



## Fourth Follow-Up Report

# Dominica

November 2012

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## DOMINICA FOURTH FOLLOW-UP REPORT

### I. INTRODUCTION

1. This report represents an analysis of Dominica's report back to the CFATF Plenary concerning the progress that it has made with regard to correcting the deficiencies that were identified in its third round Mutual Evaluation Report. The third round Mutual Evaluation Report of Dominica was adopted by the CFATF Council of Ministers in October 2009 in the Netherlands Antilles. Based on the review of actions taken by Dominica since its last follow-up report to meet the outstanding recommendations made by the Examiners, the Plenary is being asked to place Dominica into the first stage of Enhanced follow-up.
2. Dominica received ratings of PC or NC on thirteen (13) of the sixteen (16) Core and Key Recommendations as follows:

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

3. With regard to the other non-core or key Recommendations, Dominica was rated partially compliant or non-compliant as indicated below:

Partially Compliant (PC)	Non—Compliant (NC)
R. 9 (Third parties and introducers)	R. 6 (Politically exposed persons)
R. 11 (Unusual transactions)	R. 7 (Correspondent banking)
R. 15 (Internal controls, compliance & audit)	R. 8 (New technologies & non face-to-face business)
R. 20 (Other NFBP & secure transaction techniques)	R. 12 (DNFBP – R.5, 6, 8-11)
R. 22 (Foreign branches & subsidiaries)	R. 16 (DNFBP – R.13-15 & 21)
R. 27 (Law enforcement authorities)	R. 17 (Sanctions)
R. 28 (Powers of competent authorities)	R. 18 (Shell banks)
R. 29 (Supervisors)	R. 19 (Other forms of reporting)
R. 31 (National co-operation)	R. 21 (Special attention for higher risk countries)
R. 33 (Legal persons – beneficial owners)	R. 24 (DNFBP - regulation, supervision and monitoring)
R. 38 (MLA on confiscation and freezing)	R. 25 (Guidelines & Feedback)
SR. IX (IX Cross Border Declaration & Disclosure)	R. 30 (Resources, integrity and training)
	R. 32 (Statistics)
	R. 34 (Legal arrangements – beneficial owners)
	SR. VI (AML requirements for money/value transfer services)
	SR. VII (Wire transfer rules)
	SR. VIII (Non-profit organisations)

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

**Size and Integration of the jurisdiction's financial sector as at 30 June 2012**

		<b>Banks</b>	<b>Other Credit Institutions*</b>	<b>Securities</b>	<b>Insurance (Dec 10)</b>	<b>TOTAL</b>
<b>Number of institutions</b>	Total #	7	11	Nil	20	38
<b>Assets</b>	US\$'000	668,871	265,799	Nil	37,254	971,924
<b>Deposits</b>	US\$'000	546,479	164,241	Nil	83,141	793,861
	% Non-resident	% of deposits	n/a	n/a	n/a	25
<b>International Links</b>	% Foreign-owned:	% of assets	% of assets	% of assets	% of assets	% of assets
		n/a	n/a	n/a	n/a	n/a
	#Subsidiaries abroad	n/a	n/a	n/a	n/a	n/a

## II. SUMMARY OF PROGRESS MADE BY DOMINICA

### Core and Key Recommendations

5. For **Recommendation 1**, Dominica's fourth follow-up report ([Dominica 3rd Follow-up Report](#)) had noted that the wording of the MLPA at s.3 (1) had "*Made it unclear as to the conduct that a person must engage in at (a) (b) (c) and (d) for the offence of money laundering to be committed*" Dominica has responded by indicating that this section will be amended, through a Draft Bill, so as to provide the necessary clarity. No timeframe was provided. Until this amendment has been enacted this Recommendation will remain *outstanding*.
6. As for **Recommendation 5**, the comment of the third follow-up report that "*Dominica is intending to address the examiners recommendations by way of Regulations 54(1) of the MLPA*" is still relevant. The Examiners had made eight (8) recommended actions aimed at curing the noted deficiencies. At vii of these recommended actions, the Examiners had noted that *financial institutions are not required to perform CDD measures on existing clients if they have anonymous accounts* – Dominica is now indicating that **s. 3,3,6,7,8, and 9, of S.R.O. 14 of 2001** implicitly prevents the opening of anonymous accounts. The Examiners analyses and resulting recommended actions for Recommendation 5 were premised on the existing MLPA and the then MLSA's 2008 Guidance Notes, which were deemed to be unenforceable. Dominica has also indicated that the provisions regarding anonymous accounts have been carried forward into the pending 2012 Regulations. At viii of the Examiners had recommended that "*The bank should not keep an exempted list for business clients so that they do not require to fill out a source of fund declaration form for each deposit*" – Dominica has reported that even though the exempted list was made up of customers classified as being low risk it nevertheless has been eliminated. No details of any instructions or directives to financial institutions were provided to support this action by Dominica. This Recommendation remains *outstanding*.
7. For **Recommendation 13** Dominica's third follow-up report ([Dominica 3rd Follow-up Report](#)) had noted that an incorrect reference at **S. 19A (2) (b)** of the MLPA had

prevented the outstanding gap from being closed. Dominica intends to correct this error by introducing a Bill to its Parliament. Until then this Recommendation remains *outstanding*.

8. The status of **Special Recommendation II** remains as it were in the third follow-up report.
9. At **Special Recommendation IV** Dominica intends to address the issue of the incorrect/unclear citation through Bill to Parliament. Until then this Special Recommendation remains *outstanding*.

### **Key Recommendations**

10. For **Recommendation 3** the third follow-up report ([Dominica 3rd Follow-up Report](#)) concluded that based on the fact that “s.29 (1) and (2) of the **MLPA** are in relation to the property of, or in the possession or under the control of a person charged or who is about to be charged with or is being investigated with a money laundering offence, it was unclear whether this provision can be exercised on property being held or owned by a third party. Dominica is contending that:
  - i. The provision can be exercised on property being held or owned by a third party. Since the DPP can provide evidence to the Court by way of an application that the property is related to a person charged or who is about to be charged with or is being investigated with a money laundering offence, the DPP may make an application to the Court for an Order to freeze the property and
  - ii. In July 2010, the FIU secured a Freeze Order on a House, its contents and motor vehicles. In the same case, in August 2012, the FIU secured a supplementary Freeze Order on Bank Accounts and other assets.
11. Essential criterion 3.1.1 (b) refers to property held by a criminal defendant *or a third party*. The provisional and confiscation measures of Rec. 3 are intended to recoup *all* proceeds from ML, FT or other predicated offences and it is quite possible that non-criminal third parties can hold criminal proceeds unaware of the criminal nature of such property. The point raised by Dominica at i above does not appear to be relevant here whilst the example given at ii above cannot be entertained because all of the facts were not presented. Based on the above, the comments noted in the third follow-up report are still relevant. Consequently this Recommendation remains *outstanding*.
12. **Recommendation 4** was rated as partially compliant because the examiners had discerned that there is an inability by competent authorities to share information in the absence of a MOU or court order. As a cure, they recommended that legislation be enacted to allow the Eastern Caribbean Central Bank (ECCB), Financial Services Unit (FSU), Money Laundering Supervisory Authority (MLSA) and registered agents to share information with other competent authorities. Dominica has responded by replacing s.32 of the 2008 FSC Act with a new s.32 which would allow the Director of the FSU to share information with the ECCB but only subject to a confidentially agreement and a MOU. At s.32 (1) (b) the Director of the FSU is permitted to share information without a MOU with other regulatory authorities both within and outside of Dominica. Even though the Examiners had recommended that these provisions be extended to the then MLSA and registered agents, Dominica has reported that the only two (2) competent authorities with AML/CFT responsibilities in the Jurisdiction are the FSU and the FIU, the former of which was made the supervisory authority for financial institutions and DNFBPs (persons

carrying on a scheduled business) by s.7 of **Act 8 of 2011**. This Recommendation is *closed*.

13. For **Recommendation 23**, the third follow-up report ([Dominica 3rd Follow-up Report](#)) had already noted that *“The FSU Act was enacted to, among other things, give effect to and establish the Financial Services Unit. S. 6 of the FSUAA has endowed the Director of the FSU with the function of monitoring, through on site examinations, the compliance of regulated persons with the MLPA, such other Acts, Regulations, Guidelines or the Codes relating to the Money Laundering (Prevention) Act or the Suppression of the Financing of Terrorism Act.”* This report has already noted, at paragraph 13 above, that the FSU *“Was made the supervisory authority for financial institutions and DNFBPs (persons carrying on a scheduled business) by s.7 of Act 8 of 2011.”* Notwithstanding, the third follow-up report concluded that, *“The structured work programme, aimed at ensuring on site and off site monitoring, recommended by the examiners, has not as yet been implemented and so it is unclear whether onsite monitoring has commenced. It should be noted that the FSU Act makes no mention of offsite monitoring.”*
14. Dominica has reported that the FSU, in August of 2012, established a structured work programme, which includes both onsite monitoring and offsite surveillance of ‘*scheduled entities*’, and would address the non-inclusion of offsite monitoring by way of a further amendment to the FSU Act. The FSU has also reportedly conducted onsite inspections of ‘the’ commercial banks and two (2) offshore banks. The FSU, as supervisory authority for financial institutions and DNFBPs, sits at the heart of Dominica’s AML/CFT supervisory regime. No details have been forwarded as to the structure, skill-set and staffing of the FSU, the components of the structured work programme, timescales and whether MVTs, which were noted at paragraph 537 of the MER ([Dominica 3rd Round MER](#)), as not being subjected to continuous on-site or off-site monitoring for AML/CFT purposes, will now be properly captured under this work programme. Consequently this recommendation is still *outstanding*.
15. Relative to **Recommendation 26**, Dominica had previously reported that the Examiners recommended action that *“The FIU should have more control over its budget since the control currently maintained by the Ministry could impact the Unit’s operation and to some extent its independence”*, was receiving ‘Administrative consideration’. Dominica is now reporting that the FIU has a yearly budget which is under the direct control of the Director of the FIU and since it is an international standard for FIUs to be located within the structure of a parent government ministry it would therefore have to comply with the accounting procedures of the ministry. The Jurisdiction has pointed out **s. 10 and 11** of the **FIU Act** as having addressed budgeting however, whilst s.10 requires the FIU to prepare an annual budget s.11 speaks to the fact that the Dominican Parliament will provide the monies to the unit. Whilst Dominica reported that the FIUs budget is now directly controlled by the Director, Dominica has not substantiated this fact. Finally for this Recommendation, Dominica has reported that a backup storage system will be implemented in the ‘near’ future. This Recommendation remains *outstanding*.
16. No progress was reported for **Recommendation 35** and **Special Recommendation I** and as such they continue to remain *outstanding*.
17. As for **Special Recommendation III**, the only update to note is where at the conclusion for this Special Recommendation, in the third follow-up report, it was noted that *“There is now an obligation for the FSU to issue guidelines to financial institutions or persons in possession of “such funds and assets”.* There is no indication whether such funds and assets are in any way related to action taken under Dominica’s freezing regime” Dominica is now reporting that even though the legislation does not explicitly refer to funds and assets seized pursuant to the freezing mechanism such funds (seized pursuant

to the freezing mechanism) are what the legislation is intended capture. This Special Recommendation remains *outstanding*.

