



## First Follow-Up Report

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

4 March 2009

Barbados



## BARBADOS – FIRST 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 St. Kitts and Nevis. 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 27 Recommendations, as indicated below.

<b>Partially Complaint (PC)</b>	<b>Non-Compliant (NC)</b>
R. 3 (Confiscation and provisional measures)	R. 10 (Record keeping)
R. 4 (Secrecy laws consistent with Recommendations)	R. 12 (DNFBP – R.5,6,8-11)
R. 5 (Customer due diligence)	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)	
R. 23 (Regulation, supervision and monitoring)	
R. 25 (Guidelines & Feedback)	
R. 30 (Resources, integrity & training)	
R. 33 (Legal persons – beneficial owners)	
R. 34 (Legal arrangements – beneficial owners)	
R. 36 ( Mutual legal assistance (MLA))	
R. 38 (MLA on confiscation and freezing)	
SR. I (Implement UN instruments)	
SR. III (Freeze and confiscate terrorist assets)	
SR. V (International co-operation)	
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. 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 recommendations have been reviewed and agreed to by Director of Public Prosecutions. Definitive action to implement them is to be taken. 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. Information sharing provisions in the statutes administered by the Registrar of Cooperatives, Supervisor of Insurance and Ministry of Economic Affairs and Development are under review. Barbados is currently in the process of revising its supervisory/regulatory framework and a Financial Services Commission is to be established. Except for one of the examiners' recommendations, this Recommendation remains outstanding.

### **Recommendation 5**

6. The Money Laundering and Financing of Terrorism Act (MLFTA) and the Regulatory Guidelines are being amended to deal with some of the recommendations stipulated by the examiners. The Registrar of Cooperatives, Securities Commission and Ministry of Economic Affairs & Development are also pursuing necessary legislative amendments needed in statutes under administration and Guidelines regarding recommendations concerning their operation. Better systems on statistics regarding enforcement are being implemented. Accordingly, this Recommendation remains outstanding.

### **Recommendation 6**

7. The Registrar of Cooperatives, Securities Commission and Ministry of Economic Affairs & Development are pursuing necessary legislative amendments needed in statutes under administration and Guidelines regarding recommendations concerning their operation. Better systems on statistics regarding enforcement are being implemented. This Recommendation remains outstanding.

### **Recommendation 8**

8. The Registrar of Cooperatives, Securities Commission and Ministry of Economic Affairs & Development are pursuing necessary legislative amendments needed in statutes under administration and Guidelines regarding recommendations concerning their operation. Better systems on statistics regarding enforcement are being implemented. This Recommendation remains outstanding.

### **Recommendation 9**

9. The Registrar of Cooperatives, Securities Commission and Ministry of Economic Affairs & Development are considering inclusion of the recommendation dealing with their operations in Guidance. This Recommendation remains outstanding.

### **Recommendation 10**

10. The MLFTA is being amended to deal with specific recommendations. Statutes administered by prudential regulators are under review to confirm general powers to permit the issuance of directives to allow for compliance with one of the recommendations. Accordingly, this Recommendation is still outstanding.

### **Recommendation 11**

11. The MLFTA is being amended to deal with a specific recommendation. The Registrar of Cooperatives, Securities Commission and Ministry of Economic Affairs & Development are pursuing necessary legislative amendments needed in statutes under administration and Guidelines regarding recommendations concerning their operation. Better systems on statistics regarding enforcement are being implemented. This Recommendation remains outstanding.

### **Recommendation 12**

12. A draft of the Corporate and Trust Service Providers Bill is under review by a joint policy working group with a view to incorporating recommendations. The Anti-Money Laundering Authority and the FIU are in discussions with respect to formalizing the DNFBP framework. The issuance of Guidelines dealing with the recommended measures is being considered. This Recommendation remains outstanding.

### **Recommendation 14**

13. The MLFTA is being amended to deal with the examiner's recommendation. This Recommendation remains outstanding.

### **Recommendation 15**

14. The MLFTA is being amended to deal with one of the recommendations and directions to the financial institutions will be issued on another. The Registrar of Cooperatives, Securities Commission and Ministry of Economic Affairs & Development are pursuing necessary legislative amendments needed in statutes under administration and Guidelines regarding recommendations concerning their operation. Better systems on statistics regarding enforcement are being implemented. This Recommendation remains outstanding.

