



Second Follow-Up Report

Curaçao

November 7, 2013

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CURACAO: SECOND FOLLOW-UP REPORT

I. Introduction

1. This report represents an analysis of Curaçao's report back to the CFATF Plenary concerning the progress that it has made with regard to correcting the deficiencies that were identified in its third round Mutual Evaluation Report. The third round Mutual Evaluation Report of Curaçao was adopted by the Plenary at the May 2012 CFATF Plenary meeting in El Salvador. At the time of adoption, the Plenary determined that Curaçao would report back to Plenary in November 2012¹ and then one (1) year later (November 2013) on regular follow-up. This report will review Curaçao's current level of compliance with the outstanding Recommendations to determine whether Curaçao will remain in regular one year follow-up or be placed in another category of the follow-up process.
2. Curaçao received ratings of PC on nine (9) of the sixteen (16) Core and Key Recommendations as follows:

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

3. With regard to the other non- Core or Key Recommendations, Curaçao was rated partially compliant or non-compliant, as indicated below.

Partially Compliant (PC)	Non-Compliant (NC)
R.11 Unusual Transactions	R. 12 (DNFBPs – R., 6,8-11)
R. 14 Protection & no Tipping-off	R. 16 (DNFBP-R. 13-15 &21)
R. 17 (Sanctions)	R. 24 (DNFBP-regulation, supervision and monitoring)
R. 21 (Special attention for higher risk countries)	SR. VIII (Non-profit organisations)
R. 25 (Guidelines and feedback)	
R. 30 (Resources)	
R. 31 National Co-operation	
R. 32 (Statistics)	
R. 33 Legal Persons	
SR. VI (AML requirements for MVTS)	
SR. IX (Cross border declaration & disclosure)	

4. The following table is indented to assist in providing an insight into the level of risk in the main financial sectors in Curaçao.

Size and integration of Curaçao's financial sector

¹ All Members are required to make an initial FUR at the first Plenary following the adoption of their Report.

		Banks²	Other Credit Institutions*	Securities	Insurance	TOTAL
Number of institutions	Total #	8 local and 32 international banks	26	12 local and 9 foreign investment institutions	56 (1)	
Assets	US\$	Local banks 7,722,072 International banks 23,618,442	823,412	Local Investment Institutions: approx. US\$ 4,000,000,000 Foreign Investment Institutions: approx. US\$ 1,700,000,000	7,230,000,000 (2)	
Deposits	Total: US\$	Local banks 6,799,483 International banks 16,559,626	332,888	N/A	748,000,000 (3)	
	% Non-resident	Local banks:	1%	N/A	13% (4)	

² The figures of the banks, being local general banks, subsidiaries of foreign banks, branches of foreign banks, (non-) consolidated international banks, consist of figures as per June, 2013, with the exception of 1 local bank and 17 international banks with figures as per May 2013.

(1) This total includes:

- 9 Local life insurance companies
- 17 Local non-life insurance companies
- 16 International insurance companies (reinsurers and captive insurance companies)
- 14 Pension funds

(2) Total Assets as reported by the sectors, mentioned in point 1, as per year end 2011.

(3) This amount is included in the Total Assets and represents the investments by the institutions in (time) Deposits at (commercial) banks.

(4) Represents the investments in (time) Deposits at foreign banks by the institutions in percentage of total investments in (time) Deposits.

(5) Represents the Assets of branch offices and subsidiaries of foreign institutions in percentage of total Assets.

(6) Represents the number of foreign subsidiaries of local institutions.

		42%				
		International banks:				
		100%				
International Links	% Foreign-owned:	Local banks:	0%	100%	37% of Assets (5)	
		38%				
		International banks:				
		15%				
	#Subsidiaries abroad	4 of local banks	0	0	0 (6)	
		3 of international banks				

II. Scope of this Report

5. Based on the decision of Plenary³, Member countries in Regular and Expedited follow-up are required to have full compliance with their Core and Key Recommendations and substantial progress in their other outstanding Recommendations for the current Plenary (i.e. November 2013). Curaçao is currently in regular one year follow-up and is therefore required to report to the November 2013 Plenary. Accordingly, this Report will review Curaçao's level of compliance with all the Core and Key Recommendations that are not rated as fully compliant and the other outstanding Recommendations. Based on the results of the Mutual Evaluation as noted in the table above, no Core or Key Recommendation that was rated as 'C'. However, based on measures taken by Curaçao to implement the Examiners' recommendations, Key Recommendation 35 can be considered to be fully compliant. Accordingly, this Recommendation will not be presented in this Report. Core Recommendations 1, 5, 10, 13, SR. II and IV and Key Recommendations 3, 4, 23, 26, 36, 40, SR. I, III and V will be reviewed with regard to the measures that need to be taken to ensure a level of full compliance. With regard to the non-Core and Key Recommendations, based on the analysis of the first follow-up report, all Recommendations that were rated 'PC/NC' and which have not been fully complied with will be discussed. Additionally, Recommendations rated 'LC', which have been updated will be included.

³ See. The ICRG Co-Chairs Report (CFATF-Plen-XXXVI-2012-15), which was adopted by Plenary at the November 2012 Plenary in the Virgin Islands. Specific reference is at 'Review of the CFATF Follow-Up Procedures at the top of page 8

III. Summary of progress made by Curaçao⁴

6. Since Curaçao's previous follow-up report, the Authorities have developed draft revisions of the National Ordinance on Identification when rendering Services (NOIS), the National Ordinance on the Reporting of Unusual Transactions (NORUT), the Sanctions National Ordinance and the Minimum Internal Control Standards (MICS). A draft Protocol with regard to the automatic freezing of terrorists' assets has also been prepared and also revised draft legislation with regard to the structure of the National Committee on Money Laundering (CIWG). The Authorities have also made amendments to the Provisions and Guidelines (P&Gs) as noted below in the report. A new supervisory law for Internet Gambling has been submitted to the Advisory Council, but will be resubmitted due to Constitutional issues regarding October 10, 2010. The Authorities also noted action taken that affected Recommendations rated 'LC'. For instance the new Penal Code which was mentioned in the last report did not make any changes regarding ML. However, the penalties with regard to intentional ML was reduced from twelve (12) to six (6) years and the fine of 1M guilders was reduced to 100,000 guilders. For custom ML, the penalty was reduced from sixteen (16) years to nine (9) years and the fine from 1.2M guilders to 100,000 guilders. The penalty for culpable ML remained the same. (R. 2). The Authorities also noted that currently there are some Members of Parliament who want to amend the Penal Code to increase the ML penalties to the former amounts. This is encouraging since the Examiners did express concern about the reduction to the penalties which were not yet in force at the time of the Mutual Evaluation.
7. The Authorities also indicated that the Central Bank did a risk assessment of the factoring service providers sector and noted that the preliminary findings indicated that the factoring service providers were exposed to very limited risk since the business is not cash based. Further, payments to customers' salaries and other expenses is done through transfer on their bank accounts or through the issuance of cheques. (R.6). With regard to the assessment of a respondent's AML/CFT controls, the P&Gs for CI have been amended to incorporate this recommendation. (R. 7). With regard to strengthening its investigative capacity, a decision has been taken to hire additional Financial Crimes Investigators and in that regard four (4) Financial Crimes Investigators have been selected.

Core Recommendations

Recommendation 1

8. This Recommendation was rated 'LC' by the Examiners. The Examiners recommended that the possession of equipment or materials or substances listed in the Vienna Convention should be criminalized; that the powers of prosecution should be extended to all crimes committed abroad which would constitute crimes in Curaçao and that the law should provide for the widest range of ancillary offences for all ML offences. With regard to the Vienna Convention issue the Authorities have noted that a revision of the relevant Ordinance that is necessary for the ratification/implementation of the Vienna and Palermo Conventions is underway. However, they have noted that some adaptations of the revision need to be submitted to the Advisory Council before the Parliamentary procedure

⁴ The Summary provides information on new and proposed legislation, amendments to legislation and general updates on Recommendations that were rated LC.

is finalized. The relevant documents are being prepared at the law department. Consequently, the Examiners' recommendation has not been met. With regard to the prosecution of crimes committed abroad which would constitute crimes in Curaçao, the Authorities have indicated that while the new Penal Code (entered into force in November 2011) provides a specific listing of offences occurring abroad; the list does not cover all serious offences. This situation will be evaluated by Curaçao during the next five years. Accordingly, the Examiners' recommendation has not been met. The main issue with the ancillary offence as noted by the Examiners deals with the non-applicability of the offence to culpable ML (See. Paragraph 246 of the MER). The information provided by the Authorities does not address this issue, which remains not met. R. 1 has not been fully complied with.

