



## Second Follow-Up Report

### Anti-Money Laundering and Combating the Financing of Terrorism

22 October 2009

Barbados



## BARBADOS – SECOND FOLLOW-UP REPORT

### I. Introduction

1. This report presents an analysis of Barbados's report to the CFATF Plenary regarding progress made to correct the deficiencies identified in its third round Mutual Evaluation Report. The third round Mutual Evaluation Report of Barbados was adopted by the CFATF Council of Ministers in May 2008 in Haiti. Barbados presented a follow-up report at the last Plenary in Trinidad and Tobago. Barbados has submitted information in the attached matrix on measures taken since the first follow-up report. Based on the review of actions taken by Barbados to meet the recommendations made by the examiners, a recommendation will be made as to whether Barbados should remain on enhanced follow-up or be placed on regular follow-up. Barbados was rated partially compliant or non-compliant on 9 Core and Key Recommendations and 18 other Recommendations. The Core and Key Recommendations are indicated in italics in the table below.

**TABLE 1: LIST OF RECOMMENDATIONS RATED PC AND LC IN MUTUAL EVALUATION REPORT**

<b>Partially Compliant (PC)</b>	<b>Non-Compliant (NC)</b>
<i>R. 3 (Confiscation and provisional measures)</i>	<i>R. 10 (Record keeping)</i>
<i>R. 4 (Secrecy laws consistent with Recommendations)</i>	R. 12 (DNFBP – R.5,6,8-11)
<i>R. 5 (Customer due diligence)</i>	R. 16 (DNFBP – R.13-15 & 21)
R. 6 (Politically exposed persons)	R. 21 (Special attention for higher risk countries)
R. 8 (New technologies & non face-to-face business)	R. 24 (DNFBP – regulation, supervision and monitoring)
R. 9 (Third parties and introducers)	SR. VI (AML requirements for money value transfer services)
R. 11 (Unusual transactions)	
R. 14 (Protection & no tipping off)	
R. 15 (Internal controls, compliance & audit)	
R. 22 (Foreign branches & subsidiaries)	
<i>R. 23 (Regulation, supervision and monitoring)</i>	
R. 25 (Guidelines & Feedback)	
R. 30 (Resources, integrity & training)	
R. 33 (Legal persons – beneficial owners)	
R. 34 (Legal arrangements – beneficial owners)	
<i>R. 36 ( Mutual legal assistance (MLA))</i>	
R. 38 (MLA on confiscation and freezing)	
<i>SR. I (Implement UN instruments)</i>	
<i>SR. III (Freeze and confiscate terrorist assets)</i>	

SR. V ( <i>International co-operation</i> )	
SR. VII (Wire transfer rules)	

## **II. Summary of progress made by Barbados**

2. Since the MER, the authorities in Barbados have begun to assess the various means to achieve compliance. Some measures have been identified in particular legislative amendments to specific laws and proposals for new legislation. Amendments to the Money Laundering and Financing of Terrorism Act (MLFTA) have been drafted, a Corporate and Trust Service Providers Bill is being finalized and first drafts of the Transnational Organized Crime (Prevention and Control) Bill and Prevention of Corruption Bill have been prepared. In addition relevant sections of the Securities legislation are being amended. Other proposed measures include development of frameworks for the DNFBPs and money service providers who are not licensees of the Central Bank of Barbados (CBB).

### **Recommendation 3**

4. The stakeholders are in the process of upgrading the forfeiture regime and drafting the requisite legislation/amendments to address the examiners' recommendations. Accordingly, this Recommendation remains outstanding.

### **Recommendation 4**

5. Section 44 (2) of the Financial Institutions Act CAP344A has been amended to allow the Central Bank, without the permission of a licensee, to share information with any other supervisory or regulatory authority of financial institutions in Barbados. This provision complies with the examiners' recommendation concerning the Central Bank.

6. With regard to the Registrar of Cooperatives, the Cooperatives Societies Act (CSA) was amended in December 2007. The authorities are of the opinion that section 71(3) of the CSA as amended allows the Registrar to share confidential information in the course of his duty. However, while the section provides a gateway for staff of the Registrar of Co-operatives to share information in the course of their duties, these duties are not specified and there is no specific power for the Registrar to share information with domestic and foreign regulators. Consequently this amendment does not comply with the examiners' recommendations.

7. With regard to the Supervisor of Insurance, the information sharing provisions at section 35 of the Exchange of Information Act (EIA) are being amended, while an explicit provision is to be included in the Insurance Act (IA) to remove any doubt about the information sharing powers of the Supervisor.

8. The examiners' recommendation concerning the Ministry of Economic Affairs and Development being authorized to access information from its licensees and share information appropriately with other competent authorities will be dealt with in the revision of the supervisory/regulatory framework which Barbados is currently undertaking. Given the above all the examiners' recommendations except for one remain outstanding.

### **Recommendation 5**

9. The authorities advise that the new MLFTA remedies the stated deficiencies for this Recommendation and will be submitted to Cabinet shortly. Additionally, proposed amendments to the Securities legislation will also remedy the deficiencies under this Recommendation. Amendments to the Cooperative Guidelines issued by the Registrar of Cooperatives are to be implemented shortly. Accordingly, this Recommendation remains outstanding.

#### **Recommendation 6**

10. The Registrar of Cooperatives and the Securities Commission are inserting provisions concerning politically exposed persons similar to those of the Central Bank Guidelines in their respective guidelines. This Recommendation remains outstanding.

#### **Recommendation 8**

11. The examiners' recommendation for the requirements for non-face to face customers to be enforceable on all financial institutions will be addressed by relevant amendment to the Securities legislation and adoption of the revised CBB Guidelines by the Securities Commission. Additionally, amendments are being made to the guidelines issued by the Registrar of Cooperatives to include a reference similar to requirements for non-face to face customers in the CBB Guidelines. This Recommendation remains outstanding.

#### **Recommendation 9**

12. The examiners' recommendation for the requirements for third party and introduced business as stipulated in the CBB Guidelines to be enforceable on all financial institutions will be addressed by relevant amendment to the Securities legislation and adoption of the revised CBB Guidelines by the Securities Commission. Additionally, amendments are being made to the guidelines issued by the Registrar of Cooperatives to include a reference similar to requirements for third party and introduced business in the CBB Guidelines. This Recommendation remains outstanding.

#### **Recommendation 10**

13. The relevant section of the new MLFTA Bill has been amended to comply with the examiners' recommendation for the retention of all necessary records on all transactions for a period of five years after the termination of the transaction. The insurance guidelines are also being amended to comply with this recommendation. With regard to financial institutions being required to maintain records of account files and business correspondence for at least five years after the termination of an account or business relationship, statutes administered by prudential regulators are under review to confirm that general powers permit the issuance of directions, which would outline this obligation.

14. The authorities are of the opinion that section 127(3) of the CSA which allows the Registrar of Cooperatives by notice to require a society to make a special return on any subject connected to the business and affairs of the society, complies with the recommendation for financial institutions to be required to ensure that all customer and transaction records and information are available on timely basis. The section further states that the Registrar can specify a time for submission of the return and failure to comply can result in late filing fees. While this provision covers the submission of information in a return format, it does not encompass making available customer and transaction records on a timely basis. Given the above, this recommendation remains outstanding.