18. With regards to **Special Recommendation V** it is unclear what the information written in the matrix for this SR is trying to convey. This Special Recommendation continues to be *outstanding*.
19. **Recommendations 6, 7, 8, 9, 11, 15, 18**, are the subject of draft legislation and as such continue to remain outstanding.
20. For **Recommendation 12**, this report has already noted at paragraph 13 that the FSU was made supervisory authority for DNFBPs pursuant to s.7 of the **MLPA**. Although this amendment now ensures that the specific gap relating to the fact that at the time of the onsite there was no competent authority that ensured AML/CFT compliance by DNFBPs is now closed, none of the other recommended actions have as yet been taken on board and as such this Recommendation remains *outstanding*.
21. **Recommendations 18, 19, 20, 21, 22, 25, 27, 28, 32, 33, 34**, and **Special Recommendations VI, VII, VIII and IX** have not as yet been addressed by Dominica.
22. For **Recommendation 16** the situation as was noted in the third follow-up report remains unchanged. This Recommendation remains *outstanding*.
23. As for **Recommendation 30**, the staff of the FIU has been increased from four (4), at the time of the onsite, to six (6) at present. One (1) member of this staff has been assigned primary responsibility for database management. In 2012 the FIU received training in case management capacity building. This Recommendation remains *outstanding*.

#### IMPLEMENTATION ELEMENTS

24. Dominica has produced the following information to support the implementation of the Recommendation and has indicated that the DPP has applied for a paper committal in one (1) of the six (6) cases noted.
25. **Laws and regulations (R.3)**

Case type	No of cases
Pending ML (Currently before the Court)	6

#### III. CONCLUSION

26. The CFATF Mutual Evaluation Programme - Process and Procedures May 2<sup>nd</sup> 2007 (As amended on January 25, 2011 and November 2011) encourages CFATF Members to seek removal from the follow-up process within three (3) years of the adoption of the MER or soon thereafter. Three (3) years have now elapsed, since the adoption of Dominica's MER, by the Council of Ministers, in October of 2009. Following the presentation of its first follow-up report, Dominica reported to the Plenary its intention to adopt a two-phased approach towards the reform of its AML/CFT infrastructure. The first phase was to have addressed the deficiencies of the Core and Key Recommendations whilst the second phase was to have addressed the shortcomings of the Other Recommendations. Dominica has enacted the Financial Intelligence Unit Act, 7 of 2011, on 23<sup>rd</sup> November,

2011; the Money Laundering Prevention Act, 8 of 2011, on 22<sup>nd</sup> November, 2011; the Suppression of the Financing of Terrorism (Amendment) Act, 9 of 2011, on 22<sup>nd</sup> November, 2011; and the Financial Services Unit (Amendment) Act, 10 of 2011, on 22<sup>nd</sup> November, 2011. Analyses of these laws have discovered several deficiencies which Dominica has said are now the subject of proposed draft amendments. Dominica had reported to the Plenary that immediately following the enactment of the above laws, the subsidiary MLPA Regulations, which can be introduced subject to a negative resolution of its Parliament, would be enacted. Almost one (1) year later, since the enactment of the MLPA, the Regulations continue to be in abeyance. The end result of this is that, with the exception of Key Recommendation 4, all of the Core and Key Recommendations continue to be outstanding. Additionally, there are fifteen Recommendations (see paragraph 21) that have remained exactly as they were at the time of the onsite.

27. In addition to the above, the Plenary's attention is drawn to Dominica's persistent non-compliance with the CFATF follow-up procedures as follows:
  - i. By letter dated December 23, 2009, the Secretariat wrote to Dominica and requested that they send their first matrix with updated information to the Secretariat by Monday February 8, 2010. This matrix along with several pieces of draft legislation were forwarded to the Secretariat on Thursday May 13, 2010, more than three (3) months after the set deadline, and with insufficient time for the information to be analysed, thereby precluding the presentation of a follow-up report to the May 2010 Plenary. Dominica's first follow-up report was therefore later presented to the November 2010 Plenary.
  - ii. By letter dated December 15, 2010, the Secretariat wrote to Dominica and requested that they send their second updated matrix to the Secretariat by Monday January 31, 2011. No matrix was forwarded and Dominica reported that the Jurisdiction was encumbered by limited technical resources but had nevertheless improved on draft legislation and regulations which were to be presented to their Parliament before the May 2011 Plenary. The Secretariat used the contents of email messages, received from Dominica on March 28, 2011, and April 5, 2011, to construct a report which formed the basis of the second follow-up report. Consequently, Dominica's second follow-up report was presented to the May 2011 Plenary without an updated matrix.
  - iii. By letter dated July 8, 2011, the Secretariat wrote to Dominica and requested that they send their third updated matrix to the Secretariat by Friday 26, August, 2011. No matrix was forwarded and on October 11, 2011 Dominica informed the Secretariat that draft AML/CFT legislation would be tabled in Parliament on October 26, 2011, and the matrix would be forwarded after the sitting of Parliament. An updated matrix was not submitted and no follow-up report was presented to the November 2011 Plenary. That Plenary asked Dominica to submit its matrix and newly enacted legislation to the Secretariat by January 15, 2012. Dominica's third follow-up report was presented at the May 2012 Plenary.
  - iv. By letter dated June 25, 2012 the Secretariat wrote to Dominica and requested that they send their fourth updated matrix to the Secretariat by Friday August 10, 2012. The updated matrix was eventually received on October 2, 2012.
28. It must be noted that the CFATF Mutual Evaluation Programme - Process and Procedures May 2<sup>nd</sup> 2007 (As amended on January 25, 2011 and November 2011) has defined

persistent non-compliance as *“The failure to submit to the follow-up procedures over a period of three (3) consecutive plenary meetings”*.

29. Based on all of the above Plenary is being asked to conclude that Dominica has not taken satisfactory steps to deal with the deficiencies identified in its MER and consider placing the Jurisdiction into the first stage of Enhanced follow-up to be followed by a letter from the Chairman of the CFATF to the relevant minister(s) in Dominica, drawing attention to the non-compliance with the FATF Recommendations.

CFATF Secretariat  
November 2012





**Matrix with Ratings and Follow-Up Action Plan 3rd Round Mutual Evaluation**  
**The Commonwealth of Dominica – October 2012**

Forty Recommendations	Rating	Summary of Factors Underlying Rating	Recommended Actions	Action Undertaken
Rec. 1  ML offence	PC	<ul style="list-style-type: none"> <li>The physical and material elements of the money laundering offence in the Commonwealth of Dominica do not cover conversion or transfer.</li> <li>Designated categories of offences, Piracy (Pirates at Sea) and Extortion not criminalized.</li> </ul>	<p>The laws of the Commonwealth of Dominica should be amended to:</p> <p>i. Cover conversion or transfer as two additional physical and material elements of the money laundering offence;</p> <p>ii. Criminalize all the designated categories of offences and in particular Piracy (Pirates at Sea) and Extortion.</p>	<p>Sec. 3(1) (c) MLP Act No. 8 of 2011</p> <p>Section 3 of Piracy Act No. 11 of 2010</p> <p>Section 22A of the Theft Act Chap: 10:33 of the D.R.L. of 1990 as amended by Section 3 of the Theft (Amendment) Act No. 12 of 2010</p> <p><i>Section 3(1) (e) will be amended to exclude 'property that is the proceeds of crime, knowing or believing the property to be the proceeds of crime commits an offence'. This excluded phrase will be captured at the end of Section 3(1) to clearly indicate that it applies to Section 3(1) a, b, c, d and e. This amendment will be presented to Parliament as part of a Draft Bill.</i></p>

<p><b>Rec. 2</b></p> <p>ML offence – mental element and corporate liability</p>	<p>LC</p>	<ul style="list-style-type: none"> <li>• The Money Laundering (Prevention) Act, 2000 (Chapter 40:07), does not adequately detail what administrative proceedings that may be employed in dealing with legal persons who have been found criminally liable.</li> <li>• No civil or administrative sanctions are provided for ML.</li> <li>• No powers are given to administer administrative sanctions.</li> </ul>	<ul style="list-style-type: none"> <li>i. Adequately detail what administrative proceedings may be employed in dealing with legal persons who have been found criminally liable;</li> <li>ii. Provide for civil and administrative sanctions;</li> <li>iii. Adopt an approach that would result in more effective use of existing legislation</li> </ul>	<p>Section 12 (1) of the MLP Act No. 8 of 2011</p>
<p><b>Rec. 3</b></p> <p>Confiscation and provisional measures</p>	<p>PC</p>	<ul style="list-style-type: none"> <li>• In the Commonwealth of Dominica the laws do not allow the initial application to freeze or seize property subject to confiscation to be made ex-parte or without prior notice.</li> <li>• Law enforcement agencies, the FIU or other</li> </ul>	<ul style="list-style-type: none"> <li>i. The laws or measures in the Commonwealth of Dominica should allow an initial application to freeze or seize property subject to confiscation to be made ex-parte or without prior notice, unless this is</li> </ul>	<p>Sec. 29 (2) of the MLP Act No. 8 of 2011</p> <p>Sec. 11 of the Proceeds of Crime Act No. 4 of 1993</p> <p>Sec. 38A of the SFTA 3 of 2003 as amended by</p>