Recommendation 5

9. With regard to the Examiners' recommendation for clarity between the NORUT and NOIS as it pertains to persons conducting reportable activities and their CDD obligations, the Authorities have, as noted in the previous report agreed that there is a discrepancy and confirm in the current matrix that their approach will be to adapt the indicators which are based on the NORUT. This recommendation remains not met. On the need for the P&G for IC & IB to require financial institutions to undertake CDD when doubts arise about the veracity or adequacy of previously obtained customer identification data, the recommended action has been included in the P&G for IC & IB⁵. Accordingly, the Examiners' recommendation has been met. The Authorities have indicated that with regard to the recommendation that there should be a specific requirement in law or regulation for CDD to be undertaken when carrying out occasional transactions that are wire transfers, a draft revision of the NOIS has been prepared and is in administrative preparation in order to start the official legislative process. However, the provision has been included in the P&G for MTC. The Examiners' recommendation is partially met to the extent of its inclusion in the P&G for MTC. The Examiners' recommendations that the NOIS clearly establish an obligation on the service provider to conduct on-going due diligence on the business relationship and that the NOIS allows for reduced or simplified CDD for low risk scenarios rather than no CDD is being addressed in the revision of the NOIS. The recommendations have not been met.
10. With regard to clarity in the risk exercise undertaken by the Central Bank (CB) that resulted in the designation and exemption of low risk financial institutions, the Authorities detailed in their last report the process that had been undertaken. The Examiners' felt however that the issue is one of evidence of effectiveness. A programme of schematic review does not in itself demonstrate an effective RBA. The jurisdiction needs to clearly speak to profiling based on product, geography, customers and delivery channels, (as per FATF Guidance on the RBA to combat ML and FT June 2007) which would support ratings assigned to types of institutions and would in turn justify the frequency and scope of examinations. Accordingly, the recommendation is only partially met. With regard to the recommendation that the P&G for CI should limit simplified and reduced CDD to customers and countries that Curaçao is satisfied are in compliance with and effectively implementing the FATF Recommendations has been incorporated into the P&G for CI. The recommendation has been met. With regard to the consistency of the P&G and the NOIS in terms of timing of verification, the measures are contained in the draft revised NOIS. The Examiners' recommendation has not been met. Finally, the Examiners'

⁵ The amended P&G for IC&IB was reviewed and found to meet the Examiners' requirement

recommended that financial institutions should consider submitting a UTR where the requirements of E.C.5.3 to 5.6 have not been met and that the P&G for CI should require that CDD be done on existing customers/retrospective CDD on the basis of materiality and risk. The Authorities have indicated that the recommendations have been included in the P&Gs. A review of the P&Gs which were provided by the Authorities show that the measures have been incorporated. (P&G for IC, MTC and CI). The recommendations have been met. While there has been noted improvement in complying with the Examiners' recommendations, R. 5 is not fully compliant.

Recommendation 10

11. This Recommendation was rated 'LC' by the Examiners. The Examiners recommended that the requirement for the IC & IB and MTC to keep business correspondence for third parties for at least five years following termination of the account should be explicitly stated in law or regulation and the P&Gs should reflect a mandatory requirement as it relates to this matter. With regard to this recommendation, the Authorities have indicated that the NOIS has been revised to address this (draft NOIS discussed above) and the measure has been incorporated in the P&G for IC & IB and for MTC. A review of the P&G for IC & IB and MTC reflect that a mandatory requirement has been added with regard to this measure at section II.3 of the respective P&Gs. The recommendation is only partially compliant to the extent that the measure appears in the P&G for IC & IB and the P&G for MTC and the fact that the measure is still in draft in the NOIS. With regard to the recommendation that all information (business correspondence) is available on a timely basis to domestic competent authorities should be included in law or regulation, the Authorities have indicated that the measure is part of the draft NOIS, and that it has already been included in the relevant P&Gs. This Recommendation has not been fully met.

Recommendations 13 and Special Recommendation IV

12. With regard to the recommendation that the Authorities ensure that reporting entities from all sectors report UTRs, Curaçao has indicated that the FIU and other relevant authorities have provided training, presentations and interviews with regard to the need for reporting entities to comply with the AML/CFT laws and to report when the law proscribes this. During the period February-November 2012, the FIU (MOT) provided training and presentations to several entities. More specifically, Customs Officers received training on June 26th and August 10th, 2012 and also participated in a RST conference on October 22nd – 23rd, 2013. For the recommendations pertaining to mechanisms for all reporting entities to focus on identifying and reporting on transactions which they can identify as suspicious, the non-reliance by reporting entities on the prescriptive list of indicators and the revision of the relevant procedures to allow for the development of more flexibility for reporting entities to identify suspicion of ML or FT, the Authorities have indicated that the FIU of Curaçao has drafted a new system of indicators that focus more on reporting suspicious transactions. The Draft removes the prescriptive list of indicators and replaces it with a list of pure suspicious indicators. Indicators for large cash transactions have also been included with regard to Customs cross border value reporting, electronic wire transfers, casino reporting, money remitting and credit card reports and reports regarding the stock exchange. The Authorities expect that the new indicators will allow more flexibility for the reporting entities to identify transactions with suspicion of ML/FT. The

draft has been sent to other FIUs in the Kingdom of the Netherlands; following which it will be discussed in the CIWG. Based on the draft status of the indicators, the Examiners' recommendations have not been met. R.13 and SR. IV have not achieved full compliance.

Special Recommendation II

13. SR. II has been fully met. Article 2:55 of the Penal Code criminalizes financing of terrorism in keeping with the Terrorist Financing Convention.

Key Recommendations

Recommendation 3

14. This Recommendation was rated 'LC' by the Examiners. The Authorities have presented brief summaries of the guidelines followed by the PPO with regard to which cases will be proceeded with as it pertains to the confiscation of vehicles, weapons, jewelry, drugs and money. Further, the Authorities have noted that in addition to the provisions in the Penal Code, there are special instructions by the Attorney General with regard to various (sub) categories of objects as it pertains to seizure and confiscation. It has also been noted that the guidelines are known to all investigating authorities. The Examiners' recommendation has been met. R. 3 is now fully compliant.

Recommendations 4

15. As noted in the previous report, the Examiners recommended that it should be clarified whether the FIU (MOT) in its functions as supervisory authority is able to disclose information with domestic or international supervisory counterparts. Curaçao noted that the NORUT was being revised and that the issue will be addressed in that revision. The draft revision of the NORUT is in the administrative stage in order to start the official legislative process. The situation remains the same. Accordingly, the Examiners' recommendation remains not met. The Examiners recommended that clear information gateways should be made in the Ordinance for supervisor to supervisor exchange by the CB to the supervisory arm of the FIU (MOT) and in this regard, the Authorities stated that the issue has already been addressed in the draft Harmonization of Supervision Ordinances, which are currently in the legislative process. At present, the Authorities have also noted that the recommendation has also been addressed in the revision of the NORUT. The Examiners' recommendation remains not met subject to the enactment of the Ordinances and the revised NORUT. With regard to the sharing of information by the IOCSC with national and international supervisors, the Authorities have indicated that this recommendation will also be addressed in the revision of the NORUT. In the matter of the ease of information exchange between the CB and the Police, the Central Bank has presented a draft of the revised MOU with the PPO (Exchange of information Public Prosecutor – Bank' to the PPO for feedback. Based on the aforementioned, the recommendations have not been met. R. 4 is not fully compliant.

Recommendation 23

16. This Recommendation was rated 'LC' by the Examiners. The Examiners' recommended that the new framework for prudential supervision of MTCs should be implemented as soon as possible. In this regard, the Authorities have stated that the draft National

Ordinance on the Supervision of Money Transfer Companies is in the legislative process. Accordingly, the recommendation is not met. R. 23 is not fully compliant.

Recommendation 26

17. The Authorities have noted that the recommendations pertaining to the revision of the composition of the mandate of the Guidance Committee (Art. 16 of the NORUT) to avoid any undue influence or interference; the amendment of Art. 22 of the NORUT to protect access to the database from individuals who are the object of UTRs and the consideration of amendment of Art. 4 of the NORUT to remove provisions that potentially lead to the risk of interference or undue interference will all be addressed in the revision of the NORUT, which as noted above is at the start of the legislative process. Accordingly, the recommendations have not been met. Although it should be noted that the last of these recommendations was a ‘should consider’ measure and the fact that it has been addressed in the draft NORUT means that consideration was given by the Authorities and it has therefore been met. With regard to the Examiners’ recommendations pertaining to the process of presenting cases in the FIU (MOT); the approval of disclosure of cases by the Head of the FIU (MOT) and the inclusion of more information on ML and FT trends and typologies in the annual report of the FIU (MOT) has not been addressed and consequently remain not met. R. 26 is not fully compliant.

Recommendation 36

18. This Recommendation was rated ‘LC’ by the Examiners. The Examiners found that TF was not criminalized in accordance with the TF Convention. However, as noted above at paragraph 13, terrorism financing has been criminalized at Article 2:55 of the Penal Code. Accordingly, R. 36 is fully compliant.

Recommendation 40

19. This Recommendation was rated ‘LC’ by the Examiners. The Examiners’ recommended that the Authorities should establish clear mechanisms for the exchange of information between law enforcement and their foreign counterparts. In that regard, Curaçao has noted the provisions for cooperation that takes place through the PPO directive/guidelines for small legal assistance requests and extradition requests. In both instances, the Coordinator processes these requests. However, as noted in paragraphs 1462 and 1476, there can be no exchange of information outside the mutual legal assistance process. Accordingly, the Examiners’ recommendation has not been met. With regard to the FIU (MOT) being given authority to exchange information with supervisory authorities from other jurisdictions and the IOCCS making provision for the sharing of information with foreign counterparts, the Authorities have indicated that the measures have been included in the revision to the NORUT. Finally, the Examiners recommended that there should be a mechanism to facilitate all competent authorities (Central Bank, supervisory arm of the FIU (MOT) and GCB) undertaking enquiries on behalf of foreign counterparts, the Authorities have stated that the recommendation has been addressed in the Draft Harmonization Supervision Ordinances, which as previously noted is in the legislative process. The recommendation will also be addressed in the revision of the NORUT. The reference to Article 29 of the RFETCSM regarding the MTC, while noted is limited and does not cover for the Central Bank the issues noted at section 6.5 of the MER. Since the

measures to address these recommendations are in the draft revision of the NORUT, they have not been met. R. 40 is not fully compliant.