#### **Recommendation 11**

15. The examiners' recommendation for the monitoring requirements in the CBB Guidelines to be enforceable on all financial institutions will be addressed by relevant amendment to the Securities legislation and adoption of the revised CBB Guidelines by the Registrar of Cooperatives. The insurance guidelines are also being amended to comply with the recommendation for the retention of the findings of the internal examinations of all transactions for at least five years. This Recommendation remains outstanding.

#### **Recommendation 12**

16. The Corporate and Trust Service Providers Bill which was reported to be under review by a joint policy working group in the previous follow-up report is currently being finalized. This Recommendation remains outstanding.

#### **Recommendation 14**

17. Section 22A (6) of the draft MLFTA has been amended to comply with the examiner's recommendation. Since the amendment to the MLFTA is still to be enacted this Recommendation remains outstanding.

#### **Recommendation 15**

18. The relevant section in the draft MLPA has been amended to provide sanctions for non-compliance with requirements for internal controls, compliance and audit. Amendments to Securities legislation and guidelines issued by the Registrar of Cooperatives are being implemented. Pending the enactment of the draft MLPA and the amendments in the Securities legislation and the Registrar of Cooperatives guidelines, this Recommendation remains outstanding.

#### **Recommendation 16**

19. The Corporate and Trust Service Providers Bill which was reported to be under review by a joint policy working group in the previous follow-up report is currently being finalized. Provisions for DNFBPs have also been included in the draft MLFTA Bill. Pending the enactment of the proposed Bills this Recommendation remains outstanding.

#### **Recommendation 21**

20. Barbados proposes to continue to maintain the requirement that financial institutions apply enhanced due diligence based on their own country assessment as a response to the recommendation for the AML/CFT guidelines to provide guidance with regard to requiring special attention to business relationships and transactions with persons from or in countries which do not or insufficiently apply the FATF Recommendations. Since the requirement was in place at the time of the mutual evaluation and did not comply with E.C. 21.1, this recommendation remains outstanding. With regard to the deficiency that written findings of internal examinations of transactions were limited to transactions exceeding a certain threshold, the relevant section of the MLPA Bill has been amended by the removal of the threshold. The remaining recommendations have not been addressed. Given the fact that only one recommendation of the examiners has been dealt with and is pending enactment, this Recommendation remains outstanding.

#### **Recommendation 22**

21. The authorities have advised that a revision of the CBB Guidelines is being implemented to deal with the examiners' recommendations concerning financial institutions under the

supervision of the CBB. While the authorities advised in the previous report that The Registrar of Cooperatives, Securities Commission and Ministry of Economic Affairs & Development were pursuing necessary legislative amendments needed in statutes under administration and Guidelines regarding recommendations concerning their operation, no information on additional follow-up for this Recommendation was submitted for this report. Accordingly, this Recommendation remains outstanding.

### **Recommendation 23**

22. With regard to the recommendation for the Registrar of Cooperatives to have the power to approve senior management of their licensees the authorities advise that the CSA puts the onus of managing a credit union on the Board of Directors with section 57 of the CSA setting out the eligibility conditions for a director or an officer of a credit union. While these provisions do go some way to ensuring the integrity of the management of a credit union, they do not comply with the examiners' recommendation. This recommendation is directly related to the FATF criterion that supervisors or other competent authorities should take the necessary legal or regulatory measures to prevent criminals or their associates from holding or being beneficial owner of a significant or controlling interest or holding a management function in a financial institution.

23. With regard to the recommendations concerning the Securities Commission having the power to approve ownership of significant or controlling interests of their registrants and using fit and proper criteria in approving directors, management and significant ownership, legislation is being amended. A policy paper to introduce a regulatory framework for MVT providers who are not licensees of the CBB has been prepared. This recommendation remains outstanding.

### **Recommendation 24**

24. The Corporate and Trust Service Providers Bill which was reported to be under review by a joint policy working group in the previous follow-up report is currently being finalized. Provisions for DNFBPs have also been included in the draft MLFTA Bill. Pending the enactment of the proposed Bills this Recommendation remains outstanding.

### **Recommendation 25**

25. Barbados has advised that the FIU currently provides feedback to financial institutions with respect to ongoing STRs in a manner that will not compromise the investigation process. As matters are completed or closed, the financial institutions are to be given a short summary of findings. The FIU has prepared and finalized the second draft of the Annual Report. This Recommendation remains partially outstanding.

### **Recommendation 30**

26. As noted in the last follow-up report the Office of the Attorney General approved the creation of six additional posts at the FIU. These included a Deputy Director, 2 additional analysts, an information technology specialist, an institutional examiner and a clerk/typist. These posts, once filled, are expected to greatly enhance the FIU's capacity to execute its mandate. The FIU is also in the process of upgrading its IT system through the acquisition of a more robust database system and increased protection through the installation of additional firewalls and research tools. Since the last follow-up report the Royal Barbados Police Force has recruited an additional 47 persons which brings the total number of persons recruited since 2006 to approximately 200. With regard to supervisory resources, Barbados is still revising its regulatory/supervisory framework and a Financial Services Commission is to be established. Until the completion of the upgrades in the resources of the FIU and implementation of the

revised regulatory/supervisory framework as detailed above, this Recommendation remains partially outstanding.

### **Recommendation 33**

27. The examiners' recommendations focused on enacting legislative requirements for legal persons to disclose beneficial ownership information. Following on the formulation of a policy proposal by the Registrar of Corporate Affairs and Intellectual Property Office (CAIPO) as noted in the previous follow-up report, a comprehensive review of the relevant legislation has been completed and proposals drafted to address the examiners' recommendations. Accordingly, this Recommendation remains outstanding.

### **Recommendation 34**

28. The examiners' recommendation that the authorities should implement measures for monitoring and ensuring compliance of international trusts with AML/CFT requirements have been incorporated into the Corporate and Trust Service Providers Bill which is currently being finalized. Additionally, the Ministry of International Business and Transport is also reviewing this recommendation. Accordingly, this Recommendation remains outstanding.

### **Recommendation 36**

29. Following on the previous report where the authorities had advised that the examiners' recommendations were under review, amendments to the Mutual Assistance in Criminal Matters Act (MACMA) have been inserted in the schedule to the MLFTA Draft Bill. Pending the enactment of the proposed amendments this Recommendation remains outstanding.

### **Recommendation 38**

30. The examiners' recommendations regarding mutual assistance on confiscation/forfeiture have been reviewed and stakeholders are in the process of upgrading the forfeiture regime and drafting the requisite legislation/amendments to address the examiners' recommendations. Accordingly, this Recommendation remains outstanding.

### **Special Recommendation I and 111**

31. The authorities have advised that the stakeholders are in the process of upgrading the forfeiture regime and drafting the requisite legislation/amendments to address the examiners' recommendations. This is being addressed in the MLFTA Draft Bill. Accordingly, these Recommendations remain outstanding.

### **Special Recommendation V**

32. Following on the previous report where the authorities had advised that the examiners' recommendations were under review, amendments to MACMA have been inserted in the schedule to the MLFTA Draft Bill. Pending the enactment of the proposed amendments this Recommendation remains outstanding.

### **Special Recommendation VI**

33. The authorities advise that an amendment to the CBB Guideline to require MVT service operators to maintain a current list of agents is being implemented. This Recommendation remains outstanding.



## **Special recommendation VII**

34. As noted in the previous follow-up report a policy paper has been prepared to address the examiners' recommendation that stand-alone money remitters should be monitored for compliance with the requirements of SR. VII. This recommendation remains outstanding.

