduct inspections of relevant financial institutions including on-site inspection to ensure compliance.	• The decision has been made for the supervision of Credit Unions to fall under the remit of the Central Bank of T&T. A Credit Union Bill has been drafted and is under review. It is envisaged that once this has occurred the Central Bank of T&T will have the power : o To compel production or to obtain access to all records, documents or information relevant to monitoring compliance. o To conduct inspections of relevant financial institutions including on-site inspection to ensure compliance. Until the Credit Union Bill is passed, Credit Unions fall under the purview of FIUTT. The draft Credit Union Bill is being considered by the Legislative Review Committee of Parliament. The FIUTT has indicated that it has registered approximately 175 entities within the Cooperative Society which includes Credit Unions and onsite visit is scheduled. • The CUSU ceased operation in 2006. However, the FIU Act as amended gives the FIU supervisory powers for Credit Unions. The FIU pursuant to this mandate has undertaken training seminars with Credit Unions. Please see Appendix VIII for the period Jul – Dec 2012. • Progress has also been made by the Securities & Exchange Commission with the drafting of the Securities Bill and will specifically address the absence of adequate powers of enforcement and sanctions and an effective AML/CFT supervisory compliance regime of the TTSEC (This Bill was previously scheduled for debate in Parliament, however given the change in government, the Bill lapsed and was then revised and it is now before the Technical Committee of the Ministry of Finance).

			• All supervisors 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.	• Similar to Section 86 of the FIA, Section 90 of the Securities Act 2012 (SA2012) gives the CEO of the Commission the power to issue compliance directions for actions violating any provision of the Act, guidelines made thereunder and any law in relation to the prevention of money laundering and combating the financing of terrorism or unsafe or unsound practice in conducting the business of securities. Unsafe and unsound practice is defined to include without limitation any action or lack of action that is contrary to generally accepted standards of prudent operation and behaviour. Compliance reviews conducted under Section 89 of the SA2012 include a review to ensure compliance with any law in relation to the prevention of money laundering and combating the financing of terrorism. • Section 2(1) of the FOR, 2010 defines Supervisory Authority as Central Bank of T&T responsible for financial institutions and persons licensed under the FIA, IA, Exchange Control Act and Central Bank Act; T&T Securities and Exchange Commission for persons licensed under the FIA and the FIU responsible for other financial institutions (Credit Unions) and listed business. This is for AML/CFT compliance. • Section 34 of POCAA identifies the FIU as the supervisory authority for Credit Unions and as such, 164 Co-operatives has since registered with the FIU. Ten (10) Outreach sessions were conducted. See table below. • For Compliance programmes received by the FIU from credit unions, see appendix IV. Since the enactment of the FIU Regulations, 2011. Compliance programmes are still being received from credit unions. The FIU has conducted two (2) onsite inspections of credit unions for the period Jul-Dec. 2012.

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- All supervisory authorities of financial institutions need to have systems in place for combating ML and FT and should review the effectiveness of these systems.

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OUTREACH SESSIONS FOR CO-OPERATIVE SOCIETIES

PERIOD	No. of Attendees	No. of Sessions
2011	318	6
Jan. 2012	242	4
Feb – Dec 2012	432	5
TOTAL	**992**	**15**

- Please see Appendix VIII for information on the number of sessions conducted for credit unions for the period Jul-Dec 2012.

- The FIU Amendment Act (FIU Act (No. 2) 8 of 2011) PART IIIA created a supervisory regime for listed businesses and non-regulated financial institutions (May 5, 2011). In July 2011, the FIUTT began supervision of its supervised entities by reviewing Compliance Programmes and preparing for onsite examinations. The FIUTT has issued guidelines to its supervised entities such as: Compliance programme guidelines, CDD guidelines and proposed a draft STR/SAR reporting standards in the consultation stage. In August 2011, the FIUTT completed its Compliance Examination Manual and commenced onsite examinations. The FIUTT has for the period August 2011 to December 2012 conducted fourteen (14) onsite examinations of Listed Businesses. Based on the on-site findings, recommendations are issued to the Supervisee to address the deficiency found within the given timeframe. The FIU's Enforcement Manual was finalized in July 2012. For the period Jul – Dec 2012, sixty six (66) enforcement letters were sent for failure to register, failure to submit a compliance programme and failure to submit Quarterly Terrorist Property Reports.

- Regulation 40 of the Financial Obligations Regulations allows Supervisory Authorities, (the Central Bank, the TTSEC or the FIU) to use the regulatory measures as outlined in the legislation

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				that governs the supervised entities to bring about compliance with AML/ CFT requirements. Therefore the FIA enhances the powers of the Central Bank to enforce compliance with AML/ CFT legislation by allowing for the issuance of compliance directions. Non-compliance with the compliance direction can be enforced by court order and restraining order or other injunctive or equitable relief. Section 86 of the FIA gives the Inspector of Financial Institutions power to issue compliance directions or seek restraining orders for actions violating any provision of the FIA and associate regulations, measures imposed by the Central Bank or unsafe or unsound practice in conducting the business of banking. Unsafe and unsound practice is defined to include without limitation any action or lack of action that is contrary to generally accepted standards of prudent operation and behaviour. This definition allows for the Inspector of Financial Institutions to exercise the above power with regard to AML/CFT breaches. • Regulation 10 (1) of the Financial Obligations Regulations inter alia requires an external auditor to review the compliance programme and in so doing evaluate compliance with relevant legislation and guidelines. The Central Bank has issued six (6) warning notices and two (2) compliance directions for failure to submit external audit reports. • The Central Bank has a range of sanctions available for ensuring AML/ CFT compliance. For example, the FIA enhances the powers of the Central Bank by providing for administrative fines; the enforcement of directions by court order and restraining order or other injunctive or equitable relief. Section 86 of the FIA gives the Inspector of Financial Institutions power to issue compliance directions or seek restraining orders

				for actions violating any provision of the FIA and associate regulations, measures imposed by the Central Bank or unsafe or unsound practice in conducting the business of banking. Unsafe and unsound practice is defined to include without limitation any action or lack of action that is contrary to generally accepted standards of prudent operation and behaviour. This definition allows for the Inspector of Financial Institutions to exercise the above power with regard to AML/CFT breaches. In addition, section 10 of the FIA gives the Central Bank the power to issues Guidelines to inter alia aid compliance with the POCA, ATA or any other written law relating to the prevention of money laundering and combating the financing of terrorism. Section 12 of the FIA also allows the Central Bank to issue a compliance direction or take any other action under section 86 for contravention of a guideline referred to in section 10. • Sections 23 and 24 of the FIA pertain to the restriction and revocation of a license. • (1) The Board may revoke a license where— (g) the licensee fails to comply with a direction under section 24 or 27 or with a compliance direction issued by the Central Bank under section 86. • Section 65 of the Insurance Act was amended by section 8 of the Insurance Amendment Act 2009. The amendment allows the Central Bank to issue compliance directions to a registrant, controller, officer, other employee, agent of a registrant etc under the Insurance Act where they have:- - committed, is committing, or is about to commit an act, or is pursuing or is about to pursue any course of conduct, that is an unsafe and unsound practice; - committed, is committing, or is about to commit, an act, or is pursuing or is about to pursue a course of conduct, that may directly or indirectly be prejudicial to the interest of