Special Recommendation I

20. As stated in the last report, the Examiners recommended that the laws should be properly enhanced to give effect to paragraph 4(a) of the UNSCR 1267 (denial of aircraft to take off or land or if it is owned, leased or operated by or on behalf of the Taliban as designated...) and that measures should be put in place that would allow for the freezing of assets without delay as they pertain to terrorist designated under UNSCR 1373. With regard to the first recommendation the Authorities maintain that the relevant legislation and policy documents will be reviewed and amended where necessary. In the case of the second recommendation, a protocol has been drafted which includes the automatic freezing of assets of terrorists whether locally designated or listed by the UN. Accordingly, none of the Examiners' recommendations have been met. SR. 1 is not fully compliant.

Special Recommendation III

21. The Authorities have taken some action with regard to addressing the five recommendations made by the Examiners with regard to SR. III. With regard to the recommendation that measures be put in place to allow freezing without delay and the maintenance of such freezes as required by UNSCR 1373, Curaçao has indicated that there will no longer be separate protocols for the freezing of assets of locally designated terrorists and those of terrorists designated under the UN listing. As noted above, a protocol has been drafted which includes the automatic freezing of terrorist assets whether locally designated or designated by the UN. With regard to making the de-listing procedures publically known, the Authorities have indicated that a decision on the publication of the de-listing procedures will follow on the approval of the revised protocol. On the issue of a mechanism for the issuance of guidance to non-financial entities or individuals who may find themselves in possession of property or assets belonging to terrorist or terrorist entities, the Authorities have noted that based on the draft protocol not only the Central Bank but also the FIU (MOT) and Gaming Control Board will provide guidance to supervised institutions and individuals that find themselves in possession of funds or assets that should be frozen. Additionally, Curaçao is in the process of revising existing P&Gs for non-financial entities and individuals that are supervised by the FIU to include guidance with regard to assets that may belong to terrorist or terrorist entities. With regard to the recommendation that clear criteria for the exercise of the Minister's discretion pertaining to the protection of third party rights should be developed, revision of the Sanctions National Ordinance will stipulate clear criteria with regard to the discretion. The final recommendation involves a structure for monitoring compliance outside of the financial sector. The Authorities have stated that the monitoring structure will be in line with that used to monitor compliance with the legislation or ML. Based on the aforementioned SR. III is not fully compliant.

Special Recommendation V

22. This SR. was rated 'LC' by the Examiners. With regard to the recommendation on the issue of early commencement of prosecution for FT offences against nationals where there

is immunity from extradition, the Authorities have noted that in the absence of prosecution, local authorities could honour a request from a foreign country to begin criminal proceedings. Additionally, Articles 2-7 of the Penal Code stipulate that ML and terrorism related crimes are prosecutable in Curaçao when committed outside Curaçao. The Examiners' in the MER noted that action can be taken even where there is no extradition, the concern however was the timing of that action since there is no requirement for Authorities to submit the matter for prosecution without undue delay upon the receipt of the request from the requesting State. (See. Paragraph 1439 of the MER and E.C. 39.4 and V.4 of the third round Methodology). The Examiners' recommendation has not been met. The second recommendation made by the Examiners was the need for a clear mechanism in place for law enforcement authorities to exchange information as it pertains to FT. In this regard, the Authorities have noted that 'any extradition treaty contains a list of all the facts for which someone can be extradited'. However, the issue here is the exchange of information as it pertains to FT. (See. Section 6.5 of the MER). The Examiners' recommendation has not been met. SR. V has not been fully complied with.

Other Recommendations

Recommendation 11

23. The revision of the P&Gs and the NOIS to address the Examiners' recommendation as it pertains to the keeping of findings of examinations on the background and purpose of complex, unusual large and unusual patterns of transactions for at least five (5) years and the making of such findings available to auditors and competent authorities, has taken place. The provision is included in the P&Gs for CI, IC & IB, MTC, CTSP and SAI at section II.2.A.1. As noted previously in this report, the NOIS is at the start of the official legislative process. Based on the Examiners' findings the recommendation has been fully met.

Recommendations 12

24. With regard to the Examiners' recommendation that lawyers, notaries, accountants or similar profession that carry out transactions for clients dealing with the organisation of contributions for the creation, operation or management of companies and trust and company service providers carrying out transactions for clients dealing with acting as a nominee shareholder should be subject to the AML/CFT obligations under the NORUT and the NOIS, the Authorities have stated that the recommendation will be addressed in the revision of the NOIS and NORUT. Accordingly the Examiners' recommendation remains not met.
25. As noted in the previous report, with regard to Internet casinos being subject to the AML/CFT obligations of the NOIS and the NORUT, the Authorities have stated that they are subject to these obligations. However, there are deficiencies with these obligations as noted in paragraph 1059 of the MEVAL Report (See. Also paragraph 1053 of the MER). The Authorities have again indicated that a new supervisory law for internet gambling has been submitted to the Advisory Council, but will be resubmitted due to the constitutional reform after October 2010. Accordingly, this recommendation has not been met. As noted in the previous report, the issue with regard to the threshold for identification requirements for casinos has been addressed in the draft revision of the Ministerial Decree

of the NOIS. Accordingly, the recommendation remains not met. With regard to the recommendation that DNFBPs should be legislatively required to perform CDD when carrying out occasional wire transfers in circumstances covered by SR. VII, the Authorities have noted that DNFBPs do not qualify as financial institutions and therefore are not allowed to carry out wire transfers as a service provider and that they can only be originators. The Authorities are asked to note that the requirements of R. 5 are applicable to all DNFBPs (See. E.C. 5.2 (C)). This requirement is a deficiency in R. 5 for financial institutions and so by applicability is also a deficiency in R. 12 for DNFBPs. The Examiners' recommendation has not been met.

26. The Authorities have noted that the Examiners' recommendation that the NOIS should be amended to allow for simplified or reduced CDD measures for exempted institutions under Article 2, paragraph 4 will be dealt with through an amendment to the NOIS. The recommendation is not met. With regard to recommendations pertaining to the conduct of on-going due diligence by service providers on business relationships; the amendment of the P&G for administrators and company (trust) service providers re the making of a UTR when the requirements of E.C. 5.3 to 5.6 are not met; the enforceability on DNFBPs under the FIU (MOT) and the GCB of the for R. 5 under criteria 5.5.2, 5.6 to 5.11 and 5.17; the deficiencies identified in R. 10 and 11 which are applicable to DNFBPs; the enforceability on DNFBPs of obligations in R. 6 and 11 and the enforceability on company trust service providers and DNFBPs on the obligations in R. 9 will all be addressed in the revised NOIS. Consequently, none of these recommendations have been met.
27. With regard to the recommendation that the deficiencies in section 3.5 of the MER for R. 10 that are applicable to DNFBPs should be remedied and that the recommendation to ensure that transaction records are sufficient to permit the reconstruction of individual transactions is enforceable on DNFBPs under the FIU (MOT) and the GCB, the Authorities have noted that the measures have been included in the P&Gs. The Authorities have also provided detailed information on how the GCB will implement the recommendations. Essentially, the GCB intends to ensure that the casino sector will be audited regularly and consistently on their compliance with AML/CFT regulations and that non-compliance will be sanctioned in an effective, proportional and dissuasive manner. (Please see attached matrix at R. 12 for details). The Examiners' recommendation has not been met.

Recommendations 14

28. As noted in the first follow-up report, the Examiners' recommendations for R. 14 will be addressed in the revision of the NORUT, where the language of the relevant Articles has been adapted. R. 14 has not been met.

Recommendation 16

29. With regard to the Examiners' recommendations, as it pertains to deficiencies noted in R. 13 and 14, as noted above one of the R. 13 requirements has been met as it pertains to the reporting of URTs by entities from all sectors. The other recommendations for R. 13 and 14 have not been met and so this recommendation remains not met. With regard to the recommendation pertaining to R. 21 for DNFBPs under the CB, the P&G for IC & IB and MTC have been updated to reflect a requirement with regard to transactions that have no apparent or economic lawful purpose being examined and written findings being available

for competent authorities and auditors. The other relevant recommendation pertains to countermeasures for countries that do not or insufficiently apply the FATF Recommendations. Measures have been included in the P&Gs instructing the relevant businesses to consult the FATF, CFATF and other FSRB websites for high risk and non-cooperative jurisdictions. The Authorities note that with regard to making the obligations in R. 15 and 21 enforceable on DNFBPs supervised by the FIU (MOT) and the GCB, the Minimum Internal Control Standards (MICS) has been revised. The revised MICS is will be in force on January 1, 2014. Consequently the recommendation has not been met.

Recommendation 17

30. The current matrix focuses on the recommendation concerning the need for clarification of the application of conditions and sanctions under the RFETCSM to non-bank MTCs. The Authorities have stated that the sanctions are already included in the draft National Ordinance on the Supervision of Money Transfer Companies. The Authorities also point out that the sanctions referred to already cover the non-bank MTCs. Further, the Authorities have indicated that sanctions are applicable under the NOIS, NORUT and the RFETCSM. The Examiners' recommendation has been met. The recommendations that will be met by the Harmonization Law (which is still in the legislative process) are still outstanding.