### **Recommendation 16**

15. A draft of the Corporate and Trust Service Providers Bill is under review by a joint policy working group with a view to incorporating recommendations. The Anti-Money Laundering Authority and the FIU are in discussions with respect to formalizing the DNFBP framework. The issuance of Guidelines dealing with the recommended measures is being considered. This Recommendation remains outstanding.

### **Recommendation 21**

16. 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. The MLFTA is being amended to deal with another recommendation. Accordingly, this Recommendation remains outstanding.

#### **Recommendation 22**

17. The Registrar of Cooperatives, Securities Commission and Ministry of Economic Affairs & Development are pursuing necessary legislative amendments needed in statutes under administration and Guidelines regarding recommendations concerning their operation. Better systems on statistics regarding enforcement are being implemented. Regulatory Guidelines are being amended to comply with one recommendation. Accordingly, this Recommendation remains outstanding.

#### **Recommendation 23**

18. The Registrar of Cooperatives, Securities Commission and Ministry of Economic Affairs & Development are pursuing necessary legislative amendments to strengthen powers, revise licensing practices and implement better systems on statistics regarding enforcement actions. 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**

19. A draft of the Corporate and Trust Service Providers Bill is under review by a joint policy working group with a view to incorporating recommendations. The Anti-Money Laundering Authority and the FIU are in discussions with respect to formalizing the DNFBP framework. The issuance of Guidelines dealing with the recommended measures is being considered. This Recommendation remains outstanding.

#### **Recommendation 25**

20. 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 is currently preparing a first draft of the Annual Reports for the years 2002 to the present. This Recommendation remains partially outstanding.

#### **Recommendation 30**

21. The Office of the Attorney General has approved the creation of six additional posts at the FIU. These include 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. The Royal Barbados Police Force has recruited 153 persons since 2006. Four police officers have received training in financial investigation techniques. With regard to supervisory resources, Barbados is currently in the process of 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 as detailed above, this Recommendation remains outstanding.

### **Recommendation 32**

22. This Recommendation was rated LC. The authorities advise that the two recommendations have been implemented in that the Customs Department now maintains statistics with respect to cross-border declarations and the FIU maintains statistics on spontaneous referrals of information to foreign authorities. The statistics provided by Customs with regard to cross-border declaration reports relate to seizures made by Customs with respect to exportation of currency without proper approval of Exchange Control Authority for the years 2006 to 2008. Figures concerning the yearly number of cross-border declaration reports still have to be submitted. Pending the submission of the requested information this Recommendation remains partially outstanding.

### **Recommendation 33**

23. The Registrar of Corporate Affairs and Intellectual Property Office (CAIPO) is formulating a policy proposal as it relates to the Companies Act and International Business Company Act to deal with the recommendations. Accordingly, this Recommendation remains outstanding.

### **Recommendation 34**

24. A draft of the Corporate and Trust Service Providers Bill is under review by a joint policy working group with a view to incorporating recommendations. Supervision by the Ministry of Economic Affairs & Development and the FIU is being strengthened. Accordingly, this Recommendation remains outstanding.

### **Recommendation 36**

25. The recommendations have been reviewed and agreed to by Director of Public Prosecutions. Definitive action to implement them is to be taken. Accordingly, this Recommendation remains outstanding.

### **Recommendation 38**

26. The recommendations have been reviewed and agreed to by Director of Public Prosecutions. Definitive action to implement them is to be taken. Accordingly, this Recommendation remains outstanding.

### **Special Recommendation I**

27. The recommendations have been reviewed and agreed to by Director of Public Prosecutions. Definitive action to implement them is to be taken. Accordingly, this Recommendation remains outstanding.

### **Special Recommendation III**

28. The recommendations have been reviewed and agreed to by Director of Public Prosecutions. Definitive action to implement them is to be taken. Accordingly, this Recommendation remains outstanding.