				policyholders; - violated or is about to violate any of the provisions of any law or Regulations made thereunder; - breaches any requirement or failed to comply with any measure imposed by the Central Bank in accordance with the Act or Regulations made thereunder. In addition to issuing compliance direction, the Central Bank may seek a restraining order or other injunctive relief. It should also be noted that compliance directions can also be issued to directors or shareholders of the banking institution or insurance company or insurance intermediary. Alternatively, the Central Bank can take action through the Court. • The Central Bank conducts on-site examination of licensed financial institutions under the FIA and insurance companies under the IA to verify inter alia their compliance with AML/ CFT requirements as mandated in law (ie. FOR and POCA) and Central Bank's guidelines. Since 2008 the Central Bank has increased its focus on AML/ CFT compliance of licensed and registered financial institutions and an AML/ CFT scope exam has been included in all on-site examinations. Based on the on-site findings, recommendations are issued to the final institution to address the deficiency found. The Central Bank is of the view that a penalties regime should be instituted for AML/ CFT compliance and is working through the National AML/ CFT Committee to determine where such a regime should be placed in law.
30.Resources, integrity and training	PC	• Resources of the FIU, DPP, Customs and the Police Service are not sufficient for these agencies to perform their respective functions. More and continuous training is needed for these entities, including the Immigration service. ▪ Staff resources of the TTSEC and CUSU	• Introduce provisions for continuous training for the Designated Authority, the Training Officer and other staff within the FIU. • Consider establishing a training program for staff of	• The FIU has a training policy (document) which was created in December 2010. Additionally, financial provisions were made in the FIU's budget estimate for 2010 to 2011 for staff training, conferences and seminars. • Since the establishment of the FIU on February 9,

		are insufficient for their task. ▪ AML/CFT training available for supervisory staff is insufficient. • The strength and structure of the FIU is inadequate to meet its needs. ▪ Ongoing training is necessary.	the FIU. Coordinating of workshops/ seminars.	2010 members of staff have attended training workshop and training seminars: (i) Market Oversight in the Caribbean by CARTAC, US SEC and T&T SEC, March 2010. (ii) IMF-CFATF Pre Assessment Workshop, July 2010. (iii) Governance, Regulation and Financial Crime Prevention Forum for the Caribbean Region August 2010. (iv) Catastrophic Computer Fraud and Business Technology, August 2010. (v) Specialized Training Workshop on Prevention and Fight Against Terrorism Financing, August 2010. (vi) In April 2011 4 staff members attended a Forensic and Fraud Seminar (vii) In May 2011 the Director attended a Tactical Analysis Course sponsored by Egmont. (viii) In July 2011 training commenced for FIU staff in Ownership and Control of business structures. (ix) In August 2011, the IT Manager attended a National Cyber Security Assessment Workshop hosted by CICTE and the Ministry of National Security. (x) In August 2011 an Analyst attended a Financial Investigations Course at REDTRAC, Jamaica (xi) Commonwealth Regulatory Workshop Caribbean Countries and Global Financial Regulation forum, August 2011, Trinidad and Tobago. **Scheduled Training:** In September 2011, seven (7) FIU officers will attend a Financial Crimes training course in T&T to be hosted by the Federal Investigation Bureau. Additionally, in September 2011, four (4) officers participated in training hosted by Trinidad and Tobago Securities and Exchange Commission in collaboration with United States Securities and Exchange Commission.

				In November 2011, four (4) FIU officers were part of an awareness session on the Anti-Gang and Data Protections Acts, held by the Law Association of Trinidad and Tobago. Further, two (2) officers participated in Symantec Endpoint awareness session. In December 2011, two (2) FIU personnel were exposed to awareness sessions relating to Information Technology. In July 2012, four (4) FIU officers attended an Anti-Money Laundering Training Seminar hosted by the CBTT/Office of Technical Assistance, US Treasury.
			• Improve budgetary, staffing and physical accommodation of the FIU in order to improve its capabilities.	**Autonomy** The FIU budget is reflected as a separate item in the 2011/2012 budget of the Ministry of Finance which establishes its autonomy. A Director has been seconded to the position of Director of the FIU on February13, 2011 until October 30, 2011 in the first instant, and was extended further until April 30, 2012 by the PSC after which a permanent appointment would be made by the PSC. The PSC made a permanent appointment of Director, FIU retro-active from February 13, 2011. In July and August, 2011 an Information Systems Manager and Network Administrator was appointed. Also three (3) Compliance Assistant have been contracted. During the period Jul-Dec, 2012 the following appointments were made to the FIU: The Analytical division of the FIUTT now comprises six (6) Analysts which are as follows: (i) Director (1); (ii) Intelligence Research Specialist (1); and (iii) Analyst (4). The Analytical division is now fully staffed. A Senior Legal officer was also appointed during the period. **Pending :** An estimated cost for renovation works has been

			• More resources (law enforcement staff) should be dedicated to investigation of ML offences.	obtained and a Cabinet Note will be prepared for consideration and allocation for the next budget 2011 – 2012. Approval for the renovation (compartmentalising) of the office space of the FIU is expected to begin second quarter of 2012. This project has begun and is currently ongoing. • The FIU is located at the Level 25, Tower D, International Waterfront Complex, 1A Wrightson Road, Port-of-Spain. Cabinet approval is presently being sought for the organisational structure and staffing compliment of FIU (May 2010). • There has been a change in government and consequently the organizational structure and staffing complement of the FIU is being reviewed. It is estimated that the structure will be approved by November 2010. On 25 November 2010, Cabinet approved the organizational structure and staffing complement of the FIU. • In August 2011 Cabinet approved the strengthening of staffing complement of the FIU with the creation of a Compliance and Outreach Division which has a staff complement of seven (7). The Analyst division of the FIU has an approved structure of six (6) analysts. • The Financial Investigations Branch of the Special Anti-Crime Unit of Trinidad and Tobago has a current complement of seven investigators and one manager dedicated to the investigation of money laundering offences. Administratively, the FIB is an integral part of the Special Anti-Crime Unit of Trinidad and Tobago (SAUTT). SAUTT is a highly specialized and technologically advanced organization tasked with investigating crimes of National Significance which include money laundering and terrorist financing. This strategic administrative arrangement allows the FIB to have access to the technical and financial resources that it requires for the effective discharge of its functions.