Recommendation 21

31. The recommendation with regard to the examination and keeping of written findings for transactions that have no apparent economic or visible lawful purpose, for competent authorities, has been addressed in the P&Gs for the Central Bank. The Examiners' recommendation has been met. effectively demonstrate the use of instructions regarding countermeasures for transactions and business relationships with countries that do not apply or insufficiently apply the FATF Recommendations, as noted above in the discussion of R. 16, measures have been included in the P&Gs instructing the relevant businesses to consult the FATF, CFATF and other FSRB websites for high risk and non-cooperative jurisdictions. This recommendation has been full met.

Recommendation 24

32. With regard to an AML/CFT regime for supervision of and compliance by Internet casinos, the Authorities have indicated that a new supervisory law for internet gambling has been submitted to the Advisory Council, but will be re-submitted as a result of the constitutional reform of October 2010. The recommendation remains not met. For the recommendation on the implementation of an effective supervisory regime by the FIU (MOT), the Authorities have noted that the FIU (MOT) has organized regular audits pursuant to the NORUT and the NOIS since January 2013. More specifically, during the period from January up to and including October 2013 a total of eight (8) audits were performed by the auditors of the FIU (MOT), five (5) of which were regular audits and three (3) of which were pilot audits. These audits were at three (3) Notaries at Law, two (2) Car dealers, two (2) Real Estate Agencies and one (1) Administrative Office. During June and July a total of five (5) off-site audits were performed. The FIU (MOT) has one more regular audit scheduled for this year at a Lawyer's Office. In accordance with the NORUT and NOIS the possibility exists for the examiner to instruct the DNFBP to correct any (correctable) deficiency that is encountered during an onsite audit. This has been done

when / if necessary. A total of 675 entities / persons fall under the supervisory control of the FIU (MOT). While it is commendable that the FIU (MOT) has begun to implement its supervisory regime, given the large number of entities/persons which fall under the control of the FIU (MOT), the current level of supervision cannot be described as effective. This recommendation is partially met, to the extent that a supervisory regime has been implanted. With regard to the issue of additional resources to fulfill the FIU (MOT) supervisory role for DNFBPs, the Authorities have noted that the FIU's request to the Minister of Finance for additional human resources is being addressed. The recommendation remains not met. The issue with regard to the supervisory function of the CB re: R. 29 as it pertains to DNFBPs is reconciling the exercise of powers and the concerns with the effectiveness of the RBA programme as discussed above at R. 5. As noted in that discussion above it was felt that the requirement had only been partially met.

Recommendation 25

33. The Examiners recommendations that reporting entities should receive more general and case-by-case feedback on reports that are submitted to the FIU and that the FIU (MOT's) annual report should include more information on ML and FT trends and typologies remain not met. With regard to the recommendation that a framework inclusive of a P&G should be implemented for factoring services, Curaçao has indicated that the Central Bank conducted risk assessment of the factoring service providers sector and the preliminary findings indicate that the service providers are exposed to very limited risk since the business is not cash based and payments to customers salaries and other expenses are done through transfers on their bank accounts or thorough the issuance of cheques. This means that Curaçao will not be providing a P&G for factoring services (included as part of the NOIS and NORUT) based on the risk assessment). The Examiners recommendation has not been met. The Authorities have not provided any update with regard to the provision of more ML/FT feedback by the FIU (MOT) for the DNFBPs that it supervises. The recommendation remains not met. None of the Examiners recommendations have been met for R. 25.

Recommendation 30

34. With regard to the recommendation that the human resources of the BFO should be significantly enhanced so that they can handle the increasingly complex cases of ML, the authorities have presented a concept of multi-functionality and flexibility as embodied in the approved Arrangement Plan of the KPC (police force) and the guiding principles of the Division of Organized Crime (DOC) respectively. It is unclear how these concepts relate to the level of human resources at the BFO. The examiners' recommendation has not been met. No information has been provided with regard to giving consideration to assigning more lawyers to deal with MLA requests. The recommendation has not been met. For the recommendation that the PPO continue to build up its specialist prosecutorial resources and continue their efforts to attract more local legal professionals into the prosecutorial and judicial services, the PPO noted that it is doing its utmost to upgrade the personnel. Information on structure of and assignment of work and the internal training programme for staff was also presented. The Examiners' recommendation has not been met. With regard to the issue of more staff for the FIU (MOT) to fulfill its supervisory role for DNFBPs the request is with the Ministry of Finance as indicated earlier in the report and accordingly the recommendation has not been met. On the issue of reviewing

and strengthening as necessary the resources available to supervise financial institutions, the Authorities have noted that the allocation of financial resources is one of the strategic goals of the Central Bank and as such resources are allocated annually to hire new staff. This is based on policy memorandum from the supervision departments within the Bank indicating their short, medium and long term goals and the activities for the coming year and the resources needed to carry out those activities. Accordingly, in the past year four (4) new staff were recruited for the supervision departments. The Examiners' recommendation has been met. The issue of resources is an ongoing matter and accordingly updates on staff levels with regard to this and the other recommendation made for R. 30 will have to be provided at each reporting period. There is overall limited compliance with R. 30.

Recommendation 31

35. The Examiners' recommendations that the CIWG should have a clear structure and that its composition should include more operational competent authorities has been addressed through draft legislation. According to the Authorities the draft revised legislation includes a clear structure and the possibility for the committee to draft its own terms of reference. Additionally, the draft legislation makes provision for the structure to include more operational competent authorities such as the FIU (MOT), the PPO and other law enforcement authorities. It also is expected to provide a forum where competent authorities can work together on policy and legislative changes that will improve the AML/CFT regime. At present, the draft revised legislation is in the administrative preparation stage in order to begin the official legislative process. As a result of the status of the legislation, the Examiners' recommendation with regard to the structure and inclusion of operational competent authorities have not been met. However, with regard to the consideration of having a forum of only competent authorities, this recommendation has been met by the inclusion of the measure in the draft since it shows the recommended consideration of the issue. With regard to the undertaking of an assessment of the adequacy of resources assigned to competent authorities, the Authorities have presented the policy for resource assignment for the Central Bank and the addition of resources, training and qualification requirements for Gaming Control Board. The reference to the request to the Minister of Finance by the FIU (MOT) was also noted. The recommendation is only very partially met, since it does not present a comprehensive evaluation or assessment of the resources assigned to competent authorities.

Recommendation 32

36. The Authorities have provided an update with regard to the recommendation of the segregation of the PPO's database to reflect its different activities. In that regard, they have noted that there is unrestricted information exchange between the Curaçao police and the police abroad and that the use of such information when being used in any proceeding must then be formally requested through mutual legal assistance. While this explains the process adopted with regard to police to police information, it does not address the issue of maintaining statistics on the exchanges of information other than for mutual legal assistance. (See. E.C. 32.2 of the third round Methodology). The recommendation has not been met. There has been no update given with regard to the two other outstanding recommendations regarding the keeping of statistics on the exchange of information between law enforcement authorities and the keeping of statistics with regard to the nature

of the request made and the time required to respond to MLA requests and accordingly they have not been met.

Recommendation 33

37. With regard to the Examiners' recommendation that law or regulation should establish a requirement for all legal persons to register the information on the ultimate beneficial owner (UBO) at the commercial register of the Chamber of Commerce, the Authorities pointed out on the previous matrix that while the registration of UBO information is a FATF requirement, the FATF leaves the country to decide the mechanism and that for security reasons Curaçao is contemplating other ways than recommended by the Examiners. While there was agreement with the position taken by the Authorities with regard to the freedom to address the issue, the Examiners' noted that their recommendation was based on the system of registration (i.e. at the Chamber of Commerce) that it met at the time of the Evaluation. Further, it was indicated in that report that whatever system was determined by the Curaçao, it must show that there is a proper process to register UBO information. In the current matrix, the Authorities have now stated that the UBO information is registered at the respective service providers and that the respective service providers should at all times adhere to the NOIS and the NORUT. Additionally, that the supervisors should ensure that all service providers have procedures in place to provide adequate, accurate and timely UBO information to competent authorities when requested and that these procedures should be reviewed and tested during onsite examinations. The Authorities have also noted that pursuant to Article 45 of the National Ordinance on the amendment of sales tax, formal tax law and related national ordinances on taxes (N.G. 2013, no. 50) all persons required to pay taxes should administer who the beneficial owners are of the assets. A review of the National Ordinance lists at Article 43 three categories of persons that are required to keep an administration. These are (a) individuals operating a business or practicing a profession; (b) individuals who are responsible for withholding of taxes and contributions at source and (c) legal entities. Article 43 also states that those required to keep an administration must provide documentation on their assets and liabilities. Further, it provides for the language in which the information should be kept and the length of time that it should be kept for amongst other things. Paragraph 6 of Article 45 provides that legal entities are required to record the ultimate beneficial owner (UBO) of its equity. However, paragraph 8 of Article 43 provides for a Ministerial Decree that can defer the obligations under paragraph 6 in specified circumstances⁶. Legal entities are also required to keep on record a copy of a valid passport, drivers licence or identity card of the UBO. The information provided makes the availability and provision of UBO information appear to be uncertain. The Examiners' recommendation remains not met.
38. With regard to the establishment of procedures to ensure that all information in the Registry is up to date and accurate, no additional information was provided and as was noted in the previous reports the Authorities provided a detailed narrative on the filing system at the Registry which was the same as described during the onsite, but as discussed

⁶ The Authorities have indicated that the exemption applies solely to legal persons that are affiliated to a stock exchange which is a member of the Fédération Internationale des Bourses de Valeurs and which are not established in a country that does not comply with at least 10 of the core recommendations proposed by the Financial Action Task Force (FATF). Further the Authorities have indicated that the decree will be amended due to the pending amendments of the NOIS.

in paragraphs 1179-1181 and 1183. The Examiners' recommendation remains not met. No additional information has been provided with regard to the issue of sanctioning powers for the Chamber of Commerce or with regard to the procedures for the exchange of information in the Commercial Register. The recommendations remain not met.