### **III. Conclusion**

35. As noted above, the authorities in Barbados are either reviewing the recommendations as to the most appropriate means of compliance or are in the process of implementing measures to achieve compliance. Some of these measures will be incorporated in the revision of the regulatory/supervisory regime that is being considered. Some include amendments to legislation and guidelines. Given the above, the majority of Recommendations are receiving the attention of the authorities.

36. Based on the foregoing, it is recommended that Barbados remain on enhanced follow-up and report back to the Plenary in May 2010.

**Matrix with Ratings and Follow Up Action Plan 3rd Round Mutual Evaluation  
Barbados**

Forty Recommendations	Rating	Summary of factors underlying rating <sup>1</sup>	Recommended Actions	Undertaken Actions
<b>Legal systems</b>				
1.ML offence	LC	<ul style="list-style-type: none"> <li>The crimes of human trafficking, corruption and bribery provisions falling within the designated categories of offences have not been adequately addressed in legislation.</li> <li>Extraterritoriality of predicate offences is not clearly defined.</li> </ul>	<ul style="list-style-type: none"> <li>The authorities should review the adequacy of the legislative coverage of human trafficking, corruption and bribery to ensure coverage of all designated categories of offences. .</li> <li>The different <i>mens rea</i> elements of money laundering offences under the Money Laundering and Financing of Terrorism (Prevention and Control) Act (MLFTA) and section 19 of Drug Abuse (Prevention and Control) Act (DAPCA) should be harmonized.</li> <li>The language of section 4 of the MLFTA should be reviewed with a view to removing the current limitation which requires that there be an intention for the extraterritorial act to be also committed in Barbados</li> </ul>	Measures incorporated in the first drafts of the Transnational Organised Crime (Prevention and Control) Bill and the Prevention of Corruption Bill. The Bills have been completed and will be finalised shortly.
2.ML offence – mental element and corporate liability	LC	<ul style="list-style-type: none"> <li>Ineffective use of ML provisions.</li> </ul>		The defect has been remedied in the new Money Laundering Financing of Terrorism (Prevention and Control) Bill.
3. Confiscation and provisional measures	PC	<ul style="list-style-type: none"> <li>Forfeiture/restraint orders only limited to proceeds of money laundering, predicate offence of drug-trafficking, terrorist acts and financing of</li> </ul>	<ul style="list-style-type: none"> <li>The authorities should consider reviewing the forfeiture/confiscation regime to ensure that all serious offences are covered; the various statutes are</li> </ul>	The stakeholders are in the process of upgrading the forfeiture regime and drafting the requisite legislation/amendments to address the stated recommendations of the Examiners.

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

		<p>terrorism.</p> <ul style="list-style-type: none"> <li>• No specific provision for forfeiture of instrumentalities under the MLFTA.</li> <li>• No provision for ex parte application for freezing or seizing property subject to confiscation under the MLFTA</li> <li>• No provision for production/inspection orders under MLFTA.</li> <li>• Lack of integrated approach to forfeiture/restraint detracts from effectiveness.</li> </ul>	<p>rationalized as far as possible to provide greater certainty in application. Specific attention should be given to adjusting the MLFTA forfeiture scheme so as to incorporate appropriate balancing features in keeping with recent case law. Further there should be greater particularity on various aspects of any approach, including factors to be taken into account by the court before issuing orders; coverage of instrumentalities; bona fide third party rights; variation/discharge of orders.</p> <ul style="list-style-type: none"> <li>• The coverage of instrumentalities under Proceeds of Crime Act (POCA) should be extended to ensure property intended for use in the commission of the offence is caught.</li> <li>• The definition of “scheduled offence” under POCA should be extended to incorporate the serious offences contemplated by the FATF’s “designated categories of offences”</li> <li>• A specific provision should be enacted for the forfeiture of instrumentalities in MLFTA</li> <li>• Appropriate powers of production and inspection should be introduced in the MLFTA. For those offences under DAPCA falling outside the scope of the POCA “scheduled offences”, similar powers should also be incorporated.</li> </ul>	
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			<ul style="list-style-type: none"> <li>• The definitions of “financial institutions” under POCA and the MLFTA should be harmonized.</li> <li>• Section 60 of POCA should be amended to enable government departments/entities, on appropriate grounds, to lodge objections to the disclosure of information. The scheme under section 57 in respect of the Commissioner of Inland Revenue may provide a useful precedent.</li> <li>• Section 6A (4) of the MLFTA should be amended to enable Government Departments to object to the release of information to the FIU Director on appropriate grounds. Section 57 of POCA as a guide requires the FIU Director to access data from Government departments only on the authority of a court order, as under sections 55 and 60 of POCA in relation to the DPP.</li> <li>•</li> <li>• The standard of proof under sections 9 and 17 of POCA (abscondence) should be adjusted to explicitly require the civil standard.</li> <li>• The civil forfeiture scheme under section 47 of the DAPCA should be amplified to address such matters as the procedures to be followed and standard of proof.</li> </ul>	
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Preventive measures				
4. Secrecy laws consistent with the Recommendations	PC	<ul style="list-style-type: none"> <li>The CBB cannot share information with other domestic financial sector supervisory agencies.</li> <li>Under the CSA, the Registrar of Cooperatives can only share information pursuant to a court order;</li> <li>The Ministry of Economic Affairs and Development does not have the authority to compel information from licensees or to disclose information to domestic or foreign counterparts.</li> </ul>	<ul style="list-style-type: none"> <li>The MLFTA should be amended to specify the reason for inspections by the AMLA i.e. review of compliance with MLFTA and AML/CFT guidelines generally</li> <li>The FIA should be amended to allow the Central Bank of Barbados (CBB) to share information with domestic regulators</li> <li>The Co-operative Societies Act (CSA) should be amended to permit the Registrar of Cooperative Societies to share information with domestic and foreign regulators without having to obtain a Court Order</li> <li>An explicit legal provision allowing the Supervisor of Insurance to share information with other regulators should be enacted.</li> <li>The Ministry of Economic Affairs and Development should be authorized to access information from its licensees and be able to share information appropriately with other competent authorities.</li> </ul>	<p><u>CBB</u> Section 44 (2) of the Financial Institutions Act CAP344A has been amended to allow the Central Bank, without the permission of a licensee, to share information with any other supervisory or regulatory authority of financial institutions in Barbados.</p> <p><u>Registrar of Cooperatives</u> The CSA was amended in December 2007. One amendment was to Section 71 (3) of the Act to allow the Registrar to give confidential information in the course of his duty.</p> <p><u>Supervisor of Insurance</u> The information sharing provisions at section 35 of the Exchange of Information Act (EIA) are being amended, while an explicit provision is to be included in the IA to remove any doubt about the information sharing powers of the Supervisor.</p>
5.Customer due diligence	PC	<ul style="list-style-type: none"> <li>There are no legislative requirements</li> </ul>	<ul style="list-style-type: none"> <li>Financial institutions should be</li> </ul>	The new MLFTA Bill remedies the stated