			• Immigration should also be included in AML/CFT training or awareness programs. • Provide training to specific Customs Officers for future attachment to the FIU. • Address quickly the current shortage of staff at the Customs Division to enhance efficiency. • Provide further training to Prosecutors, Magistrates and Judges to broaden their understating of the relevant legislations.	There has been a change in Government and consequently the organizational structure and staffing complement of the FIB is being reviewed. It is estimated that the structure will be approved by November 2010. The Financial Investigations Branch has been now transferred to the Trinidad and Tobago Police Service. The FIB is currently housed at the old SAUTT Headquarters and the resources of the former unit are now being used by the re-established FIB. There is currently 20 staff members within the FIB, 10 are regular serving officers with the highest rank being Superintendent, there are 8 special reserve officers and 2 civilians (1 analyst and 1 clerk). • The Immigration Division was invited to attend a course in Financial Investigations at the Financial Intelligence Unit from March 3 to 16, 2012. • At present, staff members at the Customs and Excise Division have access to Certified Fraud Detection and Investigations training and also training on financial investigating. • The Customs and Excise Division currently has the adequate training and internal capacity to carry out their functions. • A specialized workshop on the Prevention and fight against Terrorism Financing hosted by **the United Nations Office on Drugs and Crime** (UNODC) was held from 24 to 27 August 2010, this was attended by prosecutors and judges. • During March 2008, a business plan for reform in the DPP's office which contemplated the setting up of a specialist Proceeds of Crime/Money laundering Unit. This was submitted to the Attorney General and is receiving favourable

			• Give considerable attention to Staffing constraints faced by the Magistracy and the Office of the DPP.	consideration. • In May 2010 there was a change in government and there is now a review of the staffing requirements and appropriate training needed. It is expected to be completed by December 2010. • The DPP's office has been invited to participate in training to be conducted by the US Department of Treasury, OTA. Training of the prosecutors is expected to take place during the court vacation. The DPP has agreed that prosecutors who have been selected to form the financial crimes unit will be assigned to participate in this training course. Please see Appendix X for information on the staffing of the Magistracy as of Jan 2012. • The DPP's office has also been in contact with a representative from the DPP, Jamaica and has offered assistance to the DPP's office, Trinidad. Permission from the DPP Jamaica has been granted to invite two prosecutors from Trinidad to attend a Financial Crime/Proceeds of Crime training course in Jamaica in March 2012.
			• The TTSEC and CUSU should review their staffing requirements and consider appropriate AML/CFT training in the event of being designated the AML/CFT authority for their licensees.	• The TTSEC is currently reviewing its organizational structure. A staffing assessment and training recommendations will flow from this exercise and will take into account the duties of the Commission as a Supervisory Authority Some of the members of staff of the TTSEC have been trained to perform on-site inspections. The TTSEC is governed by a Board of Commissioners exercising independent judgement over all matters. The Commission is currently engaged in a strategic planning exercise which will address issues such as staffing and structure. Members of staff received training from various sources on AML-CFT and the US Office of Treasury has approached the Commission with an offer of Technical Assistance which is being further explored. Technical ability is being developed.

				In 2012 the Commission made arrangements for six (6) members of staff to attend AML/CFT training. In April 2012 the Commission also launched its AML/CFT Guidelines. The Enforcement arm of the Division of Legal Advisory and Enforcement has staff members with AML/CFT training. In addition the Commission has established a cross functional working group for AML/CFT issues and intends to begin the development of a compliance unit during the course of this year. The mandate of maintaining AML/CFT compliance with the FATF Recommendations was transferred from the Strategic Services Agency to the AML/CFT Compliance Unit of the Ministry of National Security in March 2010. This unit is staffed with a Director, Deputy Director, Legal Officer, Research Officer and Operations officer. Members have completed training in ACAMS and also attained the Florida International Bankers Association (FIBA) Anti-Money Laundering Certified Associate (AML CA) qualifications. The following training conferences were attended by members of the Unit: • UNODC workshop on international cooperation and terrorist financing, October 2010, Montego Bay • Caribbean AML/CTF Financial Crime Conference: A PRACTICAL APPROACH • February 3-4, 2011, San Juan, Puerto Rico • ACAMS 10th Annual AML & Financial Crime Conference ARIA Las Vegas, Nevada, September 19-21, 2011 • 7th Annual AML/Compliance and Financial Crime Conference Grand Cayman Marriott Beach Resort, George Town, Grand Cayman OCTOBER 13-14, 2011 In addition, the Compliance Unit of the Ministry of National Security in collaboration with the US Office Technical Assistance hosted and attended the Financial Investigation Training Course for public AML/CFT stakeholders in March 2012.

31.National co-operation	PC	• NAMLC is not yet fully operational. • No MOU's for cooperation between supervisors and other competent authorities, which affects the level of cooperation.	• The T&T authorities should consider instituting the legal framework necessary to formalise the National Anti- Money Laundering Committee. This Committee should be given legal responsibility to gather competent authorities regularly in order to develop and implement policies and strategies to combat ML and FT. The Committee should also be given responsibility for sensitising the general public about T&T ML measures and encourage compliance with the relevant legislations.	• Since its inauguration in May 2006 the AML/CFT committee has been reporting periodically to Cabinet on steps being taken during intercessional meetings to implement the Recommendations made in Trinidad and Tobago's Mutual Evaluation Report. During 2007 the focus of the Committee was in the area of legislative drafting with support from the Chief Parliamentary Office. Additionally, the FIU reported to the Committee on a regular basis on its outreach initiatives with banks, insurance companies and other members of the regulated sectors. In 2008 the Chair presented to the Committee for adoption and subsequent ratification by Cabinet: i. A suggested text for a National AML/CFT Policy ii. A suggested text for a National AML/CFT Strategy comprising the elements of public outreach, national awareness and training, risk base approach, strengthening of law enforcement, promoting relationships with the CFATF and regional and international affiliates etc. The policy was approved by Cabinet and has been published. ▪ Canvassing with the relevant Ministerial Team for Government policy and legislative enactment. ▪ Advocating on the committee's behalf with the Prime Minister and Prime Contact for expediency in recommendation implementation. ▪ Making representations to Cabinet for the full staffing of the Prime Contact's Secretariat so that the Committee's work could be appropriately buttressed by a full time team of legal research experts. • Making appropriate representations with line Ministries for the strengthening of representation

				on the AML/CFT Committee. • Negotiating with the CFATF assistance from international bodies such as the IMF/World Bank and CARTAC. • Engagement of a full time legal drafting expert to promote the committee's legislative agenda in accordance with the Strategy priorities. The AML/CFT Committee have been reconstituted which includes a broader cross-section of stakeholders within the AML/CFT community. The Committee's terms of reference have been revised. This is attached for consideration. The AML/CFT Committee has conducted the following activities since being reconstituted in November 4th, 2010: • Contributed to the SIP framework which will assist by prioritising and sequencing the implementation of mutual evaluation report recommendations, on the basis of identified money laundering risks/vulnerabilities • Attended monthly Committee meetings where issues are addressed on implementation of Trinidad and Tobago AML/CFT regime. • Discussed and strategized on ways to deal with emerging money laundering trends. • Formed three working groups (Legal, Implementation/Analysis and Supervision) to coordinate and complete specified projects highlighted by the National AML/CFT Committee as agreed to in their monthly meetings. • Reviewed the Financial Intelligence Unit (FIU) Act, The Anti-Terrorism Act, and The Financial Obligations (Financing Terrorism) Regulations 2011 • Reviewed the Financial Obligations Regulations through the Committee Supervisory Working Group to discuss concerns raised by financial institutions and listed businesses and formulate guidance and policy where necessary. • Secured AML/CFT technical assistance from the U.S. Treasury's Office of Technical Assistance