		<p>competent authorities in the Commonwealth of Dominica do not have adequate powers to identify and trace property that is, or may become subject to confiscation or is suspected of being the proceeds of crime.</p> <ul style="list-style-type: none"> <li>• There is little authority in The Commonwealth of Dominica to take steps to prevent or void actions, whether contractual or otherwise, where the persons involved knew or should have known that as a result of those actions the authorities would be prejudiced in their ability to recover property subject to confiscation.</li> </ul>	<p>inconsistent with fundamental principles of domestic law.</p> <p>ii. There should be authority to take steps to prevent or void actions, whether contractual or otherwise, where the persons involved knew or should have known that as a result of those actions the authorities would be prejudiced in their ability to recover property subject to confiscation.</p>	<p>Section 16 of the SFT (Amendment) Act No. 9 of 2011</p> <p>Section 34 of the MLP Act No. 8 of 2011</p> <p><b>N. B. The provision can be exercised on property being held or owned by a third party. Since the DPP can provide evidence to the Court by way of an application that the property is related to a person charged or who is about to be charged with or is being investigated with a money laundering offence, the DPP may make an application to the Court for an Order to freeze the property. Rights of bona fide third parties are captured at Section 35 of Act No. 8 of 2011</b></p> <p><b>In July 2010, the FIU secured a Freeze Order on a House, its contents and motor vehicles. In the same case, in August 2012, the FIU secured a supplementary Freeze Order on Bank Accounts and other assets.</b></p>
<b>Rec. 4</b>	<b>PC</b>	<ul style="list-style-type: none"> <li>• Inability of the competent authorities to share information without an MOU or court order</li> </ul>	<p>i. Dominica should enact provisions allowing the ECCB, FSU, the MLSA, the registered</p>	<p>Sec. 32 of the FSU Act No. 18 of 2008 as amended by Section 11 of the FSU (Amendment) Act No. 10 of 2011.</p> <p><b>There are two competent authorities performing</b></p>

			agents to share information with other competent authorities	<p>AML/CFT functions viz. the FSU (regulatory functions) and the FIU (analytical and investigative functions).</p> <p>The FSU's regulatory functions are captured at Section 9 (1) (b) of Act No. 18 of 2008, as amended by Section 6 (a) of Act No. 10 of 2011 and Section 8 of Act No. 8 of 2011. As per Section 7 of Act No. 8 of 2011, the FSU is established as the MLSA. The FIU's analytical and investigative functions are captured at Section 4 (1) (a) of Act No. 7 of 2011.</p>
<p><b>Rec. 5</b></p> <p>Customer due diligence</p>	NC	<ul style="list-style-type: none"> <li>• The requirements that documents, data or information collected under the CDD process should be kept up to date by the financial institution is not enforceable.</li> <li>• The obligation that financial institutions should perform ongoing due diligence on the business relationships is not enforceable.</li> <li>• The determination by the financial institution as to who are the ultimate beneficial owners is not enforceable.</li> <li>• No guidance for the</li> </ul>	<p>i. The legislation should entail requirement to undertake CDD measures according to recommendation 5.</p> <p>ii. The requirement for financial institutions to ensure that documents, data or information collected under the CDD process is kept up to date should be enforceable.</p>	<p><b>Part III of the Draft Money Laundering (Prevention) Regulations of 2012</b></p> <p><b>Section 11, 12 &amp; 22 of the Draft Money Laundering (Prevention) Regulations of 2012</b></p> <p><b>Section 11 and 12 of the Draft Money Laundering (Prevention) Regulations of 2012</b>  <b>Section 15 and 16 of the Draft Money Laundering (Prevention) Regulations of 2012</b></p>

		<p>insurance companies with regards to identification and verification of the underlying principals, persons other than the policyholders.</p> <ul style="list-style-type: none"> <li>• Financial institutions do not perform enhanced due diligence for higher risk customers.</li> <li>• Financial institutions are not required to perform CDD measures on existing clients if they have anonymous accounts.</li> <li>• The business clients on the exempted list of the banks do not submit a source of fund declaration for each transaction.</li> </ul>	<p>iii. Requirement for ongoing due diligence on the business relationships should be enforceable.</p> <p>iv. Requirement to take reasonable measures to determine who are the ultimate beneficial owners or exercise the ultimate effective control should be enforceable.</p> <p>v. The Guidance Notes should include additional guidance with regards to identification and verification of the underlying principals, persons other than the policyholders with regards to</p>	<p><b>Section 12 of the Draft Money Laundering (Prevention) Regulations of 2012</b></p> <p><b>Anonymous accounts are not permitted in Dominica due to the identification requirements mandated by the MLP Regulations (current and proposed). Sections 3, 5, 6, 7, 8 &amp; 9 of S.R.O. 14 of 2001 implicitly prevents the opening of anonymous accounts (current regulations). These provisions are carried forward in the new MLP Regulations at section 3 and Part III of the MLP S.R.O.</b></p> <p><b>The exempt list has been eliminated. The exempt list in fact consisted of low risk customers.</b></p> <p><b>Regulations to be presented to the Parliament. These Regulations are subject to negative resolution of the Parliament.</b></p>
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			<p>insurance companies.</p> <p>vi. Financial institutions should to perform enhanced due diligence for higher risk customers</p> <p>vii. Financial institutions are not required to perform CDD measures on existing clients if they have anonymous accounts.</p> <p>viii. The bank should not keep an exempted list for business clients so that they do not require to fill out a source of fund declaration form for each deposit</p>	
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<b>Rec. 6</b>  Politically exposed persons	NC	It should be enforceable on the financial institutions that they apply enhanced and ongoing due diligence on their PEPs.	<p>i. Recommendation 6 should be enforceable on the financial institutions.</p> <p>ii. Financial institutions should apply risk based approach on their PEPs clients, and continue to do enhanced due diligence on them.</p>	<b>Section 19 of the Draft Money Laundering (Prevention) Regulations of 2012. Presentation of Regulations to Parliament as per Section 54 (3) of Act No. 8 of 2011</b>
<b>Rec. 7</b>  Correspondent banking	NC	<p>No requirement to determine the nature of business reputation of a respondent and the quality of supervision.</p> <p>No assessment of a respondent AML/CFT controls and responsibilities.</p> <p>No provision to obtain senior management approval before establishing new correspondent relationships.</p> <p>No condition to document</p>	<p>i. The specific requirement to understand and document the nature of the respondent bank's business and reputation, supervision of the institution and if they have been subjected to money laundering or terrorist financing activities or regulatory action.</p>	<p><b>Section 20 (1) (a), (b) and (c) of the Draft Money Laundering (Prevention) (MLP) Regulations of 2012</b></p> <p><b>Section 20 (1) (d) of the Draft MLP Regulations of 2012</b></p> <p><b>Section 20 (1) (f) of the Draft MLP Regulations of 2012</b></p>



	<p>respective AML/CFT responsibilities in correspondent relationships.</p> <p>No requirement for financial institutions with correspondent relationships involving “payable through accounts” to be satisfied that the respondent.</p> <p>Financial institutions have not performed all normal CDD obligations on its customers that have access to the accounts.</p> <p>No requirement for the financial institution to satisfy themselves that the respondent institution can provide reliable customer identification data upon request.</p>	<p>ii. Financial institutions should be required to assess all the AML/CFT controls of respondent.</p> <p>iii. The financial institutions should document the AML/CTF responsibility of each institution in a correspondent relationship</p> <p>iv. Financial institutions should require senior management approval before establishing new correspondent relationships.</p> <p>v. Financial institutions should ensure that the correspondent relationships if involved in payable</p>	<p><b>Section 20 (1) (e) of the Draft MLP Regulations of 2012</b></p> <p><b>Section 20 (2) of the Draft MLP Regulations of 2012.</b></p> <p><b>Presentation of Regulations to Parliament as per Section 54 (3) of Act No. 8 of 2011</b></p>
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			through accounts that they normal CDD obligations as set out in R5 have been adhered to and they are able to provide relevant customer identification upon request.	
<b>Rec. 8</b>  New technologies & non face-to-face	NC	There are no provisions which require the financial institutions to have measures aimed at preventing misuse of technology developments in money laundering and terrorist financing.	i. Financial institutions should be required to have measures aimed to prevent the misuse of technological developments.	<b>New Section 11 of the Draft MLP Regulations of 2012.</b> <b>Presentation of Regulations to Parliament as per Section 54 (3) of Act No. 8 of 2011</b>
<b>Rec. 9</b>  Third parties and introducers	PC	No requirement for financial institutions to immediately obtain from all third parties necessary information concerning certain elements of the CDD process referenced in Recommendation 5.3 to 5.6  The requirement that financial service providers be ultimately responsible for obtaining documentary evidence of identity of all clients is not enforceable.	i. Financial institutions relying on a third party should be required to immediately obtain from the third party the necessary information concerning the elements of the CDD process	<b>New Section 13 (1) of the Draft MLP Regulations of 2012</b>  <b>New Section 13 (1) of the Draft MLP Regulations of 2012</b>  <b>New Section 13 (2) of the Draft MLP Regulations of</b>