### **Special Recommendation V**

29. The recommendations are currently under review by the authorities. Definitive action is to be taken to remedy the defects in the legislation. Accordingly, this Recommendation remains outstanding.

#### **Special Recommendation VI**

30. A policy paper to introduce a regulatory framework for MVT providers who are not licensees of the CBB has been prepared. The CBB Guideline is being amended to require maintenance of a current list of agents by MVT service providers. This Recommendation remains outstanding

#### **Special recommendation VII**

31. A policy paper to introduce a regulatory framework for MVT providers who are not licensees of the CBB has been prepared. The Registrar of CAIPO to document consideration of the FATF's 2002 Best Practices Paper on Special Recommendation VII and pursue any legislative or other amendments deemed necessary. The Registrar of CAIPO is pursuing revision of sanctions of the Charities Act. This recommendation remains outstanding.

### **III. Conclusion**

32. 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. Implementation of these measures will also positively affect Recommendations that have received a "LC" rating. Measures have already been implemented with regard to Recommendation 32 that once verified will achieve full compliance. Given the above, the majority of Recommendations have not been addressed by the authorities as yet.

33. Based on the foregoing, it is recommended that Barbados remain on enhanced follow-up and report back to the Plenary in October 2009.



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

Forty Recommendations	Rating	Summary of factors underlying rating	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 MLFTA and section 19 of 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>	The Office of the Chief Parliamentary Counsel is currently in the process of drafting legislation, including legislation relating to transnational organised crime, to remedy the particular defects.
2.ML offence – mental element and corporate liability	LC	<ul style="list-style-type: none"> <li>Ineffective use of ML provisions.</li> </ul>		This recommendation was reviewed and agreed to by the Director of Public Prosecutions. Definitive action will be taken.
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 terrorism.</li> <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>	<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 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.</li> <li>The coverage of instrumentalities under 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</li> </ul>	These recommendations were reviewed and agreed to by the Director of Public Prosecutions. Definitive action will be taken.

			<p>contemplated by the FATF's "designated categories of offences"</p> <ul style="list-style-type: none"> <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> <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>	
<b>Preventive measures</b>				

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 CBB to share information with domestic regulators</li> <li>• The 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>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>Information sharing provisions in the statutes administered by the Registrar of Cooperative, Supervisor of Insurance and Ministry of Economic Affairs and Development are under review.</p> <p>However, as a general comment regarding review of prudential statutes, Barbados is currently in the process of revising its supervisory / regulatory framework and a Financial Services Commission is to be established.</p>
5.Customer due diligence	PC	<ul style="list-style-type: none"> <li>• There are no legislative requirements for financial institutions to <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> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Financial institutions should be legislatively required to; <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> </ul> </li> </ul>	<p>The MLFTA is being amended as follows:</p> <ul style="list-style-type: none"> <li>- The definition of business transaction in section 2 to include occasional transactions that are wire transfers covered in SR VII.</li> <li>- Section 7 (which defines customer identity) or section 8 (dealing with obligations of financial institutions) to require financial institutions to conduct CDD 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>- Section 7(1) &amp; 7(3) to include the issue of verification of identity.</li> <li>- Section 7(3) to include the requirement for financial institutions to determine the natural persons on whose behalf or for whose ultimate benefit the applicant may</li> </ul>