				(OTA) Economic Crimes program. • Considered a draft policy for the adoption of a civil forfeiture regime in Trinidad and Tobago which was prepared by its Technical Arm, the AML/CFT Compliance Unit.
			• Trinidad and Tobago should consider introducing MOU's between the Central Bank Of T&T, the TTSEC and the Designated Authority / FIU of Trinidad and Tobago, which would enable them to cooperate, and where appropriate, coordinate domestically with each other concerning the development and implementation of policies and activities to combat money laundering and terrorist financing	• Section 8(2) of the Financial Institutions Act 2008 allows the Central Bank Of T&T to share information with the designated authorities under the POCA, as part of the fight against money laundering and terrorist financing. This will address the recommended action of setting up MOU's among the designated authorities. • Section 8(3) of the FIA also stipulates that the Central Bank may enter into a Memorandum of Understanding (MOU) with the Deposit Insurance Corporation, other regulatory bodies and the designated authority (FIU) with respect to information sharing. The Central Bank already has in place a multilateral MOU in order to share information with other regional regulators. The Central Bank is also currently considering a draft MOU between the Central Bank and the FIU. Discussions on the formulation of the MOU are still on-going with both parties.
				• The Securities Act 2012 (SA2012) provides for information sharing between the TTSEC and Central Bank or any other agency which exercises regulatory authority under law. It also permits information sharing with specified foreign entities.
			• Co-operation amongst law enforcement and other competent authorities could be improved. Competent authorities need to be more proactive in their approach as contact is presently maintained in a haphazard manner, in particular when a need arises.	• Section 19 of the SA2012 provides for information sharing between the Commission and Central Bank, FIU or any other agency which exercises regulatory authority under law. It also permits information sharing with specified foreign entities. Discussions and drafting are in the advanced stages with a view towards finalizing MOUs with the Central Bank and FIU. In December 2012 the Commission submitted its re-application to IOSCO to become an A-List

				signatory to the IOSCO MOU which governs information sharing with appropriate measures for confidentiality. The Commission is currently awaiting feedback on the status of its application. • With the enactment of FIU (Amendment) (No. 2), 2011, the definition of "law enforcement authority" has been expanded to include: - Comptroller of Customs and Excise - Chairman of the Board of Inland Revenue (BIR) - Chief Immigration Officer **NB.** The Commissioner of Police was identified as Law Enforcement Authority in the FIU Act of 2009. • Consultations have been held with the Comptroller of Customs and Excise, Chairman BIR and Financial Investigations Branch (FIB) with a view to holding regular monthly meetings. The first of such meetings was held in August 2011, with the FIB. The last Wednesday of every month has been set aside for this meeting. At the last meeting of the LEAs in January 2012 a decision was taken to have the monthly meetings on the first Wednesday of every month. Arrangements are being made to meet with the Chief Immigration Officer. For the period July to December 2012, the FIU, Customs, Immigration, DPP, FIB, Criminal Tax Investigations Unit and BIR held 4 meetings in which they discussed SARS and the coordination of work. • MOU's/Letters of Exchange between law enforcement authorities, have been drafted. • The FIU and the Central Bank held its first meeting in August 2011 to discuss the approval of compliance programme of Financial Institutions and proposed to have quarterly meeting of Supervisory Authorities. • In May 2010 the FIU signed an MOU with the Criminal Tax Investigation (CTIU). In April 2011 one (1) request for information was received from CTIU and the request was satisfied

			• The composition of the FIU could be expanded to include personnel from different relevant entities, which would not only strengthen cooperation but also enhance the human resource capability of the FIU.	In January 2012 the FIU received correspondence from the Chairman of the BIR outlining the standard operating procedures for the receipt of analysed reports from the FIU and the investigation and subsequent feedback by the BIR. In October 2010 the Permanent Secretary of the Ministry of Finance approved the Exchange of Letter whereby the Customs & Excise Division will exchange relevant data with the FIU on cross-border currency declaration and cash seizures in accordance with the laws of Trinidad and Tobago. The structure and format of receiving the information is currently being addressed. In November 2010 the FIU under this agreement made a request for data on all cash seizures at Customs and Excise for 2010 and this request is currently being processed. An MOU was drafted with a view to allowing the FIU to obtain access to information held at the Registrar General's Department. An MOU was established between the FIU and Registrar Generals Department (RGD) in February 2011. As a consequence the FIU has direct access to information on all business entities, property ownership and personal bio-data. Section 15 of FIU Act requires the Director of FIU to submit a report to the CoP after analysis of STR/SARs. A policy directive was established by the CoP via departmental order being issued in November 2010 for the investigation of all reports sent to the CoP from the FIU. A breach of the Departmental Order is an offence under the Police Service Act and the Financial Intelligence Unit Act. • Section 3(2)(a) and (b) of the FIU Act identifies the staff composition of the FIU as public officers, appointed, assigned, seconded or

				transferred from another Ministry or statutory corporation to the FIU; and officers and other persons appointed on contract by the Permanent Secretary of the Ministry of Finance. Members of the Counter Drug and Crime Task Force have been transferred to the FIU and FIB. At present the FIU is carrying out the administrative role (collection, analysis and dissemination of intelligence and information) and supervising non-regulated financial institutions and listed business for compliance with ML/FT while the FIB is currently dedicated to the investigation of all financial crimes, in particular, money laundering and terrorist financing.
32.Statistics	PC	• There is no Review of effectiveness of AML/CFT systems on a regular basis.	• Review of the effectiveness of the FIU systems to combat ML and FT should be more thorough and should produce more tangible results also with regard to other relevant stakeholders involved. • Measures should be instituted to review the effectiveness of T&T's money laundering and terrorist financing systems.	• Section 9 of the FIUTTA for the FIU to implement a system for monitoring the effectiveness of its anti-money laundering policies by maintaining comprehensive statistics on suspicious transaction or suspicious activity reports received and transmitted, money laundering investigations and convictions, property frozen, seized and confiscated and international requests for mutual legal assistance or other cooperation • Under the Miscellaneous Provisions (Financial Intelligence Unit of Trinidad and Tobago and Anti-Terrorism) Act, Act no. 14 of 2012 section 10 of the FIU Act has been amended to allow the FIU to receive suspicious transaction or suspicious activity reports or information from financial institutions or listed businesses under the Act or under the Anti-Terrorisms Act. By the inclusion of STRs and SARs on the Anti-Terrorism Act, the statistics on the financing of terrorism will be included and as such the FIU will be able to review the effectiveness of its systems to combat ML and FT. Please see attached at Appendix XI for the Miscellaneous Provisions (Financial Intelligence

				Unit of Trinidad and Tobago and Anti-Terrorism) Act, Act no. 14 of 2012
			• Once all other supervisory authorities of financial institutions have implemented AML/CFT supervision, they should maintain comprehensive statistics on on-site examinations and requests for assistance.	• The Central Bank maintains statistics on on-site examinations and requests for assistance. • The FIU Act (amendment No. 2) established a supervisory powers and sanctions to be exercised by the FIU in May 2011. The FIU developed procedures for examinations for AML/CFT compliance and began onsite examination of its Supervised Entities in August 2011. For the period August 2011 to February 2012 the FIU has conducted six (6) onsite examinations for AML/CFT compliance. For the period Mar – Dec 2012, the FIU has conducted 8 onsite examinations of listed businesses. • STR/SARs received: For the period Oct 1st, 2010 to Sept. 30th 2011: 303 were received. For the period: Oct. 01, 2011 to Sept. 30 2012: 258 STRs/SARs were received, making a total of 672 STRs/SARs received. • July to Dec 2012 a total of 171 STRs/SARs were received, 90 were from Financial Institutions (FI) and 129 81 from Listed Businesses (Supervised Entities). Of the 171 received, all STRs/SARs were subject to preliminary analysis, 19 were passed to Law Enforcement for investigations and 104 Closed. Comprehensive analysis is being done on STRs/SARs presently. Please see Appendix I, II, III, IV, V and VI and IX for statistical information on the work of the FIUTT and CBTT. Please see Appendix XII for statistical information on the work of the Customs and Excise Division
			• T&T should also review the effectiveness of its system with regard to AML (CFT) extradition cases	