		<p>Competent authorities should give guidance with regards to countries in which the third party can be based.</p>	<p>detailed in Recommendation 5.3 to 5.6.</p> <p>ii. The requirement that financial service providers be ultimately responsible for obtaining documentary evidence of identity of all clients should be made not enforceable.</p> <p>iii. Competent authorities should take into account information on countries which apply FATF Recommendations in determining in which country the third party can be based.</p>	<p><b>2012.</b>  <b>Presentation of Regulations to Parliament as per Section 54 (3) of Act No. 8 of 2011</b></p>
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<b>Rec. 10</b> Record keeping	<b>C</b>			
<b>Rec. 11</b> Unusual transactions	<b>PC</b>	No requirement for financial institutions to examine as far as possible the background and purpose of complex, unusual large transactions and to set their findings in writing.	<p>i. The Commonwealth of Dominica should consider amending its legislation so as to mandate financial institutions to examine the background and purpose of all complex, unusual or large business transactions whether completed or not, all unusual patterns of transactions which have no apparent or visible economic or lawful purpose.</p> <p>ii. The Commonwealth</p>	<p><b>New Section 19 (2) and (3) of the MLP Act No. 8 of 2011</b></p> <p><b>Section 19 of MLP Act No. 8 of 2011 to be amended to include new sections (2) and (3). Presentation of Bill to Parliament to amend Act No. 8 of 2011.</b></p>

			<p>of Dominica should consider amending its legislation so that the financial institutions would be mandated to examine the background and purpose of all complex, unusual or large business transactions whether completed or not, all unusual patterns of transactions which have no apparent or visible economic or lawful purpose and set forth their findings in writing and to make such findings available to</p>	
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			competent authorities and auditors.	
<b>Rec. 12</b>  DNFBP – R.5, 6, 8-11	NC	The requirements of Recommendations 5, 6, 8 to 11 are not adequately enforced on DNFBPs.	i. The deficiencies identified for all financial institutions for R.5, R.6, and R.8-11 in the relevant sections of this report are also applicable to DNFBPs. The implementation of the specific recommendations in the relevant sections of this report will also be applicable to DNFBPs.  ii. While Dominica has passed	<b>Section 7 of the MLP Act No. 8 of 2011</b>  <b>Section 9 (1) (b) of the FSU Act No. 18 of 2008 as amended by section 6 of Act No. 10 of 2011</b>  <b>Part II and III of the Draft MLP Regulations 2012</b>

			<p>legislation capturing DNFBPs under its AML/CFT regime, there is no competent authority that ensures these entities are subject to monitoring and compliance with the requirements of the MPLA or the Guidance Notes.</p> <p>iii. The licensed agents should be subject to ongoing monitoring and compliance given the role that they play in the keeping of and maintenance of beneficial owners' information for</p>	
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			<p>IBC's and other companies that they register.</p> <p>iv. There should be some form of data capture during the year by the FSU outside of the reporting of STRs as required by the MPLA to the MLSA.</p>	
<p><b>Rec. 13</b></p> <p>Suspicious transaction reporting</p>	NC	<p>The requirement to report suspicious transactions should be linked to all transactions and not only to complex, large, unusual.</p> <p>No requirement to report attempted transactions.</p> <p>The reporting of an STR does not include transactions that are linked to terrorism financing, terrorism, terrorism acts, and terrorist organizations.</p> <p>The legislation does not</p>	<p>i. The financial institutions should be required to report STRs to the FIU.</p> <p>ii. The requirement for financial institutions to report suspicious transactions should also be applicable to attempted transactions.</p> <p>iii. The obligation to make a STR related</p>	<p>Sec. 19 (2) of the MLP Act No. 8 of 2011</p> <p>Sec. 19 (2) of the MLP Act No. 8 of 2011</p> <p>Criminalization of Extortion and Piracy as per cited Acts. <i>(Piracy Act No. 11 of 2010 and Theft (Amendment) Act No. 21 of 2010.)</i></p> <p>Sec. 19 A (2) of SFTA 3 of 2003 as amended by Section 11 of the SFT (Amendment) Act No. 9 of 2011.</p>



		require the STR be reported to the FIU.	<p>to money laundering should apply to all offences to be included as predicate offences under Recommendation 1.</p> <p>iv. The reporting of STRs should also include the suspicious transactions that are linked to terrorism, the financing of terrorism, terrorist organizations and terrorist acts.</p>	<p><b>Presentation of Bill to Parliament to correct typographical error in Act No. 9 of 2011</b></p>
<p><b>Rec. 14</b></p> <p>Protection &amp; no tipping-off</p>	LC	The prohibition against tipping-off does not extend to the directors, officers and employees of financial institutions.	i. The offence with regards to tipping-off should be extended to directors, officers and employees of financial institutions.	<p>Sec. 5 of the MLP Act No. 8 of 2011</p> <p><b>Section 21 of MLP Act No. 8 of 2011</b></p>

<b>Rec. 15</b>  Internal controls, compliance & audit	<b>PC</b>	<b>Financial institutions do not maintain an independent audit function to test compliance with policies, procedures and controls</b>  <b>Internal procedures do not include terrorist financing.</b>	i. The requirement to maintain independent audit functions to test compliance with procedures, policies and controls should be adhered to.  ii. Requirement of the financial institutions to have internal procedures with regards to money laundering should also include terrorist financing.	<b>MLP Regulations 2012 to be amended to include new section 3 (1) (a) (v) &amp; (vi)</b>  <b>Development of CFT Regulations by FSU.</b>  <b>Presentation of Regulations to Parliament as per Section 54 (3) of Act No. 8 of 2011</b>

<p><b>Rec. 16</b></p> <p>DNFBP – R.13-15 &amp; 21</p>	<p>NC</p>	<p>No effective application of R 13-14, R 15 and 21.</p> <p>No competent body to impose sanctions/fines.</p>	<p>i. There is no specific body charged with the duty of applying sanctions to DNFBPs without requiring a court order.</p> <p>ii. As well the FSU does not conduct ongoing monitoring and compliance checks on these entities or persons to ensure that the requirements of R 13-14, R 15 and 21 are complied with, particularly as regards the money remitters and licensed agents. It is recommended that a competent authority (FSU) be entrusted</p>	<p>Section 7 of the MLP Act No. 8 of 2011</p> <p>Section 11 and 12 of the MLP Act No. 8 of 2011</p> <p>Section 9(1) (b) of the FSU Act No. 18 of 2008 as amended by Section 6 of the FSU (Amendment) Act No. 10 of 2011</p> <p><b>The FSU has established a structured work programme in August 2012, which includes onsite monitoring and offsite surveillance of scheduled entities. The FSU has conducted onsite inspections of the commercial banks and two offshore banks.</b></p>
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			with the legal responsibility of imposing sanctions or fines as well as conducting ongoing monitoring and compliance.	
Rec. 17 Sanctions	NC	Lack of a designated regulatory body to apply sanctions/fines and the absence of a clearly defined process in the law or guidance notes.	i. There should be a competent body designated to impose administrative and civil sanctions/fines for non-compliance with the requirements of the AML/CFT legislation/regime. As well the legislation should define the process for applying these sanctions.	Section 7 of the MLP Act No.8 of 2011  Section 11 and 12 of the MLP Act No. 8 of 2011  <b>Sec. 47 (1) of the SFTA No. 3 of 2003 as amended by Section 17 of the SFT (Amendment) Act No. 9 of 2011.</b>

<p><b>Rec. 18</b></p> <p>Shell banks</p>	<p>NC</p>	<p>The requirement for domestic and offshore banks not to enter into correspondent banking relationship with shell banks is not enforceable.</p> <p>No requirement for financial institution to satisfy themselves that the respondent financial institutions do not permit their accounts to be used by shell banks.</p>	<p>i. Financial institutions should not be permitted to enter into, or continue correspondent banking relationship with shell banks</p> <p>i. 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.</p>	
<p><b>Rec. 19</b></p> <p>Other forms of reporting</p>	<p>NC</p>	<p>No evidence that Dominica has considered the feasibility and utility of implementing a fixed threshold currency reporting system.</p>	<p>i. The Commonwealth of Dominica is advised to consider the implementation of a system where all (cash) transactions above a fixed threshold are required to be reported to the FIU. In this regard the Commonwealth of Dominica should</p>	

			include as part of their consideration any possible increases in the amount of STRs filed, the size of this increase compared to resources available for analyzing the information.	
<b>Rec. 20</b>  Other NFBP & secure transaction techniques	<b>PC</b>	<b>Procedures adopted for modern secure techniques are ineffective</b>	i. More on-site inspections are required. ii. Modern secured transaction techniques should be scheduled under the Money Laundering (Prevention) Act, 2000 (Chapter 40:07),	

<p><b>Rec. 21</b></p> <p>Special attention for higher risk countries</p>	<p>NC</p>	<ul style="list-style-type: none"> <li>• There are no measures that require competent authorities to ensure that financial institutions are notified about AML/CFT weaknesses in other countries.</li> <li>• There are no provisions that allow competent authorities to apply counter-measures to countries that do not or insufficiently apply the FATF Recommendations.</li> </ul>	<p>i. Effective measures should be established to ensure that financial institutions are advised of concerns about AML/CFT weaknesses in other countries.</p> <p>i. There should be requirements to allow for the application of counter-measures to countries that do not or insufficiently apply the FATF Recommendations.</p>	
<p><b>Rec. 22</b></p> <p>Foreign branches &amp; subsidiaries</p>	<p>PC</p>	<ul style="list-style-type: none"> <li>• Requirement to inform the home country supervisor when local laws and guidelines prohibit the implementation.</li> </ul>	<p>i. Inform their home country supervisor when a foreign branch or subsidiary is unable to observe appropriate AML/CTF measures because this is prohibited by local laws, regulations and measures.</p>	