		<ul style="list-style-type: none"> <li>❖ verify individual customer identity using reliable, independent source documents, data or information (identification data);</li> <li>• No express prohibition against reduced CDD measures where there is a risk of ML and FT</li> <li>• The following requirements are only enforceable on the licensees of the CBB and the Supervisor of Insurance; <ul style="list-style-type: none"> <li>• Scrutiny of transactions and updating of data or documents collected under the CDD process</li> <li>• Measures for high and low risk categories of customers</li> <li>• Timing of verification and failure to complete CDD and application of CDD requirements to existing customers.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <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> <li>• Simplified CDD measures should not be acceptable whenever there is a suspicion of ML or TF.</li> <li>• The enforceability of the following requirements should be extended from the licensees of the CBB and the Supervisor of insurance to all other financial institution; <ul style="list-style-type: none"> <li>➢ Scrutiny of transactions and updating of data or documents collected under the CDD process</li> <li>➢ Measures for high and low risk categories of customers</li> <li>➢ Timing of verification and failure to complete CDD and application of CDD requirements to existing customers.</li> </ul> </li> </ul>	<p>be acting.</p> <ul style="list-style-type: none"> <li>- Include a provision in section 7 (customer identity) or section 8 (duties of financial institutions) requiring ongoing due diligence on holders of customer accounts.</li> <li>- Regulatory Guidelines are being amended e.g. section 7.5 of the CBB Guideline on reduced CDD.</li> <li>- Section 7 or section 8 to require financial institutions to verify individual customer identity using reliable, independent source documents, data or information.</li> <li>- Section 7(5)(a) of the MLFTA is being deleted given the scope of the definition of a financial institution.</li> <li>- Since all services of a financial nature are not captured in the FATF Recommendations, e.g. DNFBPs, a provision in the MLFTA is being included allowing for the designation of a person as a financial institution for the purposes of the said Act.</li> </ul> <p>Registrar of Cooperatives, Securities Commission and Ministry of Economic Affairs &amp; Developments are:</p> <ul style="list-style-type: none"> <li>- Pursuing any necessary legislative amendments needed in statutes under administration and Guidelines regarding the bulleted issues, and</li> <li>- Implementing better systems on statistics regarding enforcement.</li> </ul>
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</li> </ul>	<p>Registrar of Cooperatives, Securities Commission and Ministry of Economic Affairs &amp; Developments are:</p> <ul style="list-style-type: none"> <li>- Pursuing any necessary legislative amendments</li> </ul>

			enforceable on all financial institutions.	needed in statutes under administration and Guidelines regarding Peps, and - Implementing better systems on statistics regarding enforcement action.
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>	Section 7.4.8 of the CBB Guideline is being updated.
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>	Registrar of Cooperatives, Securities Commission and Ministry of Economic Affairs & Developments are:  - Pursuing any necessary legislative amendments needed in statutes under administration and Guidelines regarding non face to face customers, and - Implementing better systems on statistics regarding enforcement action.
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>	Registrar of Cooperatives, Securities Commission and Ministry of Economic Affairs & Developments are considering inclusion in Guidance. Where the requirement is not deemed necessary then the rationale for this decision should be documented.
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</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 following the</li> </ul>	-The \$10,000 threshold in Sections 8(1)(a)(i) and 8(1)(h) of the MLFTA is being removed.  - Section 8(1)(a)(i) of the MLFTA is being amended to read "for a period of not less than 5 years."

		<p>retained for at 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>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>Statutes 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 appear to give sufficient flexibility regarding this issue.</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>Registrar of Cooperatives, Securities Commission and Ministry of Economic Affairs &amp; Developments are:</p> <ul style="list-style-type: none"> <li>Pursuing any necessary legislative amendments needed in statutes under administration and Guidelines regarding non face to face customers, and</li> <li>Implementing better systems on statistics regarding enforcement action.</li> </ul> <p>This will be addressed with the revision of 8(1)(a) of the MLFTA.</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 DNFBPs not licensed by the CBB.</li> </ul>	<ul style="list-style-type: none"> <li>It is recommended that the authorities enact measures to apply the requirements of Recommendations 5, 6, 8 to 11, and 17 to DNFBPs not licensed by the CBB.</li> </ul>	<p>A 2<sup>nd</sup> draft of the Corporate and Trust Service Providers Bill is currently under review by a joint policy working group.</p> <p>The AMLA/FIU is in discussion with respect to the formalizing the DNFBP framework. The AMLA/FIU is contemplating the issuance of Guidelines to address the defect.</p>
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 definition of “business transaction” (and “business transaction record”) in section 2 of the MLFTA is being revised.</p> <p>In addition to the amendment to the definition of a business transaction to include an attempted or aborted transaction (See Rec. 5 above), Section 8(1)(h) is being amended to include suspicious transactions.</p> <p>The Office of the Chief Parliamentary Counsel is currently in the process of drafting legislation including legislation relating to transnational organised crime to remedy the particular defects.</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>	Section 22A(6) of the MLFTA is being amended to also refer to section 8(1)(b) and 8(1)(h).
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 officer at management level or development of policies and procedures for record retention.</li> <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>	<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 and develop policies and procedures for record retention.</li> <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>Sanctions for non-compliance with subsection 8(1)(e) and (g) are being included in the MLFTA.</p> <p>Financial institutions will be directed on this issue.</p> <p>Registrar of Cooperatives, Securities Commission and Ministry of Economic Affairs &amp; Developments are:</p> <ul style="list-style-type: none"> <li>- Pursuing any necessary legislative amendments needed in statutes under administration and Guidelines regarding non face to face customers, and</li> <li>- Implementing better systems on statistics regarding enforcement action.</li> </ul>
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>A 2<sup>nd</sup> draft of the Corporate and Trust Service Providers Bill is currently under review by a joint policy working group.</p> <p>The AMLA/FIU is in discussion with respect to the formalizing the DNFBP framework. The AMLA/FIU is contemplating the issuance of guidelines to address the defect.</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>	Registrar of Cooperatives, Securities Commission, and Ministry of Economic Affairs & Developments are pursuing legislative amendments to strengthen powers; and implementing better systems on statistics regarding enforcement action.