			based on statistics and on a regular basis.	Please see Appendix XII for information on Mutual Legal Assistance requests sent and received for the period July-December, 2012.
33.Legal persons – beneficial owners	PC	• Competent authorities have access to information stored by the Registrar of Companies, however it could not be ascertained if adequate, accurate and current information on beneficial ownership and control of legal persons is maintained in Trinidad and Tobago.	• It is recommended that Trinidad and Tobago authorities undertake a comprehensive review to determine ways in which it can ensure itself that adequate and accurate information on beneficial ownership may be available on a timely basis.	• Under Legal persons – beneficial owners, Input from the registrar of companies is being sought in considering the way forward. The FIB is able to access the Registrar Generals Office for information by virtue of a MOU which was agreed upon by the FIB and the Registrar General. • The FIU and the Registrar General's Office have entered into an MOU making the exchange of information in respect of beneficial owners easier and accessible on a timely basis. Furthermore, the Registrar General's has computerised their information system thereby making access to information easier.
34.Legal arrangements – beneficial owners	NC	• There is no mechanism to prevent the unlawful use of legal arrangements in relation to money laundering and terrorist financing by ensuring that its commercial, trust and other laws require adequate transparency concerning the beneficial ownership and control of trusts and other legal arrangements.	• The T&T authorities should take steps to implement a mechanism to prevent the unlawful use of legal arrangements in relation to money laundering and terrorist financing by ensuring that its commercial, trust and other laws require adequate transparency concerning the beneficial ownership and control of trusts and other legal arrangements.	• In the Financial Obligations Regulations 2010 "beneficial owner" means the person who ultimately owns and controls an account, or who exercises ultimate control over a legal person or legal arrangement; and "legal arrangement" includes an express trust. • Section 12 (1), (2), (3) & (4) of the Financial Obligations Regulations set out a mechanism in order to capture information on beneficial owners, maintain records and a reporting function to the FIU in the case of suspicious activity It is proposed that: Under the interpretation section referring to an Accountant, an Attorney-at-Law or other independent Legal Professional, the following will be included when the Schedule is amended :- • management of securities account and the creation, operation or management of legal persons or arrangements by accountants, • attorneys at law and independent legal professionals, and

				• under Trust And Company Service Providers, acting as (or arranging for another person to act as) a trustee of an express trust be included in amendments to the First Schedule of POCA as discussed above. For this Amendment to be done on the First Schedule of POCA, the Minister may by Order subject to an affirmative resolution of Parliament, amend the Schedule. The Compliance Unit is preparing the policy for the approval of Cabinet. This will be submitted to Cabinet by November 2012.
International Co-operation				
35.Conventions	NC	• The relevant international conventions have not been implemented extensively.	• The T&T authorities may wish to continue taking steps towards enacting an Anti-Terrorism Bill and sign and ratify the United Nations International Convention for the Suppression of the Financing of Terrorism.	• The UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances was Ratified on 17 February 1995 • The United Nations International Convention for the Suppression of the Financing of Terrorism has been acceded on the 3 September 2009. • The Anti-Terrorism (Amendment) Act,2010 was assented to on the 21st January 2010 and effect of criminalizing the financing of terrorism No further action is to be taken under this recommendation
36.Mutual legal assistance (MLA)	LC	• There are no mechanisms currently in place that deals with conflicts of jurisdiction. • Also, dual criminality is required in order to render mutual legal assistance. This would make mutual legal assistance on TF almost impossible	• T&T Should introduce legislation that deals with conflicts of jurisdiction. Also, dual criminality is required in order to render mutual legal assistance.	• The concern of the examiner in respect of dual criminality is that dual criminality is required to render mutual legal assistance and as such in the absence of the criminalization of the financing of terrorism this is impossible. This concern is now addressed given the fact that the financing of terrorism is an offence by virtue of the Anti-Terrorism Amendment Act 2010.
37.Dual criminality	LC	• Mutual legal assistance is not generally rendered in the absence dual criminality. However the authorities try and assist if they are able to obtain a voluntary statement.	• Dual criminality is required in order to render mutual legal assistance (TF not available).	• This concern is now addressed given the fact that the financing of terrorism is an offence by virtue of the Anti-Terrorism Amendment Act 2010.
38.MLA on confiscation and	LC	• Financing of terrorism is not an offence and	• Trinidad & Tobago should strongly consider	• Terrorist Financing is an indictable offence and

freezing		therefore not a predicate offence1.	implementing legislation that would give greater effect to confiscation, seizing and freezing ability with regard to requests for assistance from foreign countries. • The asset forfeiture fund should be clearly established and utilized in T&T.	the powers of seizing and freezing sets out under POCA amendment 2009 will apply • A Seized Assets fund is prescribed in POCA. This Fund is already in existence and is maintained by the Comptroller of Accounts. The outstanding implementation aspect is that of the administration of the Fund by the Seized Assets Committee. In accordance with the provisions of POCA, the Minister with responsibility for Finance is engaged in the process of making regulations for the appointment of a seized assets committee which will administer the seized asset fund in accordance with POCA. The policy to guide the Seized Assets Committee regulations has been approved by Cabinet. The Attorney General's Office is scheduled to begin drafting soon.
39.Extradition	LC	• T&T would be unable to extradite a fugitive for an offence relating to terrorist financing and piracy as such offences don't exist in T&T legislation.	• Dual criminality is required in order to affect extradition (TF not available).	• As previously indicated, piracy is a common law offence and the financing of terrorism is an offence by virtue of the Anti-Terrorism Amendment Act 2010.
40.Other forms of co-operation	PC	• The FIU has not established any effective gateways to facilitate the prompt and constructive exchange of information directly with its foreign counterparts. • T&T has not established any MOU's or other mechanism to allow financial supervisory bodies to cooperate with their foreign counterparts.	• The T&T authorities may wish to implement Legislations to enable Law Enforcement Agencies and other competent authorities to provide the widest range of international cooperation to their foreign counterparts in a timely and effective manner.	• Section 8 of the Financial Intelligence Unit of Trinidad and Tobago Act No. 11 of 2009 empowers the FIU to provide the widest range of international cooperation to their foreign counterparts in a timely and effective manner. Section 8 (3) (e) of the Financial Intelligence Unit of Trinidad and Tobago Act No. 11 of 2009, empowers the FIU to engage in the exchange of financial intelligence with members of the Egmont Group On the 4th March 2010, the Trinidad and Tobago