		<p>for financial institutions to</p> <ul style="list-style-type: none"> <li>❖ undertake CDD measures for occasional transactions that are wire transfers in the circumstances covered by the Interpretative Note to SR VII, or where there is a suspicion of money laundering or terrorist financing, or where the financial institution has doubts about the veracity or adequacy of previously obtained CDD;</li> <li>❖ verify that any person purporting to act on behalf of the customer is so authorized and identify and verify the identity of that person;</li> <li>❖ determine who are the natural persons that ultimately own or control the customer;</li> <li>❖ conduct on-going due diligence on business relationships;</li> <li>❖ verify individual customer identity using reliable, independent source documents, data or information (identification data);</li> </ul> <ul style="list-style-type: none"> <li>• No express prohibition against reduced CDD measures where there is a risk of ML and FT</li> </ul>	<p>legislatively required to;</p> <ul style="list-style-type: none"> <li>○ undertake CDD measures for occasional transactions that are wire transfers in the circumstances covered by the Interpretative Note to SR VII, or where there is a suspicion of money laundering or terrorist financing, or where the financial institution has doubts about the veracity or adequacy of previously obtained CDD;</li> <li>○ verify that any person purporting to act on behalf of the customer is so authorized and identify and verify the identity of that person;</li> <li>○ determine who are the natural persons that ultimately own or control the customer;</li> <li>○ conduct on-going due diligence on business relationships;</li> <li>○ verify individual customer identity using reliable, independent source documents, data or information (identification data);</li> </ul>	<p>deficiencies for this Recommendation and will be submitted to Cabinet shortly.</p> <p><b><u>The Securities Commission</u></b></p> <p>Proposed amendments to the Securities legislation will remedy the deficiencies.</p> <p><b><u>Registrar of Cooperatives</u></b></p> <p>Amendments to the Cooperatives Guidelines will be implemented shortly.</p> <p>The 2007 amendments to the CSA allow for the making of Guidelines i.e. The “Know Your Customer Guidelines” are now issued under the provision of Section 192D and are enforceable.</p>
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6. Politically exposed persons	PC	<ul style="list-style-type: none"> <li>• Requirements for politically exposed persons are only enforceable on the licensees of the CBB and the Supervisor of Insurance.</li> </ul>	<ul style="list-style-type: none"> <li>• The authorities should make the requirements for politically exposed persons as stated in the CBB and Supervisor of Insurance's AML/CFT Guidelines enforceable on all financial</li> </ul>	<p>The Registrar of Cooperatives and the Securities Commission are inserting provisions in their guidelines akin to that in the Central Bank Guidelines namely-</p> <p><i>"A licensee should:</i></p>

			institutions.	<p><i>i. Develop policies, procedures and processes such as the use of electronic databases to assess whether a customer is or has become a PEP;</i></p> <p><i>ii. Take reasonable measures to establish the source of wealth and the source of funds of PEPs;</i></p> <p><i>iii. Exercise greater scrutiny and monitoring of all PEP accounts; and</i></p> <p><i>iv. Require senior management to determine whether to continue the relationship where an existing customer subsequently becomes or is found to be a PEP.</i></p> <p><i>In addition to the identity information normally requested for personal customers, the following information on a PEP should be gathered:</i></p> <p><i>a. Estimated net worth, including financial statements;</i></p> <p><i>b. Information on immediate family members or close associates having transaction authority over the account; and</i></p> <p><i>c. References or other information to confirm the reputation of the client</i></p>
7. Correspondent banking	LC	<ul style="list-style-type: none"> <li>No specific requirement for financial institutions to ascertain whether a respondent institution has been subject to a money laundering or terrorist financing investigation or regulatory action.</li> </ul>	<ul style="list-style-type: none"> <li>Financial institutions in gathering information about the quality of a respondent's supervision should ascertain whether it has been subject to a money laundering or terrorist financing investigation or regulatory action.</li> </ul>	A revision to Section 7.4...8 of the CBB Guideline is being implemented.
8. New technologies & non face-to-face business	PC	<ul style="list-style-type: none"> <li>The requirements for non-face to face customers are only enforceable on the licensees of the CBB and the Supervisor of Insurance.</li> </ul>	<ul style="list-style-type: none"> <li>The authorities should make the requirements for non-face to face customers in the AML/CFT Guidelines enforceable on all financial institutions.</li> </ul>	<p><b><u>Securities Commission</u></b></p> <p>Recommendation 8 will be addressed by the relevant amendment to the Securities legislation and adoption of the revised CBB Guideline 7.4.3</p>



				<p><b><u>Registrar of Cooperatives</u></b></p> <p>Amendments are being made to the Guidelines to include a reference similar to section 7.4.3 of the Central Bank Guideline.</p>
9.Third parties and introducers	PC	<ul style="list-style-type: none"> <li>Requirements for third parties and introduced business are only enforceable on the licensees of the CBB and the Supervisor of Insurance.</li> <li>No requirement for financial institutions to satisfy themselves that the third party is regulated and supervised in accordance with Recommendations 23, 24 and 29.</li> <li>No indication of authorities determining in which countries third parties that satisfy the conditions of being regulated and supervised and comply with CDD requirements can be based.</li> </ul>	<ul style="list-style-type: none"> <li>The authorities should consider making the requirements for third party and introduced business as stipulated in the CBB AML/CFT Guidelines enforceable on all other financial institutions.</li> <li>Financial institutions should be required to satisfy themselves that the third party is regulated and supervised in accordance with Recommendation 23, 24 and 29.</li> <li>Authorities should consider advising financial institutions about countries from which third parties that meet the conditions of being regulated and supervised and comply with CDD requirements can be based.</li> </ul>	<p><b><u>Securities Commission</u></b></p> <p>Recommendation 9 will be addressed by the relevant amendments to Securities legislation and adoption of the revised CBB Guideline 7.4.4.</p> <p><b><u>Registrar of Cooperatives</u></b></p> <p>Amendments are being made to the Guidelines to include a reference similar to the Central Bank Guideline at 7.4.4 and 7.4.5</p>
10.Record keeping	NC	<ul style="list-style-type: none"> <li>Only records of business transactions exceeding \$10 000 are legislatively required to be retained for five years after termination of a transaction;</li> <li>No requirement in law or regulations for account files and business correspondence to be retained for at</li> </ul>	<ul style="list-style-type: none"> <li>The MLFTA should be amended to require the retention of all necessary records on all transactions for a period of five years after termination of the transaction;</li> <li>Financial institutions should be legislatively required to maintain records of account files and business correspondence for at least five years</li> </ul>	<p>-The \$10,000 threshold in Sections 8(1)(a)(i) and 8(1)h) has been removed from the new Bill.</p> <p>- The retention period has been amended in the new Bill</p> <p>Statues administered by prudential regulators are under review to confirm that general powers permit the issuance of directions, which would allow for this specific issue. Further, careful review is ongoing of Section 6A(3)(b) of the MLFTA, which gives the Authority powers that</p>