<b>Rec. 23</b>  Regulation, supervision and monitoring	NC	<ul style="list-style-type: none"> <li>• No competent authority assigned the responsibility of monitoring and ensuring compliance with AML/CFT requirements. No specific body entrusted with the responsibility for conducting on-site examinations and regular off-site monitoring.</li> </ul>	<ul style="list-style-type: none"> <li>i. The FSU should be entrusted with the legal authority to ensure compliance with the MLPA, its Regulations and the Anti-Money Laundering Guidance Notes. As well the Unit should implement a structured work programme, approved by the Financial Director to ensure ongoing on-site and off-site monitoring. These measures should be</li> </ul>	<p>Sec. 9 (1) (b) of the FSU Act as amended by Section 6 of the SFT (Amendment) Amendment Act No. 10 of 2011</p> <p>Section 6 (2) Money Services Business Act No. 8 of 2010</p> <p>Section 39 of the IBC Act No. 10 of 1996. Schedule V the Financial Services Unit Act No. 18 of 2008 (item 4)</p> <p>Sections 4 and 5 (2) of the Cooperatives Societies Act No. 2 of 2011</p> <p><b>The FSU has established a structured work programme in August 2012, which includes onsite monitoring and offsite surveillance of scheduled entities. The FSU has conducted onsite inspections of the commercial banks and two offshore banks.</b></p>



			<p>applicable to all institutions under the regulation and supervision of the FSU. The Unit should also be legally entrusted with the responsibility to license or register DNFBP'S and those financial institutions not under the purview of the ECCB.</p>	<p><b>Bill to be presented to Parliament for the amendment of Section 6 (a) of Act No. 10 of 2011 to include 'offsite surveillance'.</b></p>
<p><b>Rec. 24</b></p> <p>DNFBP - regulation, supervision and monitoring</p>	NC	<ul style="list-style-type: none"> <li>No regulatory/supervisory measure are in place to ascertain compliance with AML/CFT laws and guidelines nor, is the FSU charged with the responsibility of monitoring and ensuring compliance with AML/CFT requirements.</li> </ul>	<p>i. There is no comprehensive regulatory and supervisory regime that ensures compliance by casinos and other DNFBPs with the AML/CFT regime that is in place. As well, there is no designated regulatory body to discharge that function as well as</p>	<p>Section 7 and 8 of the MLP Act No. 8 of 2011</p> <p>Section 9 (1) (b) of the FSU Act No. 18 of 2008 as amended by section 6 of the FSU (Amendment) Act No. 10 of 2011</p> <p><b>Sec. 47 of the SFTA No. 3 of 2003 as amended by Section 17 of the SFT (Amendment) Act No. 9 of 2011.</b></p>

			<p>to apply relevant sanctions/fines for non-compliance.</p> <p>i. It is recommended that a competent body, the FSU be charged with the responsibility of monitoring and ensuring compliance with the requirements of the regime as well as imposing sanctions.</p> <p>ii. The AML/CFT legislation should also detail the process to be adopted when applying sanctions.</p>	
<p><b>Rec. 25</b></p> <p>Guidelines &amp; Feedback</p>	NC	<ul style="list-style-type: none"> <li>• Non issuance of specific guidelines to assist DNFBPs and other financial institutions with implementing the requirements of the AML/CFT regime.</li> <li>• Non issuance of</li> </ul>	<p>i. The Authority should provide financial institutions and DNFBPs with adequate and appropriate feedback on the STRs.</p>	

		<p>guidelines by SROs and other competent authority (FSU) for DNFBPs.</p> <ul style="list-style-type: none"> <li>The authority has not provided the financial sector with adequate and appropriate feedback on the STRs</li> </ul>	<p>i. The FSU in addition to the MLSA should issue specific guidance notes or other targeted guidelines that can assist financial institutions other than domestic commercial banks, as well as DNFBPs to effectively apply the provisions of the MPLA, and its Regulations.</p>	
Institutional and other measures				
<p><b>Rec. 26</b></p> <p>The FIU</p>	PC	<ul style="list-style-type: none"> <li>The FIU is not the central authority for the receipt of STRs from reporting entities.</li> <li>In practice STRs are filed with the MLSA and copies are made available to the FIU.</li> <li>The FIU does not have total control over the STRs it maintains on</li> </ul>	<p>i. The FIU should be made the central authority for the receipt of STRs from reporting entities as it relates to both Money Laundering and Terrorist Financing.</p>	<p>Sec. 4 (1) (a) of the FIU Act No. 7 of 2011</p> <p>Sec. 19 (2) of the MLP Act No. 8 of 2011</p> <p>Section 19A (2) of the SFT Act No. 3 of 2003 as amended by Section 11 of the SFT (Amendment) Act No. 9 of 2011.</p> <p><b>It is an accepted international standard that FIUs can be located in the Ministries of Legal Affairs or Finance and as such, would have to comply with the accounting procedures of the Ministry. Budgeting is</b></p>

		<p>behalf of the MLSA.</p> <ul style="list-style-type: none"> <li>Although the FIU has almost immediate access to the STRs submitted by the Financial Institutions and other scheduled entities, the MLPA charges that the STRs should be sent to the Money Laundering Supervisory Authority (MLSA) who is then charged with sending it to the FIU. At the same time the legislation requires that STRs relating to the TF should be sent to the Commissioner of Police.</li> <li>The data held by the FIU however, all backup data are housed on site which effectively defeats the purpose of having the backup done.</li> <li>To the extent that the</li> </ul>	<p>ii. The FIU should have more control over its budget since the control currently maintained by the Ministry could impact the Unit's operation and to some extent its independence.</p> <p>iii. Although the security of the database seems adequate, backup data should be housed off-site to ensure that in the event of a</p>	<p>addressed at Sections 10 and 11 of Act No. 7 of 2011. The FIU is allocated a yearly budget which is under the direct control of the Director.</p> <p>Analysis of an appropriate backup storage system. This system will be implemented in the near future.</p> <p>Sec. 9 of the FIU Act No. 7 of 2011. Analysis of available Annual Reports.</p> <p>Production of Annual Report to include requisite information.</p> <p>It must be noted that the FIU can apply for Seizure and Restraint Orders under the aegis of Section 37 (1) of Act No. 3 of 2003 and Forfeiture Orders under the aegis of Section 8 of Act No. 3 of 2003 in relation to property of terrorists and terrorist groups.</p> <p>The FIU continues to maintain comprehensive and</p>
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		<p>budget of the FIU is controlled by the Ministry this could impact on its ability to be operationally independent.</p> <ul style="list-style-type: none"> <li>• The annual report prepared by the Unit is not made public.</li> </ul>	<p>catastrophe at the Unit there would be the opportunity for the recovery of data.</p> <p>iv. The FIU should prepare annual reports which they would be able to disseminate to the public which would enhance awareness.</p>	<p>secured databases on the Microsoft SQL Platform in accordance with essential criteria 32.2 of Recommendation 32.</p>
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<p><b>Rec. 27</b></p> <p>Law enforcement authorities</p>	<p>PC</p>	<ul style="list-style-type: none"> <li>• No consideration of taking measures providing for the postponement or waiving of arrest of suspects or seizure of money for the purpose of identifying suspects or for evidence gathering.</li> <li>• There is no group specialized in investigating the proceeds of crime.</li> </ul>	<ul style="list-style-type: none"> <li>i. Provisions should be made in domestic legislation that allow authorities investigation ML cases to postpone or waive the arrest of suspected persons and/or the seizure of money for the purpose of identifying persons involved in such activities or for evidence gathering.</li> <li>ii. Legislation should be put in place to provide investigators of Money Laundering and Terrorist Financing cases with a wide range of investigative techniques including controlled delivery.</li> <li>iii. There should be a group of officers who would be</li> </ul>	
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			<p>trained in investigating the proceeds of crime, perhaps in the NJIC, who would supplement the efforts of the FIU.</p>	
<p><b>Rec. 28</b></p> <p>Powers of competent authorities</p>	<p><b>PC</b></p>	<ul style="list-style-type: none"> <li>• No provision in the SFTA which affords the FIU or the Commissioner of Police the ability to compel the production of business transaction records, in pursuit of TF investigations.</li> <li>• No explicit legal provision for predicate offences investigators to obtain search warrants to seize and obtain business transaction records.</li> </ul>	<ul style="list-style-type: none"> <li>i. The SFTA should be amended to provide investigators with the ability to compel the production of business transaction records.</li> <li>ii. There should be explicit legal provisions for the investigators of predicate offences to be able to obtain search warrants which would enable them seize and obtain business</li> </ul>	

			transaction records.	
<b>Rec. 29</b>  Supervisors	<b>PC</b>	<ul style="list-style-type: none"> <li>FSU does not have the authority to conduct inspections of financial institutions, including on-site inspections to ensure effective monitoring and compliance.</li> </ul>	i. The FSU should be legally entrusted with the authority to monitor and ensure compliance with the AML/CFT requirements. As well the Unit should be able to conduct on-sites, request off site information and should be entrusted also with adequate powers of enforcement against its licensees and registrants that are not subject to the Off Shore	Section 1 (3) of the FSU Act No. 18 of 2008 as amended by Section 3 of the FSU (Amendment) Act No. 10 of 2011  Section 7 of the MLP Act No. 8 of 2011  Section 9 of the FSU Act No. 18 of 2008  Section 9 (1) (b) of the FSU Act No. 18 of 2008 as amended by Section 6 of the FSU (Amendment) Act No. 10 of 2011