39. With regard to the issue of the immobilization of bearer shares, the Authorities have stated that a proposal to change/update the legislation to include the elimination of bearer shares is being drafted. The recommendation has not been met

Special Recommendations VI

40. With regard to the Examiners' recommendations that the P&G for MTCs should explicitly require a financial institution to consider making a UTR where the requirements of E.C. 5.3 to 5.6 are not met has been addressed in the relevant P&G. The recommendation has been met. On the issue that there should be an explicit requirement that MTCs maintain a current list of agents, the P&G for MTCs at section II.2.A explicitly provides that there must be current list of agents and all their branches and subsidiaries (locally and abroad). The list must also be made available to the Central Bank. Accordingly the recommendation has been met. The Authorities have not provided any information with regard to creation or indication of a subjective indicator for identification problems as it relates to MTCs under the NORUT. Consequently the recommendation has not been met.

Special Recommendation VIII

41. The Authorities have indicated that a working group on NPOs is studying different possibilities to execute the Examiners' recommended actions. Once the working group has concluded its recommendations, the Minister of Finance will be advised. Accordingly, none of the recommendations have been met.

Special Recommendation IX

42. With regard to compliance with the Examiners' recommendation that there should be an improvement in the way travelers are informed about their obligation in the arrival zone or revert to a declaration system, the Authorities noted in the previous report that the structure of the arrival area would have been modified to incorporate more signage⁷ and also to ensure the visibility of the signs in order to address the recommendation. The Authorities have now stated that in addition to the signs in the airport the public is now being informed through folders in four languages (Dutch, Papiamentu, English and Spanish) about their cross border declaration obligation on the transportation of currency. The folders are distributed to passengers before they land. The recommendation has been met. With regard to the recommendation that Customs be obligated to better monitor the source, destination or purpose of the movement of gold or precious metals and stones, Curaçao has indicated that the draft amended National Ordinance Obligations to Report Cross Border Money Transportation, there has been no update with regard to the legislative process to address this issue. On the issue of Customs' power to stop or restrain currency where there is a suspicion of ML/FT, a draft revision of the General Regulation is now in the legislative process. Accordingly, both these recommendations have not been met.

⁷ Curaçao has provided pictures of the signage at the airport.

III. Conclusion

43. Curaçao has continued the process of drafting legislation and reviewing measures that would allow compliance the Examiners' recommendations to be fully complied with. With regard to compliance with the Core and Key Recommendations, Curaçao has achieved full compliance with R. 3, 35, 36 and SR. II. For non-Core and Key, Curaçao has achieved full compliance with R. 11 and 21. The following Core and Key Recommendations rated 'LC' remain not met: R. 1, 10, 23, 40 and SR. V. The following non-Core or Key Recommendation remain not met: R. 4, 5, 12, 13, 14, 16, 17, 24, 25, 26, 30, 32, 33 and SR. I, III, IV, VI, VII and IX.
44. Based on the level of compliance with the outstanding Recommendations, it is recommended that Curaçao report back to the November 2014 Plenary, however if there fails to be substantial compliance with the outstanding recommendations at that time, then Plenary should give consideration to placing Curaçao in expedited follow-up.

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	Rating	Summary of Factors for Rating	Recommended Actions	Actions Undertaken by Curaçao
Legal systems				
1. ML offense	LC	<p>The possession of equipment or materials or substances listed in Table I and Table II of the Vienna Convention has not been criminalized.</p> <p>The Penal Code provides for a specific listing of offences occurring abroad which may be prosecuted in Curacao which may not cover all serious crimes.</p> <p>The ancillary offence of preparation would not apply to intentional or culpable money laundering offences</p>	<ul style="list-style-type: none"> • Curaçao should criminalize the possession of equipment or materials or substances listed in the Vienna Convention. • The Authorities should move amendments to extend the powers of prosecution to all crimes committed abroad which would constitute crimes in Curaçao. • The law should provide for the widest range of ancillary offences for all money laundering offences. Currently, the ancillary offence of preparation would not apply to some money laundering offences. 	<p>A revision of the Opium Ordinance 1960 has been presented to Parliament (Statennr. 2321) in connection with the ratification /implementation of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (the Vienna Convention) and the UN Convention against Trans-national Organized Crime (The Palermo Convention) i.e. the physical and material elements of the offence (see article 3 (1) (b) & (c) Vienna Convention and article 6 (1) Palermo Convention).</p> <p>There are however some adaptations to the revision which need to be submitted to the Advisory Council before finalizing the parliamentary procedure. These documents are in preparation at the law department.</p> <p>The new Penal Code (entered into force by November 15, 2011) also provides for a specific listing of offences occurring abroad, which may be prosecuted in Curacao but the listing doesn't cover all serious crimes. During the following 5 years we will be evaluating the new Penal Code and testing it to applicable Conventions.</p> <p>There are some ancillary offences for all money laundering offences for example:</p> <p>Article 1:119 WvSr makes the attempt of money laundering a criminal offence.</p> <p>Article 1:119 WvSr states:</p> <p>1. An attempt to commit a serious offence shall be punishable if the perpetrator's intent has manifested itself by his having begun to carry out the offence.</p>

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				<p>2. The maximum principal penalty for the serious offence itself shall be reduced by one third in the case of an attempt to commit that offence.</p> <p>3. Where the serious offence itself is punishable by life imprisonment, a term of imprisonment not exceeding twenty years shall be imposed.</p> <p>4. The additional penalties for an attempted serious offence shall be the same as those for the completed offence.</p> <p>Articles 1:123 and 1:124 WvSr criminalizes the aiding and abetting of money laundering.</p> <p>Article 1:123 WvSr states:</p> <p>1. The following persons shall be punished as perpetrators of a criminal offence:</p> <p>1°. those who commit the offence or procure or assist in its commission,</p> <p>2°. those who by means of gifts, promises, misuse of authority, violence, threats or deception, or by affording opportunity, means or information, intentionally solicit the commission of an offence.</p> <p>2. With respect to the latter, only those acts the commission of which they have intentionally solicited and the consequences of such acts shall be taken into account.</p> <p>Article 1:124 WvSr states:</p> <p>The following persons shall be punished as accessories to a serious offence:</p> <p>1. those who intentionally aid and abet the commission of the offence;</p> <p>2. those who intentionally provide opportunity, means or information for the commission of the serious offence.</p> <p>See for example the decision of the Supreme Court</p>

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				<p>for the Kingdom (Hoge Raad) of the 7th of July 2009 (LJN: BI4747).</p> <p>It should be added that the broad definition of money laundering (see article 2:404 (1)(a) and (b) of the Penal Code) covers all kind of facilitating and counselling behaviour. Finally, article 2:79 of the Penal Code criminalizes the participation in a criminal organization, providing money laundering facilities can deliver the element of participation. See the decision of the Supreme Court for the Kingdom (Hoge Raad) of the 19th of February 2008 (LJN: BB7115).</p>

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	Rating	Summary of Factors for Rating	Recommended Actions	Actions Undertaken by Curaçao
2. ML offense— mental element and corporate liability	LC	The effectiveness of the ML prosecution regime could not be properly assessed based on the statistical information provided.	<ul style="list-style-type: none"> The Authorities should reconsider a reduction in the penalties for money laundering. 	<p>The information in the columns 'FATF 40+9', 'Summary of Factors for Rating' and 'Recommended Actions' do not correlate.</p> <p>1. Regarding the distinctness of statistical material it is proposed that this topic be handled at the institutional consultation between Prosecuting Attorney and the Police.</p> <p>2. Regarding the reconsideration of penalties for money laundering (as enacted in the new Penal Code): this is also to be part of the evaluation as aforementioned.</p> <p>With the introduction of the new Penal Code, Articles regarding money laundering remained unchanged except for the changes arising from the introduction of the fine categories. The sentences actually were reconsidered. For intentional money laundering, the penalty of 12 years imprisonment was reduced to 6 years imprisonment and a fine of 1 million guilders has become 100,000 guilders. For custom money laundering the penalty was reduced from 16 years to 9 years imprisonment and a fine of 1.2 million guilders has become 100,000 guilders. For culpable money laundering, the penalty remained the same which is 4 years imprisonment or a fine of 25,000 guilders. At this point in time there are some members of parliament who want to amend the Penal Code in order to get the penalties for ML increased to the level they were before the last revision of the Penal Code in November 2011.</p>
3. Confiscation and provisional measures	LC	Examiners had difficulty in assessing the true effectiveness of Curacao's confiscation regime.	<ul style="list-style-type: none"> Whilst the prosecutor always retains the ultimate discretion as to whether cases should be proceeded with, the Examiners consider that it would be more transparent for the PPO to establish appropriate Guidelines to govern such cases to avoid the possibility or appearance of impropriety. 	<p>The PPO has guidelines governing the seizure and confiscation regime. Besides the provisions in the Penal Procedures' Code, there are special instructions by the Attorney General as to various (sub) categories of objects when it comes to seizure and confiscation. These guidelines are known to the investigating authorities.</p> <p>Vehicles</p> <p>Before a seized vehicle is transferred to the custodian, all objects that do not belong to the car</p>