		<p>least five years after the termination of the business relationship;</p> <ul style="list-style-type: none"> <li>No direct legal requirement for financial institutions to ensure that records available on a timely basis to domestic competent authorities.</li> </ul>	<p>following the termination of an account or business relationship or longer if requested by a competent authority.</p> <ul style="list-style-type: none"> <li>Financial institutions should be legislatively required to ensure that all customer and transaction records and information are available on a timely basis.</li> </ul>	<p>appear to give sufficient flexibility regarding this issue.</p> <p><b><u>Registrar of Cooperatives</u></b> Section 127(3) of CSA allows the Registrar by notice to require a society to make a special return on any subject connected to the business and affairs of the society.</p> <p>Failure to comply has traditionally been dealt with by late filing fees.</p> <p><b><u>Supervisor of Insurance</u></b> The removal of the \$10,000 threshold from the insurance guidelines is being implemented.</p>
11.Unusual transactions	PC	<ul style="list-style-type: none"> <li>Monitoring requirements specified in the AML/CFT guidelines are only enforceable on the licensees of the Central Bank and the Supervisor of Insurance</li> <li>The retention of the written findings of internal examinations of transactions is limited to transactions exceeding BD\$10,000.</li> </ul>	<ul style="list-style-type: none"> <li>The requirements in the AML/CFT Guidelines should be enforceable on all financial institutions;</li> <li>The AML/CFT guidelines should specifically require the retention of the findings of the internal examinations of all transactions for at least five years</li> </ul>	<p><b><u>Securities Commission</u></b> The relevant amendments to the Securities legislation are being made to remedy the deficiencies.</p> <p><b><u>Registrar of Cooperatives</u></b> The Guidelines are being amended to include a section similar to section 8 of the CBB guidelines</p> <p><b><u>Supervisor of Insurance</u></b> The removal of the \$10,000 threshold from the insurance guidelines is being implemented</p>
12.DNFBP – R.5, 6, 8-11	NC	<ul style="list-style-type: none"> <li>The requirements of Rec. 5, 6, 8 to 11, and 17 are not adequately enforced on</li> </ul>	<ul style="list-style-type: none"> <li>It is recommended that the authorities enact measures to apply the requirements</li> </ul>	<p>The Corporate and Trust Service Providers Bill is currently being finalized.</p>

		DNFBPs not licensed by the CBB.	of Recommendations 5, 6, 8 to 11, and 17 to DNFBPs not licensed by the CBB.	
13.Suspicious transaction reporting	LC	<ul style="list-style-type: none"> <li>No requirement in law or regulations to report attempted or aborted suspicious transactions.</li> <li>Human trafficking, corruption and bribery are not adequately addressed in legislation as predicate offences.</li> </ul>	<ul style="list-style-type: none"> <li>The MLFTA should be amended to require the reporting of attempted or aborted transactions suspected of being involved in ML or FT.</li> </ul>	<p>The relevant amendments have been made in the new MLFT draft Bill.</p> <p>The first drafts of the Transnational Organised Crime (Prevention and Control) Bill and the Prevention of Corruption Bill have been completed and are to be finalized shortly.</p>
14.Protection & no tipping-off	PC	<ul style="list-style-type: none"> <li>MLFTA establishes inconsistent mandatory and voluntary reporting provisions; immunity provision under MLFTA is not referable to mandatory reporting provisions.</li> </ul>	<ul style="list-style-type: none"> <li>Section 22A(5) of the MLFTA should be amended to remove the reference to voluntary reporting by financial institutions, and section 22A(6) should be revised to make it clear that immunity against liability applies to the financial institutions reporting under sections 8(1)(b) and (h) of the Act.</li> </ul>	<p>Section 22A(6) of the draft Bill has been amended to remove any misinterpretation. .</p>
15.Internal controls, compliance & audit	PC	<ul style="list-style-type: none"> <li>The legislative provisions for internal controls, compliance and audit do not include the imposition of penalties and sanctions for failure to comply with the provisions.</li> <li>No enforceable requirement for the designation of an AML/CFT compliance office at management</li> </ul>	<ul style="list-style-type: none"> <li>All legislative requirements for internal controls, compliance and audit should include the imposition of penalties and sanctions for failure to comply.</li> <li>All financial institutions should be required to designate an AML/CFT compliance officer at management level</li> </ul>	<p>Sanctions for non-compliance with subsection 8(1)(e) and (g) have been included in the draft Bill.</p> <p><b><u>Securities Commission</u></b></p> <p>The relevant amendments to the Securities legislation are being addressed.</p>

		<p>level or development of policies and procedures for record retention.</p> <ul style="list-style-type: none"> <li>Requirements for an independent audit function, training in new techniques and trends in ML and FT, and screening procedures for new employees are only enforceable on the licensees of the CBB and the Supervisor of Insurance.</li> </ul>	<p>and develop policies and procedures for record retention.</p> <ul style="list-style-type: none"> <li>Requirements for an independent audit function, training in new techniques and trends in ML and FT, and screening procedures for new employees should be extended from the licensees of the CBB and the Supervisor of Insurance to all financial institutions.</li> </ul>	<p>The Registrar of Cooperatives Guidelines is being amended accordingly.</p>
16.DNFBP – R.13-15 & 21	NC	<ul style="list-style-type: none"> <li>The requirements of Recommendations 13 to 15, 17 and 21 are not adequately applied to DNFBPS not licensed by the CBB.</li> </ul>	<ul style="list-style-type: none"> <li>The authorities should take measures to ensure that the requirements of Recommendations 13 to 15, 17 and 21 are applied to DNFBPS not licensed by the CBB.</li> </ul>	<p>The Corporate and Trust Service Providers Bill is currently being finalized.</p> <p>The DNFBP provisions have been addressed in the new Money Laundering and Financing of Terrorism (Prevention and Control) Bill.</p>
17.Sanctions	LC	<ul style="list-style-type: none"> <li>The Securities Commission and the Registrar of Co-operative Societies have no administrative power to institute sanctions for AML/CFT breaches.</li> <li>The Securities Commission and the Registrar of Co-operative Societies have no general powers of sanctions to effectively address breaches by licensees.</li> </ul>	<ul style="list-style-type: none"> <li>The Securities Commission and the Registrar of Co-operative Societies should be given the administrative power to institute sanctions for AML/CFT breaches.</li> <li>All regulators except for the CBB and the Supervisor of Insurance should have general powers of sanctions to effectively address breaches by licensees</li> </ul>	<p><b><u>Securities Commission</u></b></p> <p>The relevant amendments are being made to the Securities legislation.</p> <p><b><u>Registrar of Cooperatives</u></b></p> <ul style="list-style-type: none"> <li>The amended CSA makes provision for making directives and cease and desist orders (see section 192B).</li> <li>Furthermore, there are provisions of suspension and cancellation of registration (see section 266).</li> </ul> <p>There is also the ability to appoint a receiver-manager (section 136) or an Advisor (section 192B. Powers have been used as the need arose.</p>
21.Special attention for	NC	<ul style="list-style-type: none"> <li>Financial institutions are not required</li> </ul>	<ul style="list-style-type: none"> <li>The AML/CFT guidelines should provide</li> </ul>	<p>Financial institutions apply enhanced due</p>

higher risk countries		<p>to give special attention to business relationships and transactions with persons from or in countries which do not or insufficiently apply the FATF Recommendations.</p> <ul style="list-style-type: none"> <li>• No effective measures in place to ensure that financial institutions are advised of concerns about weaknesses in the AML/CFT systems of other countries.</li> <li>• Written findings of internal examinations of transactions is limited to transactions exceeding BD\$10,000.</li> <li>• No countermeasures issued for transactions and business relationships with countries that do not apply or insufficiently apply the FATF Recommendations.</li> </ul>	<p>specific guidance with regard to requiring special attention to business relationships and transactions with persons from or in countries which do not or insufficiently apply the FATF Recommendations;</p> <ul style="list-style-type: none"> <li>• Written findings of all transactions with no apparent economic or lawful purpose from countries that do not or insufficiently apply the FATF Recommendations should be available for competent authorities;</li> <li>• Authorities should put in place measures to ensure that financial institutions are advised of concerns about weaknesses in the AML/CFT systems of other countries;</li> <li>• Authorities should consider issuing instructions regarding countermeasures for transactions and business relationships with countries that do not apply or insufficiently apply the FATF Recommendations.</li> </ul>	<p>diligence based on their own country assessments.</p> <p>This has been addressed with removal of the \$10,000 threshold in the draft Bill.</p>
22.Foreign branches & subsidiaries	PC	<ul style="list-style-type: none"> <li>• The requirement for financial institutions to ensure that their foreign branches and subsidiaries observe AML/CFT measures consistent with the requirements of Barbados is only enforceable on the licensees of the CBB and the Supervisor of Insurance.</li> </ul>	<ul style="list-style-type: none"> <li>• The requirement for financial institutions to ensure that their foreign branches and subsidiaries observe AML/CFT measures consistent with the requirements of Barbados and the FATF should be extended from the licensees of the CBB and the Supervisor of Insurance to all financial institutions.</li> </ul>	<p><b><u>CBB</u></b></p> <p>A revision to the CBB Guideline is being implemented</p>