1 Idem note 1

				FIU applied for membership with the Egmont Group. The application is being processed and will follow its due course. Section 8 (3) (f) of the Financial Intelligence Unit of Trinidad and Tobago Act No. 11 of 2009, allows the FIU to disseminate at regular intervals, financial intelligence and information to local and foreign authorities and affiliates within the intelligence community. This includes the dissemination of statistics on recent money laundering practices and offences Under the Miscellaneous Provisions (Financial Intelligence Unit of Trinidad and Tobago and Anti-Terrorism) Act, 2012 provision has been made to amend Section 10 of the FIU Act to allow the FIU to receive suspicious transactions or suspicious activity reports or information from financial institutions or listed businesses under the Act or under the Anti-Terrorisms Act. By the inclusion of STRs and SARs on the Anti-Terrorism Act, the statistics on the financing of terrorism will be included. Under the current legislative regime -the Securities Industry Act, 1995("SIA 1995"), the Commission can co-operate with foreign regulators in connection with the investigation of a contravention of SIA 1995 or any "similar written law" whether the activities in question occurred in or outside of Trinidad and Tobago. The Securities Act 2012 makes explicit provisions for the co-operation and sharing of information with local and foreign regulators by way of MOU or otherwise in order to satisfy the purposes of that Act or any matter under that Act. Section 19 of the Securities Act 2012 ("SA2012") allows the Commission to cooperate with, provide information to , receive information from and enter into a memorandum of understanding with both domestic and foreign regulatory agencies and government agencies. This in effect overrides any existing law regarding disclosure of information and ensures that the FATF recommendations can be implemented without inhibition.

				Furthermore, with the passage of the Act, the Commission will make its application to IOSCO to become an A-List signatory to the IOSCO MOU which governs information sharing with appropriate measures for confidentiality. The TTSEC is currently drafting an MOU which it will sign with the FIU. In August 2011 the FIU and the FID of Jamaica commenced the process of entering into an MOU agreement for the exchange of information. This MOU is expected to be signed soon. The MOU between the Jamaica FID and the Trinidad and Tobago FIU was signed on November 13, 2012 at the CFATF XXXVI Plenary held in the BVI. In the next reporting year the FIUTT intends to sign MOU's with two (2) other regional FIUs Please see Appendix I which will highlight the FIU's cooperation and interaction with foreign FIU's and LEA's. Also, Appendix IX will highlight the FIB's assistance in external investigations for the period July-December, 2012.
Nine Special Recommendations		Summary of factors underlying rating		
SR.I Implement UN instruments	NC	• The essential criteria have not been adhered to as Trinidad & Tobago do not have the relevant legislation in place in order to comply with SR.I.	• The T&T authorities may wish to continue taking steps towards enacting an Anti-Terrorism Bill and sign and ratify the United Nations International Convention for the Suppression of the Financing of Terrorism.	Trinidad and Tobago acceded to the 1999 United Nations International Convention for the Suppression of the Financing of Terrorism on September 03, 2009. • Implementation of UN Security Council Resolutions: S/RES/1267 (1999), S/RES/1269 (1999), S/RES/1333 (2000), S/RES/1373 (2001) and S/RES/1390 (2001) has been captured under the Anti-Terrorism (Amendment) Act, 2010 (It is to be noted that the Act was passed with 3/5

				majority) in Section 22 C (1) which states that: Where a financial institution or listed business knows or has reasonable grounds to suspect that funds within the financial institution or listed business belong to an individual or legal entity who – (a) commits terrorist acts or participates in or facilitates the commission of terrorist acts or the financing of terrorism; or (b) is a person or entity designated by the United Nations Security Council The financial institution or listed business shall report the existence of such funds to the FIU".
SR.II Criminalise terrorist financing	NC	• There is no legislation in T&T criminalising terrorist financing	• Introduce diligently the proposed legislation criminalising the financing of terrorism, terrorist acts and terrorist organizations and make such offences money laundering predicate offences.	• To capture the financing of terrorism Section 22A. (1-4) has been added to the Anti-Terrorism (Amendment) Act,2010 at section 5(c) as follows: 22A. (1) Any person who by any means, directly or indirectly, willfully provides or collects funds, or attempts to do so, with the intention that they should be used or in the knowledge that they are to be used in whole or in part- (a) in order to carry out a terrorist act; or (b) by a terrorist; or (c) by a terrorist organisation, commits the offence of financing of terrorism. (2) An offence under subsection (1) is committed irrespective of whether - (a) the funds are actually used to commit or attempt to commit a terrorist act; (b) the funds are linked to a terrorist act ; and (c) the person alleged to have committed the offence is in the same country or a different country from the one in which the terrorist or terrorist organisation is located or the terrorist act occurred or will occur. (3) A person who contravenes this section commits an

				offence and is liable on conviction on indictment – (a)in the case of an individual, to imprisonment for twenty five years; or (b) in the case of a legal entity, to a fine of two million dollars. (4) A director or person in charge of a legal entity who commits an offence under this section is liable on conviction on indictment be to imprisonment for twenty-five years. It is to be noted that the financing of terrorism is an indictable offence and as such it is a predicate offence for the purpose of money laundering. • Section 2 of the Anti-Terrorism Act 2005 has been amended in Anti-Terrorism (Amendment) Act,2010 to define funds as follows: "property" or "funds" means assets of any kind, whether tangible or intangible, moveable or immovable, [whether from legitimate or illegitimate sources or] however acquired [and] legal documents or instruments in any form, including electronic or digital, evidencing title to, or interest in, such assets, including but not limited to bank credits, travellers cheques, bank cheques, money orders, shares, securities, bonds, drafts, letters of credit whether situated in Trinidad and Tobago or elsewhere, and includes a legal or equitable interest, whether full or partial, in any such property"; No further action is to be taken under this recommendation
SR.III Freeze and confiscate terrorist assets	NC	• There is no legislation that deals with freezing or confiscating terrorists' funds in accordance with the relevant United Nations Resolutions	• Introduce diligently the proposed legislation criminalising the financing of terrorism, terrorist acts, terrorist organizations and make such offences money laundering predicate offences.	• Trinidad and Tobago through Section 9 of the Anti-Terrorism (Amendment) Act 2010 (ATA) has included a new Section 22 B to address the Essential Criteria of SRIII: These laws and procedures: o Freeze terrorist funds or other assets designated by the United Nations Taliban

				Sanction Committee (S/RES/1267/1999) 22B(1) ○ Freeze terrorist funds or other assets of persons designated in the context of S/RES/1373/2001 (Section 34(1) ATA) ○ Ensure that freezing mechanisms extend to funds or assets wholly or jointly owned or other assets derived or generated from or other assets owned or controlled directly or indirectly by designated persons; Section 5 (c) and 22B(1) ○ Communicate actions taken under the freezing mechanisms to the financial sector and the public upon taking such action (22B(5) ATA) ○ Provide clear guidance to financial institutions and other persons or entities that may be holding targeted funds other assets concerning their obligations in taking action under freezing mechanisms;(22B(5)ATA) ○ The Anti-terrorism Act Amendment 2011 Section 22AA and 22AB sets out the procedure for the distribution of the local list and the UNSC consolidated list of designated entities. • Ensure that there are legal procedures for considering de-listing requests and for unfreezing the funds or other assets of de-listed persons or entities in a timely manner consistent with international obligations;(22B(6) ATA) • Ensure that a legal procedure exists for unfreezing, in a timely manner, the funds or other assets of persons or entities inadvertently affected by a freezing mechanism upon verification that the person or entity is not a designated person;(22B(6) ATA; 22 B(9) ATA) • Ensure that a legislative procedure exists for authorising access to funds or other assets that