			<b>Banking Act or the Banking Act.</b>	
<b>Rec. 30</b>  Resources, integrity and training	NC	<ul style="list-style-type: none"> <li>• The staff of the FIU consists of only four persons where the Senior investigator functions as the systems administrator who in the absence of the Director also has to take on those duties.</li> <li>• There is not a sufficient staff compliment in the Police, the FIU and the Supervisory Authority to be able to completely deal with issues relating to ML, FT and other predicate offences.</li> <li>• There is also only limited</li> </ul>	<ul style="list-style-type: none"> <li>i. The staff of the Unit should be expanded to include a database administrator.</li> <li>ii. The FSU is not adequately staffed. The Unit's request for additional staff should be adhered to. It is also recommended that a restructuring of the Unit should be considered so that its regulatory and supervisory functions can be</li> </ul>	<p>As at August 1, 2012; the FIU has a permanent staff of 6 officers. A primary responsibility of one of these officers is data base management. The FIU continues to maintain comprehensive and secured data bases on the Microsoft SQL Server Platform in accordance with essential criteria 32.2 of Recommendation 32.</p> <p>In 2012, The FIU received technical assistance from ECFIAT in case management and capacity building and from NAS of the US Embassy in capacity building.</p> <p>OAS CICAD and CICTE and UNODC had given the FIU technical assistance in October 2011 and is considering the delivery of further technical assistance</p>

		<p>continuous vetting of officers to ensure that the highest level of integrity is maintained.</p> <ul style="list-style-type: none"> <li>• The FSU should be adequately staffed to discharge its functions.</li> <li>• The staff, and budget and Anti-money laundering/combating of terrorist financing training of the staff in the DPP Office is in adequate</li> </ul>	<p>discharged effectively.</p> <p>iii. The FSU should consider the establishment of databases to allow for effective off-site supervision.</p> <p>iv. Technical resource- The Police Force should be provided with better communication equipment.</p> <p>v. With the increased demand on the Police the numbers in the police contingent should be increased.</p> <p>vi. Special training in money laundering and terrorist financing should be provided to magistrates and judges to ensure they are familiar</p>	
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			<p>with the provisions for dealing with the seizure, freezing and confiscation of property</p> <p>vii. There should be a group of officers who would be trained in investigating the proceeds of crime, perhaps in the NJIC, who would supplement the efforts of the FIU.</p> <p>viii. There should be regular inter agency meetings among all the agencies that are charged with ensuring the effectiveness of the AML/CFT regime.</p> <p>ix. There should be put in place some measures to vet the officers in these agencies to ensure</p>	
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			<p>that they maintain a high level of integrity</p> <p>x. Databases should be established which can be shared by all authorities responsible for monitoring and ensuring compliance with the AML/CFT regime in Dominica.</p>	
<p><b>Rec. 31</b></p> <p>National co-operation</p>	PC	<ul style="list-style-type: none"> <li>• There are no joint meetings dedicated to developing policies and strategies relating to AML/CFT</li> <li>• The Supervisory Authority does not adequately supervise the DNFBPs and other entities in the financial sector at this time.</li> <li>• There should be measures in place so that the authorities can There are, coordinate with each other</li> </ul>	<p>i. There should be regular inter agency meetings among all the agencies that are charged with ensuring the effectiveness of the AML/CFT regime.</p> <p>ii. The Supervisory Authority needs to expand its activity so as to ensure that all entities who may be susceptible to be used for Money</p>	Section 15 (1) of the MLP Act No. 8 of 2011

		<p>concerning the development and implementation of policies and activities to combat ML and FT.</p>	<p>laundering or Terrorist Financing are aware of these dangers and take the necessary precautions.</p> <p>iii. There should be established and maintained regular inter-agency meetings where policies and actions are developed.</p> <p>iv. There should be a closer link between the Supervisory Authority and the DNFBPs.</p> <p>v. There should be measures to allow the authorities to coordinate in Dominica with each other concerning developments with regards to money laundering and terrorist financing.</p>	
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<p><b>Rec. 32</b></p> <p>Statistics</p>	<p>NC</p>	<ul style="list-style-type: none"> <li>• Competent authorities appear to have limited opportunity to maintain comprehensive statistics on matters relevant to the effectiveness and efficiency of systems for combating money laundering and terrorist financing specifically in relation to Money Laundering &amp; Financing of Terrorist investigations-prosecutions and convictions- and on property frozen; seized and confiscated.</li> <li>• Competent authorities appear to have limited opportunity to maintain comprehensive statistics on matters relevant to the effectiveness and efficiency of systems for combating money laundering and terrorist financing specifically in relation to Terrorist financing freezing data.</li> <li>• In the Commonwealth of</li> </ul>	<ol style="list-style-type: none"> <li>The competent authorities should maintain comprehensive statistics on matters relevant to the effectiveness and efficiency of systems for combating money laundering and terrorist financing.</li> <li>With respect to MLA and other international request the Commonwealth Dominica should maintain statistics on the nature of such requests and the time frame for responding.</li> </ol>	<p>In 2012, the FIU has commenced two new cases in the Magistrate's Court under the aegis of the Proceeds of Crime Act No. 4 of 1993 in collaboration with the Dominica Police Force and conducted to cash seizure investigations in consonance with the Customs and Excise Division. Currently, the FIU has six cases involving fourteen persons before the Magistrate's Court. An application for Paper Committal has been made at the Magistrate's Court for one of these cases. The FIU continues to maintain comprehensive and secured databases on the Microsoft SQL Server Platform in accordance with essential criteria 32.2</p>
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		<p>Dominica the Competent authorities do not maintain comprehensive statistics on matters relevant to the effectiveness and efficiency of systems for combating money laundering and terrorist financing. Annual statistics are however maintained on Mutual legal assistance or other international requests for co-operation and all mutual legal assistance and extradition requests (including requests relating to freezing, seizing and confiscation) that are made or received, relating to ML, the predicate offences and FT, including whether it was granted or refused but no statistics maintained on the nature of the request and the time frame for responding.</p> <ul style="list-style-type: none"> <li>• While the examiners found that statistics were kept, the examiners finds</li> </ul>		
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		<p>that the competent authorities should maintain comprehensive statistics on matters relevant to the effectiveness and efficiency of systems for combating money laundering and terrorist financing.</p> <ul style="list-style-type: none"> <li>• There are no statistics kept on formal requests made or received by law enforcement authorities relating to ML and FT, including whether the request was granted or refused.</li> <li>• No statistics are kept on on-site examinations conducted by supervisors relating to AML/CFT and the sanctions applied.</li> <li>• There is no statistics available on formal requests for assistance made or received by supervisors relating to or including AML/CFT including whether the</li> </ul>		
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		<p>request was granted or refused.</p> <ul style="list-style-type: none"> <li>• Lack of databases to facilitate sharing of information between authorities responsible for discharging AML/CFT requirements.</li> <li>• The Supervisory Authority is not effective in relation to some entities in the financial sector.</li> <li>• The effectiveness of the money laundering and terrorist financing system in Dominica should be reviewed on a regular basis.</li> <li>• No comprehensive statistics on matters relevant to the effectiveness and efficiency of systems for combating money laundering and terrorist financing.</li> </ul>		
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<p><b>Rec. 33</b></p> <p>Legal persons – beneficial owners</p>	<p><b>PC</b></p>	<ul style="list-style-type: none"> <li>• Lack of ongoing monitoring and compliance. The FSU should implement such a programme for AML/CFT purposes as well as general supervision and regulation.</li> <li>• Measures should be in place to make sure that the bearer shares are not misused for money laundering</li> </ul>	<p>i. There is a need to ensure that licensed agents are subjected to ongoing monitoring and supervision in such areas as maintenance of up-to-date information on beneficial owners, licensing and registration, particularly for IBC's incorporated by the agent.</p> <p>ii. It is recommended that the FSU institute the process of ongoing monitoring and compliance for both AML/CFT purposes and for general supervisory and regulatory purposes.</p>	
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			<p>iii. There should be measures to ensure that bearer shares are not misused for money laundering.</p>	
<p><b>Rec. 34</b></p> <p>Legal arrangements – beneficial owners</p>	NC	<ul style="list-style-type: none"> <li>• The Authorities should include current and accurate information of the beneficial ownership and control as part of the register information on international trusts.</li> <li>• Registration of Trusts does not include information of the settler and other parties to a Trust.</li> <li>• Competent Authorities do not have access to information on the settler, trustees or beneficiaries of a Trust.</li> </ul>	<p>i. Information on the settlors, trustees and beneficiaries of Trusts should be made available to the Registrar or if not recorded there should be available from the registered agent on request without the written consent of the Trustee.</p> <p>ii. Competent Authorities should be able to gain access to information on</p>	

			<p>beneficial ownership of Trusts in a timely fashion.</p> <p>iii. Even though currently there are no trust activities in Dominica, the authorities in Dominica should include adequate, accurate and current information on the beneficial ownership and control of legal arrangements as part of the register information on international trust.</p>	
International Co-operation				
Rec. 35 Conventions	PC	<ul style="list-style-type: none"> <li>The Commonwealth of Dominica is not a party to The 2000 UNC Against Transnational Organized Crime – (<i>The Palermo Convention</i>).</li> </ul>	<p>i. The Commonwealth of Dominica should become a party to The 2000 United Nation Convention Against Trans-</p>	<p>Consideration of becoming a party to the Palermo Convention and analysis of domestic legislation to determine deficiencies in the satisfaction of the Palermo, Vienna and Terrorist Financing Conventions</p>