		<ul style="list-style-type: none"> <li>• No requirement for financial institutions to pay particular attention that their foreign branches and subsidiaries in countries which do not or insufficiently apply the FATF Recommendations observe AML/CFT measures consistent with requirements in Barbados and the FATF Recommendations</li> <li>• No requirement for branches and subsidiaries in host countries to apply the higher standard where the minimum AML/CFT requirements of the home and host countries differ to the extent that host country laws and regulations permit.</li> <li>• The requirement for financial institutions to 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 laws, regulations or other measures is only enforceable on the licensees of the CBB and the Supervisor of Insurance.</li> </ul>	<ul style="list-style-type: none"> <li>• Financial institutions should be required to pay particular attention that their foreign branches and subsidiaries in countries which do not or insufficiently apply the FATF Recommendations observe AML/CFT measures consistent with requirements in Barbados and the FATF Recommendations.</li> <li>• Branches and subsidiaries in host countries should apply the higher standard where the minimum AML/CFT requirements of the home and host countries differ to the extent that host country laws and regulations permit.</li> <li>• The requirement for financial institutions to 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 laws, regulations or other measures should be extended from the licensees of the CBB and the Supervisor of Insurance to all financial institutions.</li> </ul>	
23.Regulation, supervision and monitoring	PC	<ul style="list-style-type: none"> <li>• The Securities Commission has no power of approval over ownership of significant or controlling interests of its registrants.</li> <li>• The Registrar of Co-operatives has no power of approval over senior management of its licensees.</li> </ul>	<ul style="list-style-type: none"> <li>• The Securities Commission should have power to approve ownership of significant or controlling interests of their registrants.</li> <li>• The Registrar of Co-operatives should have power to approve senior management of their licensees.</li> </ul>	<p><b><u>Registrar of Cooperatives</u></b></p> <p>The CSA puts the onus of managing a credit union on the Board of Directors. Section 57 of the CSA sets out the eligibility conditions for a director or an officer (includes the executive staff of the credit union) of a credit union.</p>

		<ul style="list-style-type: none"> <li>The Securities Commission is not required to use fit and proper criteria in approving directors, senior management and ownership of significant or controlling interests of their licensees.</li> <li>Stand alone MVT service providers are not subject to effective systems for monitoring and ensuring compliance with national AML/CFT requirements.</li> </ul>	<ul style="list-style-type: none"> <li>The Securities Commission should be required to use fit and proper criteria in approving directors, senior management and ownership of significant or controlling interests of their licensees.</li> <li>There is need for the development and implementation of a framework for regulating and supervising MVT services that are not licensees of the Central Bank.</li> </ul>	<p>The CSA also has a provision for directors and officers to sign a declaration</p> <p><b><u>Supervisor of Insurance</u></b></p> <p>The legislation is being amended to address this recommendation.</p> <p>A policy paper has been prepared to address this issue.</p>
24. DNFBP - regulation, supervision and monitoring	NC	<ul style="list-style-type: none"> <li>No measures to monitor and ensure compliance of DNFBPs with AML/CFT requirements except those licensed by the CBB.</li> </ul>	<ul style="list-style-type: none"> <li>It is recommended that the authorities take measures to ensure that the requirements of Recommendations 24 and 25 should apply to DNFBPs not licensed by the CBB.</li> </ul>	<p>The Corporate and Trust Service Providers Bill is currently being finalized.</p> <p>The DNFBP provisions have been addressed in the new Money Laundering and Financing of Terrorism (Prevention and Control) Bill.</p>
25. Guidelines & Feedback	PC	<ul style="list-style-type: none"> <li>The FIU does not provide feedback on STRs to financial institutions.</li> <li>No specific guidelines have been issued for DNFBPs to implement and comply with AML/CFT requirements except those regulated by the CBB.</li> </ul>	<ul style="list-style-type: none"> <li>The FIU should provide feedback to financial institutions with regard to suspicious transaction reports.</li> </ul>	<p>The FIU currently provides specific feedback to financial institutions with respect to ongoing STRs. This is done in a manner that will not compromise the investigation process. As matters are completed or closed, the financial institutions will be given a short summary of basic findings.</p> <p>The FIU/ AMLA has prepared and finalised the second draft of the Annual. Report.</p>
<b>Institutional and other measures</b>				
26.The FIU	LC	<ul style="list-style-type: none"> <li>No annual report released by the FIU since the 2000/2001 report. There was no information on typologies and</li> </ul>	<ul style="list-style-type: none"> <li>The FIU should publicly release all outstanding annual reports and include in such reports, statistics, typologies and</li> </ul>	<p>The FIU provides more detailed guidance to financial institutions via discussions and meetings with compliance officers as well as</p>

		<p>trends with regard to SUTRs in the report.</p>	<p>trends as well as information regarding its activities.</p> <ul style="list-style-type: none"> <li>• The FIU should seek to enhance the level of AML/CTF awareness within the local financial services sector with a view to providing more detailed guidance to reporting institutions as to their reporting obligations under Section 8 (b) of the MLFTA. This would seek to address concerns of possible under-reporting by financial institutions.</li> <li>• The FIU should seek to follow through on its plans to further upgrade its IT capabilities. This would diminish its reliance on manual processes and the older and less reliable electronic storage systems (Microsoft access) currently being utilized to handle and store information.</li> <li>• While the FIU was able to produce adequate statistics relating to SUTRs, it should seek to broaden these statistics so as to include prescribed predicate offences linked to SUTRs filed by reporting institutions</li> </ul>	<p>detailed training for the staff. This training includes the analysis of key factors that will trigger the reporting obligation. The FIU/ AMLA has prepared and finalised the second draft of the Annual Report.</p> <p>.</p> <p>The FIU is in the process of upgrading its IT system through the acquisition of additional research tools and a more robust database system. Security has been increased with the installation of additional firewalls.</p>
29.Supervisors	LC	<ul style="list-style-type: none"> <li>• The Securities Commission does not have the authority to conduct inspections of financial institutions, including on-site inspections to ensure compliance.</li> </ul>	<ul style="list-style-type: none"> <li>• The Securities Commission should have the authority to conduct inspections of financial institutions, including on-site inspections to ensure compliance.</li> </ul>	<p>The relevant sections of the Securities legislation are being amended to stipulate that the functions of the Commission should include the conduct of inspections and examinations of self regulatory organizations, broker-dealers, traders, underwriters, issuers and investment</p>