21.Special attention for higher risk countries	NC	<ul style="list-style-type: none"> <li>Financial institutions are not required to give special attention to business relationships and transactions with persons from or in countries which do not or insufficiently apply the FATF Recommendations.</li> <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>	<ul style="list-style-type: none"> <li>The AML/CFT guidelines should provide 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;</li> <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>Barbados proposes to continue to maintain the requirement that financial institutions apply enhanced due diligence based on their own country assessments.</p> <p>This will be addressed with removal of the \$10,000 threshold from the MLFTA.</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> <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</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> <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> </ul>	<p>Registrar of Cooperatives, Securities Commission and Ministry of Economic Affairs &amp; Developments are:</p> <ul style="list-style-type: none"> <li>- Pursuing any necessary legislative amendments needed in statutes under administration and Guidelines, and</li> <li>- Implementing better systems on statistics regarding enforcement action.</li> </ul> <p>Regulatory Guidelines are being amended accordingly e.g. par. 1 of section 2.0 of the CBB Guideline.</p>



		<p>that host country laws and regulations permit.</p> <ul style="list-style-type: none"> <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>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> <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 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> <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>Registrar of Cooperatives, Securities Commission , and Ministry of Economic Affairs &amp; Developments are pursuing legislative amendments to strengthen powers; revising licensing practices; and implementing better systems on statistics regarding enforcement action.</p> <p>A policy paper has been prepared to introduce a regulatory and supervisory framework for MVT providers who are not licensees of the CBB.</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>A 2<sup>nd</sup> draft of the Corporate and Trust Service Providers Bill is currently under review by a joint policy working group.</p> <p>The AMLA/FIU is in discussion with respect to the formalizing the DNFBP framework. The AMLA/FIU is contemplating the issuance of guidelines to address the defect.</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. Financial institutions receive a written acknowledgment letter in the first instance stating the reference number assigned to the STR and that the matter is receiving the attention of the FIU and that they may be contacted further for assistance or</p>

				<p>additional information. The request for additional information will also be forwarded by letter from the FIU. An update on the progress of a matter or further details as to how the institution may assist is conducted verbally. Verbal feedback will relate to the financial entity's continued assistance in the progress of the matter. Twelve (12) acknowledgment and follow-up letters have been forwarded to financial institutions for STRs received in 2008 and those received thus far for 2009. However it must be noted that number of letters forwarded is not indicative of the number of STRs referred to therein. Each letter refers to more than one STR. As matters are completed or closed, the financial institutions will be given a short summary of basic findings.</p> <p>The FIU is currently preparing the first draft of the Annual Reports for the years 2002 to present.</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 trends with regard to SUTRs in the report.</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 trends as well as information regarding its activities.</li> <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</li> </ul>	<p>The FIU provides more detailed guidance to financial institutions via discussions and meetings with compliance officers as well as detailed training for the staff. This training includes the analysis of key factors that will trigger the reporting obligation. The FIU is currently preparing the first draft of the Annual Reports for the years 2002 to present.</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>