				were frozen pursuant to S/RES/1267(1999) and that have been determined to be necessary for basic expenses; (22B(4) ATA) • Ensure that there is an appropriate procedure through which a person or entity whose funds or other assets have been frozen can challenge that measure with a view to having it reviewed by a court.(22B(6)ATA; 22B(9) ATA) As a compliment to this process, Section 14 of the Financial Intelligence Unit Act allows the Director of the FIU the power to suspend the processing of a transaction for a period not exceeding three working days pending the completion of the analysis of a SAR. Section 22E(1) of the ATAA 2 of 2010 states: The FIU may instruct a financial institution or listed business in writing, to suspend the processing of a transaction for a period not exceeding three working days, pending the completion of an evaluation and analysis of a suspicious transaction or suspicious activity report. (2) Where those instructions are given, a financial institution, listed business or any other aggrieved person may apply to a judge to discharge the instructions of the FIU and shall serve notice on the FIU, to join in the proceedings, save however, that the instructions shall remain in force until the Judge determines otherwise. (3) After the FIU has concluded its evaluation and analysis of a suspicious transaction or suspicious activity report, and where the Director of the FIU is of the view that the circumstances warrant investigation, a report shall be submitted to the Commissioner of Police for investigation to determine whether an offence of financing of terrorism has been committed and whether the funds are located in Trinidad and Tobago or elsewhere. The definition of "terrorist act" in section 2 of the

			• Sign and ratify the Terrorist Financing Convention.	Anti-Terrorist Act, 2005 (the Act) refers also section 35(1) of the Act which makes provision for forfeiture. Although there is no explicit provision for "confiscation", It is to be noted the commission of a terrorist act is an indictable offence and as such the confiscation process as outlined in POCA applies mutatis mutandis to the commission of a terrorist act or any other indictable offence in respect of terrorism under the Anti-Terrorism Act. It is also to be noted that by virtue of the Interpretation Act Chapter 3:01 the attempt to commit a terrorist act is also included in the offence of committing a terrorist act and as such although it is not stated in the text of section 22B (b) it is included by virtue of the application of our laws. • 1999 United Nations International Convention for the Suppression of the Financing of Terrorism (Terrorist Financing Convention was ratified on September 3,2009 • Trinidad and Tobago ratified the Inter-American Convention against Terrorism on December 02, 2005 Under the Miscellaneous Provisions (Financial Intelligence Unit of Trinidad and Tobago and Anti-Terrorism) Act 2012, Section 22AB(c) of the Anti-Terrorism Act, is deleted from the Act. This amendment seeks to rectify one of the deficiencies identified by the FATF and remove the perceived exception to the freezing of terrorist assets without delay.
SR.IV Suspicious transaction reporting	NC	• There are no requirements for financial institutions to report to the designated authority/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 Anti-Terrorism Bill should be enacted as soon as possible to require financial institutions to report to the designated authority/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	• The obligation of financial Institution and listed business to report STR's/SAR's which relate to terrorist financing, terrorism acts or by terrorist organisations or those who finance terrorism is captured in section 22 C (3) in Anti-Terrorism (Amendment) Act,2010 as follows:

		the transaction and including attempted transactions or if tax matters are involved.	attempted transactions or if tax matters are involved	Where a financial institution or listed business knows or has reasonable grounds to suspect that funds are linked or related to, or to be used for terrorism, terrorist acts or by terrorist organizations or those who finance terrorism, the financial institution or listed business shall make a suspicious transactions or a suspicious activity report to the FIU in the forms as set out in the Third Schedule to the Proceeds of Crime Act. Financial Institutions and listed businesses have not reported Terrorist Financing SARS to the FIU. Financial Institutions have declared that there are no terrorist assets within their institutions in in accordance with Section 33 (3) of the Anti-Terrorism Act No 26, 2005.
SR.V International co-operation	NC	• Financing of Terrorism is not an offence in T&T and therefore not an extraditable offence 2.	• Terrorist-Financing legislation should be implemented.	• Part VI (Section 28 to 31) of the Anti-Terrorism Act 2005 deals with Information Sharing, Extradition And Mutual Assistance • Disclosure and Sharing Information. Part VII Sections 32-33 of the Anti-Terrorism Act 2005 The Anti-Terrorism (Amendment) 2010, criminalises the financing of terrorism. **Part IIIA Section 22A (1)** states: • Any person who by any means, directly or indirectly, wilfully provides or collects funds, or attempts to do so, with the intention or in the knowledge that such funds are to be used in whole or in part— *(a)* in order to carry out a terrorist act; *(b)* by a terrorist; or *(c)* by a terrorist organization, commits the offence of financing of terrorism. • The Anti-Terrorism Act (*as amended by Act 16/2011)*, Part VII Section 33 (1), directs that every person shall forthwith disclose to the

2 Idem note 1

			• Financing of terrorism and Piracy should be made an offence in T&T and therefore an extraditable offence.	authority, and has a duty to disclose information relating to property used for the commission of offences under the Anti-Terrorism Act. • Part VII Section 33 (3) directs that every financial institution shall report, every three months, to the FIU,: • (a) if it is not in possession or control of terrorsit property, that it is not in possession or control of such property; or • (b) if it is in possession or contol of terrorist property, that it is in possession or control of such property, and the particulars relating to the persons, accounts and transactions involved and the total value of the property • Part VII 33 (6) states: "Every person who fails to comply with subsection 1 or 3, commits an offence…." • With regard to piracy, section 2 of the Criminal Offences Act Chapter 11:01 states that every offence which if done or committed in England, would amount to an offence in common law shall, if done or committed in Trinidad and Tobago, be taken to be an indictable offence and shall be punished in the same manner as it would be in England, under or by virtue of any special or general statute providing for the punishment of such offence, or if there be no such statute, by common law. In the UK, piracy is criminalized as the common law offence of piracy jure gentium and under section 2 of the Piracy Act 1837 as noted in the UK MER. In accordance with section 2 of the Criminal Offences Act, these provisions make piracy an indictable offence in Trinidad and Tobago. Additionally, section 6 of the Civil Aviation (Tokyo Convention) Act Chapter 11:21 provides for the jurisdiction of a Court in Trinidad and Tobago with respect to piracy committed on the high seas to be extended to piracy committed by or against an aircraft. No further action is to be taken under this recommendation

SR VI AML requirements for money/value transfer services	NC	• None of the requirements are included in legislation, regulations or other enforceable means.	• A competent authority should be designated to register and/or licence money transfer companies and maintain a current list of their names and addresses and be responsible for ensuring compliance with licensing and/or registration requirements. • All MVT service operators should be subject to the applicable FATF Forty Recommendations and FATF Eight Special Recommendations. • A system for monitoring money transfer companies and ensuring that they comply with the FATF Recommendations should be implemented. The mission also recommends that the CENTRAL BANK OF T&T issue the AML/CFT Guidelines to the cambios and test compliance during onsite inspections. • Money transfer companies should be required to maintain a current list of its agents, which must be made available to the designated competent authority.	• Money value transfer services are, pursuant to the POCA 2000 as amended in 2009, listed business. As listed business they are subject to all the requirements of the FIU Act 2009, POCA and the FOR 2010. • In addition, the Central Bank currently licenses money changers such as cambios or bureau de change. Compliance with AML/ CTF requirements is one of the conditions of the license. Moreover, the Central Bank revised its guidelines on AML/ CFT to include sector specific guidance to cambios. The Central Bank was given the power to regulate and supervise money remitters via an amendment to the Central Bank Act in 2008. The Central Bank has acquired the services of a technical expert from the Office of the Technical Assistance, United States Department of the Treasury to assist with the finalizing and implementation of an AML/ CFT Supervisory framework for money remitters, insurance brokers, cambios and money remitters. In addition, the Central Bank has developed draft AML/CFT regulations and licensing guidelines for money remitters. The Central Bank conducts AML/ CFT on-sites examinations on cambios. The Central Bank is revising its guidelines on AML/ CFT and the revised Guidelines will also be issued to cambios and money remitters. The Central Bank licenses cambios and bureau de changes under the Exchange Control Act. The licensing and regulatory framework for money remitters is not yet in place. However, money remitters are currently registered with the FIU as the POCA names remittance business under financial institutions and listed business.