		<ul style="list-style-type: none"> <li>• In The Commonwealth of Dominica many but not all of the following articles of the Vienna Convention (Articles 3-11, 15, 17 and 19) have been fully implemented.</li> <li>• In The Commonwealth of Dominica some but not all aspects of Articles 5-7, 10-16, 18-20, 24-27, 29-31, &amp; 34 of the Palermo Convention have been implemented.</li> <li>• In The Commonwealth of Dominica many but not all of Articles 2- 18 of the Terrorist Financing Convention are fully implemented.</li> <li>• In the Commonwealth of Dominica, S/RES/1267(1999) and its successor resolutions and S/RES/1373(2001) are not fully implemented.</li> </ul>	<p>national Organized Crime – (<i>The Palermo Convention</i>) and fully implement article Articles 3-11, 15, 17 and 19) of the Vienna Convention, Articles 5-7, 10-16, 18-20, 24-27, 29-31, &amp; 34 of the Palermo Convention, Articles 2- 18 of the Terrorist Financing Convention and S/RES/1267(1999) and its successor resolutions and S/RES/1373(2001)</p>	
Rec. 36 Mutual legal	LC	<ul style="list-style-type: none"> <li>• The Commonwealth of Dominica has not considered devising and</li> </ul>	<p>i. To avoid conflicts of jurisdiction, the Commonwealth of</p>	<p>Administrative Consideration</p> <p>Determined by court practice</p>

assistance (MLA)		applying mechanisms for determining the best venue for prosecution of defendants in the interests of justice in cases that are subject to prosecution in more than one country.	Dominica should consider devising and applying mechanisms for determining the best venue for prosecution of defendants in the interests of justice in cases that are subject to prosecution in more than one country.	
<b>Rec. 37</b>  Dual criminality	<b>C</b>			

<p><b>Rec. 38</b></p> <p>MLA on confiscation and freezing</p>	<p>PC</p>	<ul style="list-style-type: none"> <li>• Unclear legislation regarding request relating to property of corresponding value.</li> <li>• Unclear legislation regarding arrangements for co-ordinating seizure and confiscation actions with other countries.</li> <li>• No consideration of the establishment of an asset forfeiture fund into which all or a portion of confiscated property will be deposited.</li> <li>• No consideration of authorising the sharing of assets confiscated when confiscation is directly or indirectly a result of co-ordinate law enforcement actions.</li> </ul>	<p>i. Commonwealth of Dominica should consider establishing an asset forfeiture fund into which all or a portion of confiscated property will be deposited and will be used for law enforcement, health, education or other appropriate purposes.</p> <p>ii. The Commonwealth of Dominica should consider authorising the sharing of confiscated assets between them when confiscation is directly or indirectly a result of co-ordinate law enforcement actions.</p> <p>iii. The laws should clarify whether the</p>	<p>Sec. 36 of the MLP Act of No. 8 of 2011</p> <p>Sec. 37 of the MLP Act No. 8 of 2011</p> <p><b>Sec. 39 of the MLP Act No. 8 of 2011</b></p>
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			<p>requirement in Criterion 38.1 is met where the request relates to property of corresponding value.</p> <p>iv. The laws should clarify whether the Commonwealth of Dominica could have arrangements for co-ordinating seizure and confiscation actions with other countries.</p>	
<p><b>Rec. 39</b></p> <p>Extradition</p>	LC	<ul style="list-style-type: none"> <li>The Commonwealth of Dominica do not have specific measures or procedures adopted to allow extradition requests and proceedings relating to Money Laundering to be handled without undue delay</li> </ul>	<p>i. There should be in the Commonwealth of Dominica measures or procedures adopted to allow extradition requests and proceedings relating to money laundering to be handled without undue delay.</p>	<p>Sections 43 and 44 of the MLP Act No. 8 of 2011</p> <p><b>Sections 10, 11, 12, 13, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26 of the Extradition Act Chap. 12:04 (Act No. 6 of 1981) of the Revised Laws of Dominica address the Extradition Procedure.</b></p> <p>Sec. 27 of the SFTA 3 of 2003 as amended by Section 13 of the SFT (Amendment) Act No. 9 of 2011</p>



			<p>ii. In the Commonwealth of Dominica the laws should not prohibit the extradition of nationals.</p> <p>iii. There should be measures or procedures adopted in the Commonwealth of Dominica that will allow extradition requests and proceedings relating to terrorist acts and the financing of terrorism offences to be handled without undue delay.</p>	
<p><b>Rec. 40</b></p> <p>Other forms of co-operation</p>	LC	<ul style="list-style-type: none"> <li>There is no evidence that in The Commonwealth of Dominica requests for cooperation would not be refused on the sole ground that the request is also considered to involve fiscal</li> </ul>	<p>i. In the Commonwealth of Dominica it should be made clear that a request for cooperation would not be refused on</p>	<p>Sec. 40 of the MLP Act No. 8 of 2011</p>

		matters.	the sole ground that the request is also considered to involve fiscal matters.	
<b>Nine Special Recommendations</b>	<b>Rating</b>			
<b>SR. I</b>  Implementation UN instruments	<b>PC</b>	<ul style="list-style-type: none"> <li>• The Commonwealth of Dominica is not a party to The 2000 UNC Against Transnational Organized Crime – (<i>The Palermo Convention</i>).</li> <li>• In the Commonwealth of Dominica many but not all of the following articles of the Vienna Convention (Articles 3-11, 15, 17 and 19) have been fully implemented.</li> <li>• In The Commonwealth of Dominica some but not all aspects of Articles 5-7, 10-16, 18-20, 24-27, 29-31, &amp; 34 of the Palermo Convention have been implemented.</li> <li>• In The Commonwealth of Dominica many but not all of Articles 2- 18 of the</li> </ul>	<p>i. The Commonwealth of Dominica should become a party to The 2000 United Nation Convention Against Trans-national Organized Crime – (<i>The Palermo Convention</i>) and fully implement article Articles 3-11, 15, 17 and 19) of the Vienna Convention, Articles 5-7, 10-16, 18-20, 24-27, 29-31, &amp; 34 of the Palermo Convention, Articles 2- 18 of the Terrorist Financing Convention and S/RES/1267(1999)</p>	Consideration of becoming a party to the Palermo Convention and analysis of domestic legislation to determine deficiencies in the satisfaction of the Palermo, Vienna and Terrorist Financing Conventions

		<p><b>Terrorist Financing Convention are fully implemented.</b></p> <ul style="list-style-type: none"> <li><b>In the Commonwealth of Dominica, S/RES/1267(1999) and its successor resolutions and S/RES/1373(2001) are not fully implemented.</b></li> </ul>	<p><b>and its successor resolutions and S/RES/1373(2001)</b></p>	
<p><b>SR. II</b></p> <p>Criminalise terrorist financing</p>	<p><b>PC</b></p>	<ul style="list-style-type: none"> <li><b>The law is not clear that Terrorist financing offences apply, regardless of whether the person alleged to have committed the offence(s) is in The Commonwealth of Dominica or a different country from the one in which the terrorist(s)/terrorist organisation(s) is located or the terrorist act(s) occurred/will occur .</b></li> <li><b>The law does not specifically permit the intentional element of the Terrorist financing offence to be inferred from objective factual circumstance.</b></li> </ul>	<p><b>The laws should be amended to:</b></p> <ul style="list-style-type: none"> <li><b>i. State that Terrorist financing offences do not require funds be linked to a specific terrorist act(s);</b></li> <li><b>ii. State that Terrorist financing offences apply, regardless whether the person alleged to have committed the offence(s) is in The Commonwealth of Dominica or a different country from the one in which the terrorist(s)/terrorist</b></li> </ul>	<p><b>Sec. 2 (b ) (a) (x) of SFTA 3 of 2003 as amended by Section 3 of the SFT (Amendment) Act No. 9 of 2011.</b></p> <p><b>Sec. 2 (b) (b) of the SFTA 3 of 2003 as amended by Section 3 of the SFT (Amendment) Act No. 9 of 2011.</b></p> <p><b>Sec. 2 (3) of the SFTA 3 of 2003 as amended by Section 3 of the SFT (Amendment) Act No. 9 2011.</b></p> <p><b>Not in accordance with normal jurisprudence in our jurisdiction</b></p>

		<ul style="list-style-type: none"> <li>• The law does not specifically speak to the possibility of parallel criminal, civil or administrative proceedings where more than one form of liability is available.</li> <li>• No civil or administrative penalties are defined in law.</li> <li>• The effectiveness of the regime has not been tested by actual cases.</li> <li>• The definition of terrorist, terrorist act and terrorist organization are not in line with the Glossary of Definitions used in the Methodology as the terms does not refer to the Convention for the Suppression of Unlawful Seizure of Aircraft (1970) and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (1971)</li> </ul>	<p>organisation(s) located or the terrorist act(s) occurred/w occur ;</p> <p>iii. Permit the intentional element of the Terrorist financing offence to be inferred from objective factual circumstance;</p> <p>iv. To permit the possibility of parallel criminal, civil or administrative proceedings where more than one form of liability is available.</p> <p>v. To address civil or administrative penalties; and;</p>	<p>Section 47 of Act No. 3 of 2003 as amended by Section 17 of Act No. 9 of 2011.</p> <p>Sec. 2 of the SFTA 3 of 2003 as amended by Section 3 of the SFT (Amendment) Act No. 9 of 2011</p> <p><b>The definition of terrorist act and terrorist organization is under review.</b></p> <p><b>FSU is developing appropriate Guidance Notes.</b></p>
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			vi. Ensure that the definition of terrorist, terrorist act and terrorist organization are in line with the term terrorist act as defined by the FATF	
SR. III  Freeze and confiscate terrorist assets	PC	<ul style="list-style-type: none"> <li>• The Commonwealth of Dominica has limited and need adequate laws and procedures to examine and give effect to, if appropriate, the actions initiated under the freezing mechanisms of other jurisdictions.</li> <li>• The laws of the Commonwealth of Dominica do not speak to having an effective system for communicating actions taken under the freezing mechanisms</li> <li>• The Commonwealth of Dominica do not have appropriate procedures for authorising access to funds or other assets that</li> </ul>	<p>The Commonwealth of Dominica should:</p> <ul style="list-style-type: none"> <li>i. Strengthen their legislation to enable procedures which would examine and give effect to the actions initiated under the freezing mechanisms of other jurisdictions</li> <li>ii. Implement effective mechanisms for communicating actions taken under the freezing mechanisms</li> <li>iii. Create appropriate procedures for</li> </ul>	<p>Sec. 12C of the SFTA 3 of 2003 as amended by Section 10 of the SFT (Amendment) Act No. 9 of 2011</p> <p>Sec. 12 (1) and (2) of the SFTA 3 of 2003 as amended by Section 9 of the SFT (Amendment) Act No. 9 of 2011.</p> <p>Sec. 12B of the SFTA No. 3 of 2003 as amended by Section 10 of the SFT (Amendment) Act No. 9 of 2011.</p> <p>Sec. 47 (1) of the SFTA No. 3 of 2003 as amended by Section 17 of the SFT (Amendment) Act No. 9 of 2011.</p> <p>Sec. 36 (1) and (2) of the SFTA No. 3 of 2003</p>