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				<p>must be removed there from. Only things like registration, the radio, etc. must remain in the vehicle. The non-vehicle objects (often personal items) must be returned or separately be recorded. The seized vehicles are kept at the police repository. They remain there till a decision is taken by the court whether or not the vehicle will be confiscated.</p> <p>Weapons Weapons seized are first sent to be investigated by the Crime Scene Investigators Unit and then deposited with the depositary and remains there until the case goes to court. Afterwards the weapons are destroyed.</p> <p>Jewelry When jewelry is impounded, valuation will take place and the jewelry is carefully described and photographed in color. The jewelry will remain at the custodian, and only be returned if the court orders so. If confiscated, the jewelry is transferred to the Ministry of Finance.</p> <p>Drugs Seized drugs are kept in a secure storage at the Police department investigating drug related crimes (Bureau Narcotica Onderzoeken). Three to 4 times a year all drugs seized get destroyed, whether or not there is a conviction of the suspects.</p> <p>Money All seized money must be reported to the Bureau of Financial Investigations of the police (Bureau Financiele Onderzoeken, BFO). All money is recounted in the presence of two officials of BFO, put in bags provided by the local bank (Banco di Caribe). And deposited right away on the bank account of the Registrar of the court of Appeals of Curaçao at the aforementioned bank. BFO can deposit money at the bank 7 days a week 24 hours a day. After confiscation the money will be transferred to a special Fund (criminaliteitsbestrijdingsfonds) which is used to finance projects in the fight against crime.</p>

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Preventive measures				
4. Secrecy laws consistent with the Recommendations	PC	<p>The Central Bank cannot exchange information with the supervisory arm of the MOT; or GCB.</p> <p>The FIU (MOT), in the conduct of its supervisory function, is not allowed to disclose information with domestic supervisory counterparts.</p> <p>The GCB cannot disclose information to national and international supervisors.</p> <p>There are differences in views between the Police and Central Bank regarding the ready availability of information requests.</p>	<ul style="list-style-type: none"> It should be made clear whether the MOT, in its functions as a supervisory authority, is allowed to disclose information with domestic or international supervisory counterparts. The IOCCS should make provision for sharing of information with national and international supervisors Clear information gateways should be made in the Ordinance for supervisor-to-supervisor exchange by the Central Bank to the supervisory arm of the FIU (MOT). The Police and Central Bank should resolve any differences in expectations as it relates to how readily information is forthcoming. 	<p>This recommendation has been addressed in the revision of the NORUT. The draft revision of the NORUT is in administrative preparation in order to start with the official legislative process.</p> <p>This recommendation has been addressed in the revision of the NORUT. The draft revision of the NORUT is in administrative preparation in order to start with the official legislative process.</p> <p>This recommendation has been addressed in the revision of the NORUT. The draft revision of the NORUT is in administrative preparation in order to start with the official legislative process. Moreover, this has already been addressed in the draft Harmonization supervision ordinances which is in the legislative process.</p> <p>The Central Bank has presented a draft of the revised MOU with the PPO' Exchange of information Public Prosecutor –Bank' to the PPO for feedback.</p>
5. Customer due diligence	PC	<p>No legislative requirements for CDD when carrying out occasional wire transfers in the circumstances covered by the Interpretative Note to SR VII</p> <p>No legislative requirement for service providers to conduct on-going due diligence on the business relationship.</p> <p>Clarity is needed on whether non-life activities that are reportable under the NORUT are to be subject to CDD under the NOIS.</p>	<ul style="list-style-type: none"> Insurance agents should be captured in the AML/CFT framework. 	<p>Activities of both brokers and insurance agents fall under the NOIS and the NORUT. They both mediate at concluding a life insurance contract as defined in article 1 paragraph 1 sub b under 5 of the NOIS and article 1 paragraph 1 sub a under 5 of the NORUT.</p> <p>In the P&G for IC & IB, we have added the word insurance brokers in brackets on the front page, since this word is most commonly used in our jurisdiction. For the sake of completeness "Insurance agents" fall under the definition of Insurance intermediaries. Furthermore, on page 15 of the P&G, in foot nr 16, we</p>

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		<p>The NOIS allows for full exemption from CDD rather than reduced or simplified as provided for under the FATF Recommendations.</p> <p>The P&G for CI does not limit simplified and reduced CDD to customers of countries that Curacao is satisfied are in compliance with and effectively implementing the FATF Recommendations.</p> <p>The risk exercise undertaken to exempt certain financial institutions from CDD based on their designation as low risk, is unclear</p> <p>No explicit requirement in the P&Gs requiring financial institutions to consider making a UTR, where the requirements of E.C. 5.3 to E.C. 5.6 are not met. In addition, no requirement in the P&G for CI to conduct CDD on existing customers on the basis of materiality and risk, and to conduct due diligence on such existing relationships at appropriate times. The sector P&Gs do not conform to the NOIS as it relates to the timing of verification of non-resident clients.</p> <p>No requirement in the P&G for IC & IB requiring financial institutions to undertake CDD when doubts arise about the veracity or adequacy of previously obtained customer identification data.</p>	<ul style="list-style-type: none"> Clarity is needed on whether all persons conducting reportable activities under the NORUT are subject to CDD under the NOIS. Specifically, the NORUT establishes an objective indicator for non-life insurance policies; however, the NOIS only applies to Article 1a of the National Ordinance on the Supervision of the Insurance Industry, i.e. life insurance contracts. The P&G for IC & IB should require financial institutions to undertake CDD when doubts arise about the veracity or adequacy of previously obtained customer identification data. There should be a specific requirement in law or regulation for CDD to be undertaken when carrying out occasional transactions that are wire transfers in the circumstances covered by the Interpretative Note to SR VII. 	<p>also refer to insurance broker/agents.</p> <p>The explanatory notes of the National Ordinance on the Insurance Brokerage Business (N.G. 2003, no 113) state explicitly: “that it is desirable in terms of promoting orderly commerce and protecting the interests of potential insurance policyholders to establish rules for insurance brokers and their agents with regard to the exercise of the insurance brokerage trade. Please refer to the attached copy of the NOIB.</p> <p>At present, there is indeed a discrepancy between the NORUT and the NOIS in this respect. However, since the FATF recommendations do not cover non-life insurance, our approach will be to adapt the indicators which are based on the NORUT.</p> <p>The recommended action has been incorporated in the P&G for IC & IB. For your convenience the amended section is highlighted in yellow.</p> <p>The NOIS has been revised to address this recommendation. The draft revision of the NOIS is in administrative preparation in order to start with the official legislative process.</p> <p>The recommended action has been incorporated in the P&G for MTC. For your convenience the amended section is highlighted in yellow.</p>

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			<ul style="list-style-type: none"> The NOIS should clearly establish an obligation on the service provider to conduct on-going due diligence on the business relationship. <p><u>RISK</u></p> <ul style="list-style-type: none"> In keeping with the FATF rules of not applying or exempting some or all of the Forty Recommendations to some financial activities in strictly limited and justified circumstances, and based on a proven low risk of money laundering or terrorist financing, clarity is needed on the risk exercise undertaken that resulted in the designation and exemption of low risk financial institutions. 	<p>This recommendation has been addressed in the revision of the NOIS. The draft revision of the NOIS is in administrative preparation in order to start with the official legislative process.</p> <p>The risk based approach of the Central Bank for credit institutions is primarily based on the nature of the institutions' business. A significant number of the credit institutions (in 2010: credit unions (15), specialized credit institutions (6), savings and credit funds (7)) are regarded as low risk due to the nature of their business. Subsequent to eliminating these low risk institutions from the total licensed institutions, all high and medium risk credit institutions have been subjected to onsite reviews for verification of compliance with AML/CFT.'</p> <p>The risk based approach of the Central Bank for insurance sector is as follows:</p> <p>The types of life insurance contracts that are considered vulnerable as a vehicle for laundering money are investment related insurance. Examples of this type of insurance contract are;</p> <ul style="list-style-type: none"> - unit linked or with profit single premium contracts; - purchase of annuities; - lump sum top-ups to an existing life insurance contract, and - lump sum contributions to personal pension contracts. <p>The vulnerability depends on factors such as the complexity and terms of the contract, distribution, payment system and contract law.</p>

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			<ul style="list-style-type: none"> Exemptions in the NOIS should allow for reduced or simplified CDD for low risk scenarios, rather than no CDD. The P&G for CI should limit simplified and reduced CDD to customers of countries that Curacao is satisfied are in compliance with and effectively implementing the FATF Recommendations. <p><u>TIMING OF VERIFICATION</u></p> <ul style="list-style-type: none"> The P&G and the NOIS should be consistent in terms of timing of verification of the identity of non-resident clients. 	<p>The life insurance industry in Curaçao characterizes itself amongst other as 1) selling of credit life insurance (risk insurance in relation to mortgage loans). These products do not have a cash value or investment features and as such do not lend themselves to money laundering activities.</p> <p>2) Selling of life insurances of which premiums are being paid in monthly installments.</p> <p>3) Purchase of annuity which are the result of life insurance which have matured.</p> <p>Of the 10 life insurance companies that the Central Bank had under its supervision as of December 31, 2010, the activities of 2 focused mainly on credit insurance.</p> <p>This recommendation has been addressed in the revision of the NOIS. The draft revision of the NOIS is in administrative preparation in order to start with the official legislative process.</p> <p>The recommended action has been incorporated in the P&G for CI.</p> <p>Both the NOIS and the P&G have been revised to address this recommendation.</p> <p>The recommended action has been incorporated in the P&G s.</p> <p>The draft revision of the NOIS is in administrative preparation in order to start with the official legislative process.</p>