				advisers and reporting issuers.
30.Resources, integrity and training	PC	<ul style="list-style-type: none"> <li>• The FIU lacks sufficient resources (human and technological) to allow it to properly carry out all its functions in its mandate.</li> <li>• Law enforcement and prosecutorial authorities are inadequately resourced.</li> <li>• The Registrar of Co-operative Societies has inadequate number of staff</li> </ul>	<ul style="list-style-type: none"> <li>• Authorities should consider giving the FIU greater access or control of its finances so as to enhance its current structure. This would allow the FIU to maintain and where possible increase its current level of staffing and further develop its IT capabilities so as to conduct more detailed analysis and investigation of SUTRs.</li> </ul>	<p>The FIU is also in the process of upgrading its IT system through the acquisition of a more robust database system and increased protection through the installation of additional firewalls and research tools.</p> <p>Between 2006 <b>until present</b>, the Royal Barbados Police Force has recruited approximately 200 additional persons.</p> <p>As a general comment regarding supervisory resources, Barbados is currently in the process of revising its supervisory / regulatory framework and a Financial Services Commission is to be established by June 2010.</p>
32.Statistics	LC	<ul style="list-style-type: none"> <li>• No statistics on the following; <ul style="list-style-type: none"> <li>• Cross-border declaration reports</li> <li>• Spontaneous referrals made by the FIU to foreign authorities</li> </ul> </li> <li>• Insufficient details on mutual legal assistance requests.</li> </ul>	<ul style="list-style-type: none"> <li>• The competent authorities should seek to broaden the type of statistical data maintained in relation to the cross-border declaration system. Apart from assisting the authorities in measuring the effectiveness of the cross-border declaration system, it will also assist in identifying existing weaknesses thus allowing the competent authorities to enhance the system where necessary so as to facilitate and ensure stricter compliance.</li> <li>• The authorities should maintain statistics on spontaneous referrals made by the FIU to foreign authorities.</li> </ul>	<p>The Customs Department now maintains statistics with respect to cross-border declarations.</p> <p>The FIU now maintains statistics on spontaneous referrals of information to foreign authorities.</p>
33.Legal persons – beneficial owners	PC	<ul style="list-style-type: none"> <li>• There is no legislative requirement for legal persons to disclose beneficial</li> </ul>	<ul style="list-style-type: none"> <li>• The authorities should consider improving the present system for access</li> </ul>	<p>A comprehensive review of the relevant legislation has been completed and proposals</p>

		ownership information.	to beneficial ownership by establishing a complementing national registry.  • The authorities should enact legislative requirements for legal persons to disclose beneficial ownership information.	drafted to address this issue.
34. Legal arrangements – beneficial owners	PC	<ul style="list-style-type: none"> <li>International trusts supervised by the Ministry of Economic Affairs and development, lawyers and accountants are not subject to measures for monitoring and ensuring compliance with AML/CFT requirements i.e. retention of beneficial ownership and control information.</li> </ul>	<ul style="list-style-type: none"> <li>It is recommended that the authorities should implement measures for monitoring and ensuring compliance of international trusts supervised by the Ministry of Economic Affairs and Development, lawyers and accountants with AML/CFT requirements i.e. retention of beneficial ownership and control information.</li> </ul>	<p>The Corporate and Trust Service Providers Bill is currently being finalized</p> <p>This recommendation is also under review by the Ministry of International Business and Transport.</p>
<b>International Co-operation</b>				
35. Conventions	LC	<ul style="list-style-type: none"> <li>All designated categories of offences are not adequately addressed in the range of predicate offences</li> <li>Instrumentalities intended for use in the commission of an offence are not subject to restraint/forfeiture measures.</li> <li>The custodial definition of serious crime under the restraint/forfeiture regime is narrower than the Palermo Convention</li> </ul>	<ul style="list-style-type: none"> <li>The authorities should fully implement; (i) the Palermo Convention by specifically legislating for human trafficking and updating the corruption/bribery laws; (ii) UN Resolutions S/RES/1373(2001) by explicitly legislating a mechanism to freeze assets of UN designated entities.</li> </ul>	The first drafts of the Transnational Organised Crime (Prevention and Control) Bill and the Prevention of Corruption Bill. The Bills have been completed and are being reviewed.
36. Mutual legal assistance (MLA)	PC	<ul style="list-style-type: none"> <li>Range of mutual legal assistance does not include the instrumentalities of ML and FT.</li> <li>Compulsory evidence gathering and</li> </ul>	<ul style="list-style-type: none"> <li>The definition of “serious offences” under Mutual Assistance in Criminal Matters Act (MACMA) should be revised to make it applicable to offences attracting at least a 4-year custodial penalty, in accordance</li> </ul>	The amendments to MACMA have been inserted in the schedule to the MLFTA Draft Bill.

		<p>forfeiture powers under POCA are not available to the Central Authority.</p> <ul style="list-style-type: none"> <li>• The custodial element of serious crime under the restraint/forfeiture regime is narrower than the Palermo Convention.</li> <li>• No mechanism to deal with dual jurisdictional conflict.</li> <li>• Not possible to assess effectiveness of mutual legal assistance measures due to limited number of MLAT's.</li> </ul>	<p>with the Palermo Convention.</p> <ul style="list-style-type: none"> <li>• The MACMA provisions dealing with restraint, forfeiture and confiscation should be amended to ensure instrumentalities of, or intended for use in, the relevant offences are covered.</li> <li>• The range of evidence-gathering powers available for the satisfaction of mutual assistance requests should be reviewed. In particular, monitoring order and other powers under POCA should be examined with a view to extending their application to serious offences committed locally or abroad.</li> <li>• The authorities should consider devising and applying mechanisms for dealing with dual jurisdictional conflict.</li> <li>• The authorities should consider increasing their capacity for information exchange under section 6C of the MLFTA by seeking to negotiate bilateral agreements or MOU's with foreign states.</li> <li>• The authorities should consider negotiating with the UK Government for another MLAT covering areas outside drugs dealing; and generally seek opportunities to progressively conclude MLAT's with a broader range of countries.</li> </ul>	
38.MLA on confiscation and	PC	<ul style="list-style-type: none"> <li>• No provision for foreign states to</li> </ul>	<ul style="list-style-type: none"> <li>• MACMA should be amended to enable</li> </ul>	The stakeholders are in the process of upgrading

freezing		<p>request local authority to apply for forfeiture/confiscation orders or vice versa except in limited circumstances under section 16 of the ATA.</p> <ul style="list-style-type: none"> <li>• No provision for the freezing, seizure or confiscation of instrumentalities of ML and FT.</li> <li>• No arrangements for co-coordinating seizure and confiscation actions with other countries.</li> <li>• No evidence of consideration of establishing an asset forfeiture fund</li> </ul>	<p>Barbados or foreign states to seek reciprocal assistance in obtaining forfeiture/confiscation orders in the jurisdiction of the other country, where the suspect has been convicted of a serious offence in the requesting state. In particular, where Barbados's assistance is being sought, the forfeiture/confiscation powers under POCA should be made available.</p> <ul style="list-style-type: none"> <li>• The establishment of a dedicated forfeiture fund whose proceeds should be earmarked for law enforcement or other deserving purposes should be considered.</li> <li>• Extension of the existing statutory coverage of asset sharing with other countries so that the facility is available in cases of all serious crimes should be considered.</li> </ul>	<p>the forfeiture regime and drafting the requisite legislation/amendments to address the stated recommendations of the Examiners.</p>
40.Other forms of co-operation	LC	<ul style="list-style-type: none"> <li>• The Ministry of Economic Affairs and Development cannot share information with foreign counterparts</li> <li>• The Registrar of Co-operative Societies can only share information by Court Order.</li> </ul>	<ul style="list-style-type: none"> <li>• The Ministry of Economic Affairs and Development should be authorized to share information with foreign counterparts.</li> <li>• The Registrar of Co-operative Societies should be empowered to share information with foreign counterparts without a Court Order</li> </ul>	<p>This recommendation is under review by the Ministry of International Business and International Transport.</p> <p><b><u>Registrar of Cooperatives</u></b></p> <p>The CSA was amended in 2007. Section 71 (3) of the Act allows the Registrar to give confidential information in the course of his duty.</p>
<b>Nine Special Recommendations</b>		<b>Summary of factors underlying rating</b>		