		<p>were frozen pursuant to S/RES/1267(1999) and that have been determined to be necessary for basic expenses, the payment of certain types of fees, expenses and service charges or for extraordinary expenses.</p> <ul style="list-style-type: none"> <li>• No guidance has been issued.</li> </ul>	<p>authorizing access to funds or other assets that were frozen pursuant to S/RES/1267 (1999)</p> <p>iv. Issue clear guidance to financial institutions and persons that may be in possession of targeted funds or assets or may later come into possession of such funds or assets.</p>	<p>Section 19A (2) of the SFTA 3 of 2003 as amended by Section 11 of SFT (Amendment) Act No. 9 of 2011</p> <p><b>N.B. Section 47 of Act No. 3 of 2003 as amended by Section 17 of Act No. 9 of 2011 applies to funds and assets inclusive of funds and assets related to the freezing regime.</b></p>
<p><b>SR. IV</b></p> <p>Suspicious transaction reporting</p>	NC	<ul style="list-style-type: none"> <li>• The reporting of STRs does not include suspicion of terrorist organizations, terrorism, terrorist acts or those who finance terrorism.</li> </ul>	<p>i. The reporting of STRs with regard to terrorism and the financing of terrorism should include suspicion of terrorist organizations or those who finance terrorism.</p>	<p>Section 19A (2) of the SFTA No. 3 of 2003 as amended by Section 11 of SFT (Amendment) Act No. 9 of 2011</p> <p><b>Presentation of Bill to Parliament to correct typographical error at 19 A (2) (b)</b></p>
<p><b>SR. V</b></p>	PC	<ul style="list-style-type: none"> <li>• Factors in Recommendations 37 and</li> </ul>	<p>i. The examiner could find no evidence</p>	<p>Sec. 35 (2) of the SFTA 3 of 2003 as amended by Section 14 of SFT (Amendment) Act No. 9 of 2011.</p>

International co-operation		<b>38 are also applicable.</b>	that a requests for cooperation would not be refused on the grounds of laws that impose secrecy or confidentiality requirements on financial institutions or DNFBP (except where the relevant information that is sought is held in circumstances where legal professional privilege or legal professional secrecy applies).	<p><b>Section 14 of Proceeds of Crime Act No. 4 of 1993.</b></p> <p><b>Section 12C of the SFTA 3 of 2003 as amended by Section 10 of the SFT (Amendment) Act No. 9 of 2011</b></p> <p><b>Section 27 of the SFTA 3 of 2003 as amended by Section 13 of the SFT (Amendment) Act No. 9 of 2011</b></p> <p><b>Sec. 35 (2) of the SFTA 3 of 2003 as amended by Section 14 of SFT (Amendment) Act No. 9 of 2011.</b></p> <p><b>N. B. Section 27 and 28 of the Mutual Assistance in Criminal Matters Act Chap. 12:19 together with Section 14 of the Proceeds of Crime Act No. 4 of 1993 as amended by Act No. 10 of 2010 addresses requests by foreign countries where the requests relate to</b></p>
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				<p>property of corresponding value.</p> <p>Act No. 10 of 2010 includes terrorism and financing of terrorism as Scheduled Offences falling within the ambit of the Proceeds of Crime Act No. 4 of 1993.</p> <p>Sections 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26 of the Extradition Act Chap. 12:04 (Act No. 6 of 1981) of the Revised Laws of Dominica address the Extradition Procedure.</p>
<p><b>SR. VI</b></p> <p>AML requirements for money/value transfer services</p>	<p><b>NC</b></p>	<ul style="list-style-type: none"> <li>• Lack of an effective supervisory or regulatory regime.</li> <li>• No requirements for licensing and registration by the authorities.</li> </ul>	<p>i. With the exception of MVT service providers that are supervised and regulated under the Baking Act, the Off Shore Banking Act and the Cooperative Societies Act, there is no specific requirement for these entities to be licensed or registered. The FSU is charged with the responsibility of supervising and regulating these institutions, however the Unit has no legal basis to enforce or</p>	



			<p>discharge its functions.</p> <p>ii. There is no specific regulatory authority charged with the responsibility of monitoring and ensuring compliance with the provisions of the AML/CFT regime.</p> <p>iii. The FSU does not license or register these entities, nor does it provide ongoing supervision or monitoring. It is recommended that the FSU be entrusted with the responsibility of ensuring monitoring and compliance with the requirements of the AML/CFT regime.</p> <p>iv. The FSU should be required to institute</p>	
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			a programme of on-going onsite and off site monitoring for other regulatory and supervisory purposes.	
SR. VII  Wire transfer rules	NC	<ul style="list-style-type: none"> <li>• No measures in place to cover domestic, cross-border and non-routine wire transfers.</li> <li>• There are no requirements for intermediary and beneficial financial institutions handling wire transfers.</li> <li>• No measures in place to effectively monitor compliance with the requirements of SR VII.</li> </ul>	i. It is recommended that the review of Dominica's legislative and regulatory provision take consideration of all requirements of the Recommendation and appropriate legislation be enacted as soon as possible.	

<p><b>SR. VIII</b></p> <p>Non-profit organisations</p>	<p>NC</p>	<ul style="list-style-type: none"> <li>• NPOs not subject to AML/CFT regime.</li> <li>• There is no proper supervision of NGOs.</li> <li>• There are no sanctions in place for non-compliance with the reporting requirements.</li> <li>• There are no guidelines to aid the NGO in selecting its management.</li> <li>• There are no requirements for the NGO to report unusual donations.</li> <li>• The NGOs have not been sensitized in issues of AML/CFT.</li> <li>• No review of the laws and regulations that relate to NPOs by the authorities.</li> <li>• No measures for conducting reviews of or capacity to obtain timely information on the activities, size and other</li> </ul>	<ul style="list-style-type: none"> <li>i. The Social Welfare Department should be charged with the supervision of the NGOs and be adequately staffed to take on this task.</li> <li>ii. Sanctions should be put in place for non-compliance as it relates to the annual reporting requirements.</li> <li>iii. NGOs should be required to report unusual donations to the Supervisory Authority</li> <li>iv. NGOs should be sensitized to the issues of AML/CFT including how they could be used for terrorist financing.</li> <li>v. NGOs should be encouraged to apply fit and proper standards to</li> </ul>	
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		<p>relevant features of non-profit sectors for the purpose of identifying NPOs at risk of being misused for terrorist financing.</p> <ul style="list-style-type: none"> <li>• No assessments of new information on the sector's potential vulnerabilities to terrorist activities are conducted.</li> <li>• No efforts at raising the awareness in the NPO sector about the risks of terrorist abuse and any available measures to protect NPOs from such abuse.</li> <li>• No sanctions for the violations of the rules in the NPO sector.</li> <li>• No monitoring of NPOs and their international activities.</li> </ul>	<p>officers and persons working in and for the NGO.</p> <p>vi. The requirements of the MLPA, its Regulations and the Guidance Notes should be extended to NPOs and their activities.</p> <p>vii. The Authorities should undertake a review of the domestic laws and regulations that relate to Non-profit organizations.</p> <p>viii. Measures for conducting domestic reviews of or capacity to obtain timely information on the activities, size and other relevant features of non-profit sectors for the purpose of identifying NPOs at</p>	
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			<p>risk of being misused for terrorist financing should be implemented.</p> <p>ix. Reassessments of new information on the sector's potential vulnerabilities to terrorist activities should be conducted.</p> <p>x. The Authorities should monitor the NPOs and their international activities.</p> <p>xi. Training sessions should be implemented to raise the awareness in the NPO sector about the risks of terrorist abuse.</p> <p>xii. There should be measures to protect NPOs from</p>	
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			<p><b>terrorist abuse.</b></p> <p><b>xiii. There should be sanctions for violation rules in the NPO sector</b></p>	
<p><b>SR. IX</b></p> <p>Cross Border Declaration &amp; Disclosure</p>	PC	<ul style="list-style-type: none"> <li>• No authority to conduct further investigations pursuant to false declaration.</li> <li>• No dissuasive criminal civil or administrative sanctions are available for application where persons make false declarations.</li> <li>• No dissuasive criminal civil or administrative sanctions are available for application where persons are carrying out a physical cross-border transportation of currency or bearer negotiable instruments related to ML or TF.</li> </ul>	<p><b>i. Customs should be given the authority to request further information relative to the origin of currency or bearer negotiable instruments.</b></p> <p><b>ii. Some formal arrangements should be entered into for the sharing of information on cross border transportation and seizures with International counter-parts and other competent</b></p>	

		<ul style="list-style-type: none"> <li>• The declaration system does not allow for the detention of currency or bearer negotiable instruments and the identification data of the bearer where there is suspicion of ML or TF.</li> <li>• There is no evidence that there are formal arrangements in place for the sharing of information with international counterparts in relation to cross border transactions.</li> </ul>	<p>authorities.</p> <p>iii. Provide the legislative provisions that would allow cash or bearer negotiable instruments and the identification data of the bearer to be retained in circumstances involving suspicion of ML or TF.</p> <p>iv. Make available a range of effective proportionate and dissuasive criminal, civil or administrative sanction, which can be applied to persons who make false declarations.</p> <p>v. Make available a range of effective proportionate and dissuasive criminal, civil or administrative</p>	
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			sanctions, which can be applied to persons who are carrying out a physical cross-border transportation of currency or bearer negotiable instruments related to ML or TF.	
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