			• The measures set out in the Best Practices Paper for SR.VI should be implemented and Trinidad and Tobago authorities should take FATF R. 17 into account when introducing system for monitoring money transfer companies.	An amendment to the Central Bank Act 2008 gave the Central Bank the ability to supervise money remitters and an appropriate regulatory and supervisory framework has been drafted. This initiative is at an advanced stage of development. (on-going) During the period July-Dec, 2013 the FIU conducted one (1) onsite compliance examination at a Money Value Transfer Service. The AML/CFT Committee and the Compliance Unit of the Ministry of National Security will take into consideration the guidance in the Best practice Paper for SR VI when formulating the money remitters' framework.
SR VII Wire transfer rules	NC	• The requirements in place are not mandatory and are applicable only to the financial institutions supervised by the Central Bank.	• The T&T authorities may wish to impose mandatory requirements on financial institutions dealing with the measures of SR VII covering domestic, cross-border and non-routine wire transfers, intermediary and beneficial financial institutions handling wire transfers and the monitoring of compliance with stipulated requirements.	• The Financial Obligations Regulations 2010 sections 33-35 deal with wire transfers which states: 33. (1) The information listed in regulation 34 concerning the originator and recipient of the funds transferred, shall be included on all domestic and cross border wire transfers. (2) A financial institution or listed business that participates in a business transaction via wire transfer shall relay the identification data about the originator and recipient of the funds transferred, to any other financial institution participating in the transaction. (3) Where the originator of the wire transfer does not supply the transfer identification data requested by the financial institution or listed business, the transaction shall not be effected and a suspicious activity report shall be submitted to the FIU. 34. (1) Domestic and cross-border wire transfers shall be accompanied by accurate and meaningful identification data on the originator of the transfer, which shall be kept in a format determined by

				the FIU. (2) Information accompanying a cross-border transfer shall consist of— (a) the name and address of the originator of the transfer; (b) a national identification number or a passport number where the address of the originator of the transfer is not available (c) the financial institution where the account exists; (d) the number of the account and in the absence of an account, a unique reference number; and (3) Information accompanying a domestic wire transfer shall be kept in a format which enables it to be produced immediately, to the FIU. (4) The financial institution or listed business shall put provisions in place to identify wire transfers lacking complete originator information so that the lack of complete originator information shall be considered as a factor in assessing whether a wire transfer is or related transactions are suspicious and thus required to be reported to the FIU. 35. A wire transfer from one financial institution to another, is exempted from the provisions of this Part, where both the originator and beneficiary are financial institutions acting on their own behalf. • This requirement has been satisfied by amendments contained in the Proceeds of Crime (Amendment) Act No. 10 of 2009. Section 5C of the amendment defines listed business as a business listed in the First Schedule. Under the First Schedule, a listed business is defined to include money remittance entities. The listed businesses are therefore now subject to the Financial Obligations Regulations 2010.
SR.VIII Non-profit organisations	NC	• There are no requirements in legislation, regulations or other enforceable means to comply with this recommendation.	• Authorities should review the adequacy of laws and regulations that relate to non-profit organizations that can be abused for the financing of terrorism. • Measures should be put in place to ensure that	• The Anti-Terrorism (Amendment) Act,2010 will address Non-Profit Organisations as follows : 24C. (1) A police officer above the rank

			terrorist organizations cannot pose as legitimate non-profit organizations. • Measures should be put in place to ensure that funds or other assets collected by or transferred through non-profit organizations are not diverted to support the activities of terrorists or terrorist organizations.	of sergeant may apply, ex parte to a judge for a monitoring order directing a financial institution, listed business or non-profit organization to provide certain information. (3) A monitoring order shall— (a) direct a financial institution, listed business or non-profit organization to disclose information it obtained relating to transactions conducted through an account held by a particular person with the financial institution, listed business or non-profit organization; Special Societies act will be amended to incorporated the provisions for non-profit organisations.
SR.IX Cross Border Declaration & Disclosure i. Countries should have measures in place to detect the physical cross-border transportation of currency and bearer-negotiable instruments, including a declaration system or other disclosure obligation. ii. Countries should ensure that their competent authorities have the legal authority to stop or restrain currency or bearer-negotiable instruments that are suspected to be related to terrorist financing or money laundering, or that are falsely declared or disclosed.	NA			i. The Customs Act, Chapter 78:01, requires all arriving and departing passengers to make a declaration to Customs with respect to currency and bearer-negotiable instruments above a specified sum of US$5,000.00 or its equivalent in any other foreign currency and any sum in excess of TT$20,000.00 ii. In addition to the powers under the Custom Act Chapter 78:01 to stop or restrain currency or bearer negotiable instruments, The Anti-Terrorism (Amendment) Act,2010 deals with the issue of seizing and detention of cash or other bearer negotiable instruments under subsection 38A.(1) which states; Any customs officer or officer above the rank of sergeant may seize and detain part of or the whole amount of any cash or other bearer negotiable instruments where there are reasonable grounds for suspecting that it is – (a) intended for use in the commission of an offence under this Act; or (b) is terrorist property

iii. Countries should apply effective, proportionate and dissuasive sanctions to deal with persons who make false declarations or disclosures. In cases which are related to terrorist financing or money laundering, countries should enable confiscation of such currency or instruments				• The following definitions of cash and bearer negotiable instrument under section 38A (10) of Anti-Terrorism (Amendment) Act,2010 are as follows: (a) "cash" includes coins, notes and other bearer negotiable instruments in any currency; (b) "bearer negotiable instrument" includes monetary instruments in bearer form such as travellers cheques, negotiable instruments (including cheques, promissory notes and money orders) that are either in bearer form, endorsed without restriction made out to a fictitious payee, or otherwise in such form that title thereto passes upon delivery; incomplete instruments including (cheques, promissory notes and money orders) signed, but with the payee's name omitted. iii. The Customs and Excise Division has always applied effective, proportionate and dissuasive sanction in every instance where the arriving and departing passenger makes false declaration or disclosure of cash or bearer-negotiable instruments. Notwithstanding the fact that we have never identified cases of false declarations or disclosers linked to terrorist financing, the penalty includes confiscation of the subject currency or instrument without the need of a criminal conviction Please see Appendix XIII & XV for statistical update