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			<p><u>FAILURE TO SATISFACTORITY COMPLETE CDD</u></p> <ul style="list-style-type: none"> The P&Gs should explicitly require that a financial institution considers submitting a UTR where the requirements at E.C 5.3 to 5.6 are not met. Further, the P&G for CI should require the conduct of CDD on existing customers/retrospective CDD, on the basis of materiality and risk, and due diligence on such existing relationships at appropriate times. 	<p>The recommended action has been incorporated in the P&Gs. For your convenience the amended section is highlighted in yellow.</p>

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6. Politically exposed persons	LC	Effective supervision on factoring service providers cannot be determined in light of recent inclusion under the AML/CFT framework.	<ul style="list-style-type: none"> There should be effective coverage of factoring which was recently included in the NOIS and the NORUT. 	<p>The implementation of AML/CFT supervision on factoring service providers is being prepared by the Central Bank.</p> <p>The Central Bank conducted a risk assessment of the factoring service providers sector. The preliminary findings indicate that the factoring service providers are exposed to very limited risk. The business is not cash based. Payments to customers, salaries and other expenses are done through transfer on their bank accounts or through issuance of cheques.</p>
7. Correspondent banking	LC	Credit institutions are not required to assess the respondent's AML/CFT controls and ascertain that they are adequate and effective.	<ul style="list-style-type: none"> The Guidelines for CI should explicitly require that credit institutions assess the respondent's AML/CFT controls and ascertain that they are adequate and effective as required under Recommendation 7. 	<p>The recommended action has been incorporated in the P&G for CI. For your convenience the amended section is highlighted in yellow.</p>
8. New technologies & non face-to-face business	C	This Recommendation has been fully observed.		
9. Third parties and introducers	C	This Recommendation has been fully observed.		
10. Record keeping	LC	<p>No explicit requirement in law or regulation for IC & IB and MTCs to maintain business correspondence for at least five (5) years following termination of an account or business relationship (or longer if requested by a competent authority in specific cases upon proper authority. No mandatory provisions in the P&G regarding the above.</p> <p>No explicit requirement in law or regulation requiring financial institutions to ensure that information (business correspondence) is available on a timely basis to the domestic competent authorities.</p>	<ul style="list-style-type: none"> It should be explicitly stated in law or regulation that IC & IB and MTC maintain business correspondence for third parties for at least five (5) years following termination of an account or business relationship (or longer if requested by a competent authority in specific cases upon proper authority. The language in the P&Gs should also reflect a mandatory requirement as it relates to this matter. Provision should be made in law or regulation requiring financial institutions to 	<p>The recommended action has been incorporated in the P&G for IC & IB and MTC. For your convenience the amended section is highlighted in yellow.</p> <p>Moreover, the NOIS has been revised to address this recommendation. The draft revision of the NOIS is in administrative preparation in order to start with the official legislative process.</p> <p>The recommended action has been incorporated in the P&Gs. For your convenience the amended</p>

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			ensure that all information (business correspondence) is available on a timely basis to the domestic competent authorities.	<p>section is highlighted in yellow.</p> <p>Moreover, the NOIS has been revised to address this recommendation. The draft revision of the NOIS is in administrative preparation in order to start with the official legislative process.</p>

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11. Unusual transactions	PC	<p>No requirement in the P&Gs for financial institutions to keep their findings of examinations on the background and purpose of complex, unusual large transactions for at least five (5) years.</p> <p>No requirement in the P&Gs for findings of examinations on the background and purpose of complex, unusually large or unusual patterns of transactions to be made available to the auditors and competent authorities.</p>	<ul style="list-style-type: none"> Financial institutions should be required to (1) keep the findings of examinations on the background and purpose of complex, unusual large and unusual patterns of transactions for at least five (5) years and (2) make such findings available to the auditors and competent authorities. 	<p>Both the P&G and the NOIS have been revised to address this recommendation.</p> <p>The recommended action has been incorporated in the P&Gs.</p> <p>The draft revision of the NOIS is in administrative preparation in order to start with the official legislative process.</p>
12. DNFBP-R.5, 6, 8-11	NC	<p>The provision of services dealing with the organisation of contributions for the creation, operation or management of companies and the provision of nominee services are not subject to the AML/CFT obligations of the NOIS and the NORUT.</p> <p>Internet casinos are not subject to the AML/CFT obligations of NOIS and NORUT.</p> <p>The threshold for identification requirements for casinos is too high.</p> <p>Deficiencies with regard to Rec. 5 applicable to all DNFBPs include:</p> <p style="padding-left: 40px;">No legislative requirements for CDD when carrying out occasional wire transfers in the circumstances covered by the Interpretative Note for SR. VII.</p> <p style="padding-left: 40px;">No legislative requirement for service providers to conduct on-going due diligence on the business relationship.</p> <p style="padding-left: 40px;">The NOIS allows for full exemption from CDD rather than reduced or simplified CDD as required under the FATF Recommendations.</p>	<ul style="list-style-type: none"> Lawyers, notaries, accountants or similar legal professions preparing for or carrying out transactions for clients dealing with the organisation of contributions for the creation, operation or management of companies and trust and company service providers carrying out transactions for clients dealing with acting as (or arranging for another person to act as) a nominee shareholder for another person should be subject to the AML/CFT obligations of the NOIS and NORUT. Internet casinos should be subject to the AML/CFT obligation in the NOIS and NORUT. 	<p>Trust and company service providers carrying out transactions for clients dealing with acting as (or arranging for another person to act as) a nominee shareholder for another person are subject to the AML/CFT obligations of the NOIS and of the NORUT. Aforementioned services are fiduciary services as referred to in Article 1, paragraph 1, under b, at 14° of the NOIS and in Article 1, paragraph 1, under a, at 14° of the NORUT. Furthermore, nominee shareholder service is explicitly addressed in the P&G for company (trust) service providers on page 14: "All company (trust) service providers that provide nominee shareholder services and/or provide custody of bearer shares must know the true identity of the person/persons (resident or non-resident) for whom assets are held or are to be held, including the (ultimate) beneficial owner(s). The identity of these clients must be established in accordance with the identification procedures previously mentioned."</p> <p>This recommendation will be addressed in the revision of the NOIS and the NORUT. The draft revision of the NOIS and the NORUT are in administrative preparation in order to start the official legislative process.</p> <p>Internet casinos are at the moment subject to the AML/CFT obligations in the NOIS and NORUT. The legislation which institutes a supervisory authority for this sector is in the legislative process.</p>

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		<p>No requirement in the P&Gs for administrators and company (trust) service providers obligating financial institutions to consider making a UTR when the requirements of E.C. 5.3 to E.C. 5.6 are not met.</p> <p>Criteria 5.5.2, 5.6 to 5.11, 5.16 and 5.17 of Rec. 5 are not enforceable on DNFBPs under the FIU (MOT) and the GCB.</p> <p>Deficiencies identified in section 3 for Recs. 10 and 11 are also applicable to DNFBPs under the Central Bank</p> <p>Requirements of Recs. 6, and 11 are not enforceable on DNFBPs under the supervision of MOT and the GCB.</p> <p>Requirements of Rec. 9 are not enforceable on DNFBPs under the supervision of the FIU (MOT).</p> <p>Deficiencies identified in section 3.5 for Rec.10 are also applicable to all DNFBPs. Additionally, the requirement to ensure that transaction records are sufficient to permit the reconstruction of individual transactions is not enforceable on DNFBPs under FIU/MOT and GCB.</p>	<ul style="list-style-type: none"> The threshold for identification requirements for casinos in legislation should be revised in accordance with the FATF standard. Financial institutions should be legislative required to perform CDD when carrying out occasional wire transfers in circumstances covered by SR. VII. Service providers should be legislatively required to conduct on-going due diligence on business relationships. The NOIS should be amended to allow for reduced or simplified CDD measures for exempted institutions or enterprises under Article 2, paragraph 4. The P&Gs for administrators and company (trust) service providers should be amended to require financial institutions to consider making a UTR when the requirements of E.C. 5.3 to E.C. 5.6 are not met. 	<p>A new supervisory law for internet gambling has been submitted to the Advisory Council, but will be resubmitted because of the constitutional reform after October 10, 2010.</p> <p>This has been addressed in the draft revision of the Ministerial Decree of the NOIS.</p> <p><u>DNFBP do not qualify as financial institutions and therefore are not allowed to carry out wire transfers as a service provider. They can only act as an originator.</u></p> <p>This recommended action has been addressed in the revision of the NOIS. The draft revision of the NOIS is in administrative preparation in order to start with the official legislative process.</p> <p>This recommended action has been addressed in the revision of the NOIS. The draft revision of the NOIS is in administrative preparation in order to start with the official legislative process.</p> <p>The recommended action has been incorporated in the P&G for administrators and company (trust) service providers. For your convenience the amended section is highlighted in yellow. Moreover, this recommendation will be addressed in the revision of the NOIS. The draft revision of the NOIS is in administrative preparation in order to start the official legislative process.</p> <p>These deficiencies have been addressed in the revision of the NOIS. The draft revision of the NOIS is in administrative preparation in order to start with the official legislative process.</p>