			offences linked to SUTRs filed by reporting institutions	
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>	The Securities Commission is currently pursuing this legislative amendment.
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 parent Ministry, the Office of the Attorney-General has approved the creation of six additional posts at the FIU. These include a Deputy Director, 2 additional analysts, an information technology specialist, an institutional examiner and a clerk/typist. These additional posts, once filled, will 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.</p> <p>Between 2006 until present, the Royal Barbados Police Force has recruited 153 persons. The Force has also trained four officers in financial investigations techniques.</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.</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. With respect to the illegal exportation of currency, Customs seized BDS\$275,637 and US\$18,202. in 2006, BDS\$119,158, US\$36,152 and £4,950 in 2007 and BDS\$54,079 and US\$3,365 in 2008.</p> <p>The FIU now maintains statistics on spontaneous referrals of information to foreign authorities. The FIU has recorded 3 spontaneous referrals in 2007 and 1 in 2008.</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 ownership information.</li> </ul>	<ul style="list-style-type: none"> <li>The authorities should consider improving the present system for access to beneficial ownership by establishing a complementing national registry.</li> <li>The authorities should enact legislative requirements for legal persons to disclose beneficial ownership information.</li> </ul>	The Registrar of CAIPO is formulating a policy proposal as it relates to the Companies Act and IBC Act.
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>A 2<sup>nd</sup> draft of the Corporate and Trust Service Providers Bill is currently under review by a joint policy working group.</p> <p>Supervision by the Ministry of Economic Affairs &amp; Development and the FIU is being strengthened.</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 Office of the Chief Parliamentary Counsel is currently in the process of drafting legislation including legislation relating to transnational organised crime to remedy the particular defects.
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 forfeiture powers under POCA are not available to the Central Authority.</li> <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>	<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> </ul>	This recommendation was reviewed and agreed to by the Director of Public Prosecutions. Definitive action will be taken.

			<ul style="list-style-type: none"> <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 freezing	PC	<ul style="list-style-type: none"> <li>• No provision for foreign states to request local authority to apply for forfeiture/confiscation orders or vice versa except in limited circumstances under section 16 of the ATA.</li> <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>	<ul style="list-style-type: none"> <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 considered.</li> </ul>	This recommendation was reviewed and agreed to by the Director of Public Prosecutions. Definitive action will be taken.
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 Economic Affairs and Development.</p> <p>The Registrar of Cooperatives is pursuing amendment of the Cooperatives Act.</p>

Nine Special Recommendations		Summary of factors underlying rating		
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>	This recommendation was reviewed and agreed to by the Director of Public Prosecutions. Definitive action will be taken.
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 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.</li> <li>Expand the scope of the MLFTA to incorporate FT in sections 9-11.</li> </ul>	This recommendation was reviewed and agreed to by the Director of Public Prosecutions. Definitive action will be taken.
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 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> <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</li> </ul>	This recommendation is currently under review by the authorities. Definitive action will be taken to remedy the defects in the legislation.
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			<p>considered.</p> <ul style="list-style-type: none"> <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>	
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>	<p>A policy paper has been prepared to introduce a regulatory and supervisory framework for MVT providers who are not licensees of the CBB.</p> <p>The CBB Guideline is being amended to require maintenance of a current list of agents.</p>
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>	<p>A policy paper has been prepared to introduce a regulatory and supervisory framework for MVT providers who are not licensees of the CBB.</p>
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>	<p>The Registrar of CAIPO to document consideration of this Paper and pursue any legislative or other amendments deemed necessary.</p> <p>The Registrar of CAIPO is pursuing revision of sanctions.</p>
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 negotiable instruments cannot be evaluated due to lack of statistics.</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 accordance with the relevant section of the Customs Act on the Passenger Embarkation/Disembarkation card.</li> </ul>	<p>The Customs Department currently maintains statistics with respect to cross-border declarations.</p>