SR.I Implement UN instruments	PC	<ul style="list-style-type: none"> <li>• No requirement to freeze terrorist funds or other assets of persons designated by the UN Al-Qaida and Taliban Sanctions Committee.</li> <li>• Overlap between ATA and POCA respecting freezing/forfeiture and ambiguous aspects to ATA forfeiture power, both detracting from effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>• The authorities should fully implement; (i) the Palermo Convention by specifically legislating for human trafficking and updating the corruption/bribery laws; (ii) UN Resolutions S/RES/1373(2001) by explicitly legislating a mechanism to freeze assets of UN designated entities.</li> </ul>	The stakeholders are in the process of upgrading the forfeiture regime and drafting the requisite legislation/amendments to address the stated recommendations of the Examiners.
SR.III Freeze and confiscate terrorist assets	PC	<ul style="list-style-type: none"> <li>• No requirement to freeze terrorist funds or other assets of persons designated by the UN Al-Qaida and Taliban Sanctions Committee.</li> <li>• Divergent policy re forfeiture/restraint under ATA and POCA.</li> </ul>	<ul style="list-style-type: none"> <li>• The authorities incorporate into legislation requirements, a special mechanism to enable the freezing/restraint of assets owned or controlled by persons/entities designated by the UN Sanctions Committee, in keeping with UN Security Council Resolution 1267 of 1999. The requirements should also confer power to authorise the release of funds required to be frozen, for the purpose of meeting basic expenses associated with, e.g., the accused's reasonable subsistence or defence of criminal proceedings. The 2002 Commonwealth Model Legislative Provisions on the "specified (listed) entity" regime provide a useful guide.</li> <li>• The authorities should critically review the freezing/restraint and forfeiture regimes under the ATA and POCA, with a view to amending the legislation to provide for a uniform approach to these measures.</li> <li>• The authorities should review the grounds needed to support an application for a</li> </ul>	The stakeholders are in the process of upgrading the forfeiture regime and drafting the requisite legislation/amendments to address the stated recommendations of the Examiners.

			<p>freezing order under section 8(1) of the ATA, so as to ensure consistency between local cases and those arising from mutual legal assistance requests.</p> <ul style="list-style-type: none"> <li>Expand the scope of the MLFTA to incorporate FT in sections 9-11.</li> </ul>	
SR.IV Suspicious transaction reporting	LC	<ul style="list-style-type: none"> <li>No requirement in law or regulations to report attempted or aborted suspicious transactions.</li> </ul>	<ul style="list-style-type: none"> <li>The MLFTA should be amended to require the reporting of attempted or aborted transactions suspected of being involved in ML or FT.</li> </ul>	Refer to Recommendation 13.
SR.V International co-operation	PC	<ul style="list-style-type: none"> <li>Factors in Recs. 36 and 38 are also applicable.</li> </ul>	<ul style="list-style-type: none"> <li>The definition of “serious offences” under MACMA should be revised to make it applicable to offences attracting at least a 4-year custodial penalty, in accordance with the Palermo Convention.</li> <li>The MACMA provisions dealing with restraint, forfeiture and confiscation should be amended to ensure instrumentalities of, or intended for use in, the relevant offences are covered.</li> <li>The range of evidence-gathering powers available for the satisfaction of mutual assistance requests should be reviewed. In particular, monitoring order and other powers under POCA should be examined with a view to extending their application to serious offences committed locally or abroad.</li> <li>The authorities should consider devising and applying mechanisms for dealing</li> </ul>	The amendments to MACMA have been inserted in the schedule to the MLFTA Draft Bill.

			<p>with dual jurisdictional conflict.</p> <ul style="list-style-type: none"> <li>• The authorities should consider increasing their capacity for information exchange under section 6C of the MLFTA by seeking to negotiate bilateral agreements or MOU's with foreign states.</li> <li>• The authorities should consider negotiating with the UK Government for another MLAT covering areas outside drugs dealing; and generally seek opportunities to progressively conclude MLAT's with a broader range of countries.</li> <li>• MACMA should be amended to enable Barbados or foreign states to seek reciprocal assistance in obtaining forfeiture/confiscation orders in the jurisdiction of the other country, where the suspect has been convicted of a serious offence in the requesting state. In particular, where Barbados's assistance is being sought, the forfeiture/confiscation powers under POCA should be made available.</li> <li>• The establishment of a dedicated forfeiture fund whose proceeds should be earmarked for law enforcement or other deserving purposes should be considered.</li> <li>• Extension of the existing statutory coverage of asset sharing with other countries so that the facility is available in cases of all serious crimes should be</li> </ul>	
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			considered.	
SR VI AML requirements for money/value transfer services	NC	<ul style="list-style-type: none"> <li>Stand alone MVT providers are not regulated or supervised for compliance with AML/CFT requirements</li> <li>No requirement for MVT service operators to maintain a current list of agents.</li> </ul>	<ul style="list-style-type: none"> <li>It is recommended that the authorities proceed in developing a framework for the regulation and supervision of MVT services not provided by licensees of the CBB.</li> </ul>	The amendment to the CBB Guideline is being implemented.
SR VII Wire transfer rules	PC	<ul style="list-style-type: none"> <li>Stand-alone money-remitters are not subject to any regulatory oversight except for exchange control purposes.</li> </ul>	<ul style="list-style-type: none"> <li>Stand-alone money remitters should be monitored for compliance with the requirements of SR VII.</li> </ul>	A policy paper has been prepared to address this issue.
SR.VIII Non-profit organisations	LC	<ul style="list-style-type: none"> <li>Sanctions for breaches of Charities Act are not dissuasive.</li> </ul>	<ul style="list-style-type: none"> <li>The authorities should carefully consider the FATF's 2002 Best Practices Paper on Special Recommendation VIII, which advocates a number of measures for tightening the regime for NPO's, including the incorporation of mechanisms to verify the actual allocation of charitable funds to the intended beneficiaries.</li> <li>Revise the sanctions for breaches of the Act to make them appropriately dissuasive in effect.</li> </ul>	The relevant sections in the Companies Act and the Charities Act are being amended.
SR.IX Cross Border Declaration & Disclosure	LC	<ul style="list-style-type: none"> <li>Suspicion of money laundering or terrorist financing or making a false declaration do not provide basis for stopping and seizure of currency and negotiable instruments.</li> <li>Effectiveness of system to detect cross-border transfer of currency and</li> </ul>	<ul style="list-style-type: none"> <li>Suspicion of money laundering or terrorist financing or making a false declaration should provide grounds for stopping and seizure of currency and negotiable instruments.</li> <li>The competent authorities should consider including penalties for the making of false declarations in</li> </ul>	The Customs Department currently maintains statistics with respect to cross-border declarations.



		negotiable instruments cannot be evaluated due to lack of statistics.	accordance with the relevant section of the Customs Act on the Passenger Embarkation/Disembarkation card.	
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