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			<ul style="list-style-type: none"> Criteria 5.5.2, 5.6 to 5.11, 5.16 and 5.17 of Rec. 5 should be enforceable on DNFBPs under FIU/MOT and the GCB. Deficiencies identified in section 3 for Recs 10 and 11 which are applicable to DNFBPs under the Central Bank should be remedied. Obligations in Recs. 6, 8 and 11 should be enforceable on DNFBPs under the supervision of FIU/MOT and the GCB and company (trust) service providers. Obligations in Recs. 9 should be enforceable on company (trust) service providers and DNFBPs under the supervision of the FIU (MOT). The deficiencies in section 3.5 for Rec. 10 which are applicable to all DNFBPs should be remedied. Additionally, the requirement to ensure that transaction records are sufficient to permit the reconstruction of individual transactions should be enforceable on DNFBPs under the FIU (MOT) and the GCB. 	<p>Both the P & G for Administrators and Trust Company Providers and the NOIS have been revised to address deficiencies identified in section 3.</p> <p>The recommended action has been incorporated in the P&Gs</p> <p>The draft revision of the NOIS is in administrative preparation in order to start with the official legislative process.</p> <p>This recommendation has been addressed in the revision of the NOIS. The draft revision of the NOIS is in administrative preparation in order to start with the official legislative process.</p> <p>This recommendation has been addressed in the revision of the NOIS. The draft revision of the NOIS is in administrative preparation in order to start with the official legislative process.</p> <p>The deficiencies in section 3.5 for Rec 10 have been updated and included in the P&Gs.</p> <p>In order to implement the CFATF Recommendations the GCB will effect the following:</p> <p>1. Planning to ensure that the casino sector will be audited regularly and consistently on their compliance with the AML/CFT regulations.</p> <p>Audits on AML/CFT-compliance.</p> <p>Until the financial year 2012, the GCB</p>

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				<p>conducted ‘stand-alone’ Anti-Money laundering audits at selected casinos.</p> <p>As of 2013, these audits have been incorporated in full scope audits of all casinos starting with the financial year 2012. These full scope audits consist of operational audits (testing of the Internal Control System, which includes AML) and financial audits (auditing the financial statements).</p> <p>Of the operational audits of 2012 all fieldwork is completed. The audit files have been reviewed or are up for review and several management letters have been drafted: the 2012 operational audits are in the stage of finalizing.</p> <p>The management letters will outline the findings of the audit and recommendations for correction, which the casinos are to implement within 3 to 6 months. The GCB will audit again to assess if the recommendations have been followed. Depending on the findings, the GCB will then decide if sanctions are called for and if so, to what extent.</p> <p>The GCB is currently in the process of performing the financial audits of the casinos’ 2012 financial statements.</p> <p>Capacity and capability of the Gaming Control Board</p> <p>To ensure effective supervision of the casinos, the capacity of the audit division is being increased. In addition to the Supervisor and the Audit Senior, who were hired in the first half of 2012; three additional auditors have been added to the GCB workforce in the second half of 2012. The audit division now consists of a Division Head, a Supervisor, an Audit Senior and two Auditors.</p> <p>Before the end of 2013 another Auditor will be</p>

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				<p>added.</p> <p>In accordance with the new policy that as of June 2012 CAMS-certification is mandatory for all GCB auditors, the Division Head, the Supervisor and the Audit Senior are now CAMS-certified after passing the CAMS-exams with very good results. The other auditors are scheduled to take the CAMS-exam this year.</p> <p>In 2013, four auditors have attended training at the GLI University to update their knowledge of technical aspects of the casino industry. They have also attended the courses on Casino Auditing I and II at the International Gaming Institute of the University of Las Vegas, to ensure that the audits of the financial statements meet the current standards and criteria.</p> <p>To further improve the Audit Division's operations, the newly developed Audit Methodology and Approach now includes AML work programs, and the Case ware Working Paper for Auditors will be acquired to automate audit methodology and work programs and to digitalize audit working papers.</p> <p>In order to improve supervision on money flow, the GCB plans to introduce an Online Monitoring & Control System. Casinos have already committed themselves through a Memorandum of Understanding signed with the Government to connect to this system that will supply the GCB with timely data from all slot machines and automated table games.</p> <p>Of the Technical & Operational Control Division, two inspectors have attended the training at the GLI University.</p>

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				<p>As per August 2013, two new inspectors will be joining this division. Before the end of 2013 two more inspectors will be added. A training program for existing and new inspectors is being devised to ensure that they are up to date with developments in the sector. The GCB is in the process of automating the work programs of the GCB Inspectors.</p> <p>Per September 2012 the Gaming Control Board has been reorganised, creating room for a new Enforcement Division, in an attempt to address the issue of sanctions in a more definitive way.</p> <p>Planning to ensure that non-compliance will be sanctioned in an effective, proportional and dissuasive manner.</p> <p>Procedure. In the first follow up report, the procedure was described that should ensure that non-compliance would be sanctioned in an effective, proportional and dissuasive manner. As described under “Audits on AML/CFT compliance”, this procedure is in effect.</p>

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13. Suspicious transaction reporting	PC	<p>Effective implementation of reporting of suspicious reports is not demonstrated.</p> <p>Subjective indicators for the filing of UTRs are rules based, which hinders the reporting entity's autonomy to decide whether to file a UTR</p> <p>Heavy reliance by the reporting entities on the prescriptive list of indicators provided by the Ministerial Decree.</p> <p>Insufficient flexibility for reporting entities to identify suspicion of ML or FT.</p>	<ul style="list-style-type: none"> The Authorities should ensure that entities from all sectors report UTRs. Mechanisms should be put in place that would require all reporting entities to focus on identifying and reporting on transactions for which they can identify a suspicion. Reporting entities should not rely only on the prescriptive list of indicators provided by the Ministerial Decree. The relevant procedures should be revised to allow developing more flexibility for reporting entities to identify suspicion of ML or FT. 	<p>Since the establishment of the FIU in 1997, all reporting entities are aware of their reporting obligations and report transactions to the FIU in cases where there are unusual or suspicious transactions. As such the FIU and other authorities have ensured, via trainings, presentations, interviews, etc. that reporting entities comply with the respective AML/CFT laws and report when the law prescribes this.</p> <p>The FIU together with the supervisory authorities during the years has made all reporting entities aware of their reporting obligations by organizing trainings, presentations, by supplying them with the relevant laws and provisions and guidelines, work documents. All reporting entities regularly receive letters and emails regarding their reporting obligation and their reporting behaviour. During their supervisory work, the respective supervisory authorities also stress the reporting obligation and the reporting behaviour to the reporting entities. In the above-mentioned trainings, presentations and audits, all reporting entities are made aware of the importance of risk based reporting and thus identifying suspicious transactions.</p> <p>The FIU of Curacao has drafted a new system of indicators, whereby the accent is more on reporting suspicious transactions. The prescriptive list of indicators has been removed and replaced by lists of pure suspicious indicators. In this draft we have now included besides the suspicious indicators, also indicators with regard to large cash transactions, Customs cross border value reporting, electronic wire transfers, casino reporting, money remitting and credit card reports and reports regarding the stock exchange.</p> <p>This new system of indicators allows more flexibility for the reporting entities to identify</p>

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				transactions with suspicion of ML/TF. This draft has been sent to the other FIUs in the Kingdom of the Netherlands. Thereafter the draft will be discussed in the CIWG.
14. Protection & no tipping-off	PC	<p>Directors of legal persons are not protected by law from civil and criminal liability for breach of confidentiality for reporting to the FIU (MOT) in good faith.</p> <p>Tipping-off offence only applicable to employees directly involved in the reporting of any unusual or suspicious transaction to the FIU (MOT).</p>	<ul style="list-style-type: none"> Relevant amendments should be made to ensure that directors of legal persons are protected by law from both civil and criminal liability for breach of confidentiality when reporting to the FIU (MOT) in good faith. The tipping-off offence should cover all the directors, officers and employees of a financial institutions. 	<p>This recommendation has been addressed in the revision of the NORUT. The language of the relevant article(s) has been adapted. The draft revision of the NORUT is in administrative preparation in order to start with the official legislative process.</p> <p>This recommendation has been addressed in the revision of the NORUT. The language of the relevant article(s) has been adapted. The draft revision of the NORUT is in administrative preparation in order to start with the official legislative process.</p>
15. Internal controls, compliance & audit	C	This Recommendation has been fully observed.		
16. DNFBP– R.13-15 & 21	NC	<p>Deficiencies identified for Rec. 13 and 14 in Section 3.7 are applicable to all DNFBPs.</p> <p>Ineffective reporting of unusual transactions by DNFBPs.</p> <p>Deficiencies identified for Rec. 21 in Section 3.6 of this report also applies to all DNFBPs under the Central Bank.</p> <p>Obligations in Rec. 15 and 21 are not enforceable on the DNFBPs under the FIU (MOT) and the GCB.</p>	<ul style="list-style-type: none"> The deficiencies identified for Recs. 13 and 14 in section 3.7 for all DNFBPs should be remedied. The deficiencies identified for Rec. 21 in sections 3.6 for DNFBPs under the Central Bank should be remedied. Obligations in Rec. 15 and 21 should be 	<p>The FIU is contacting all reporting entities, including the DNFBPs, with regard to their reporting obligations under the NORUT. Please be referred to actions undertaken under R. 13 and R. 14.</p> <p>The P & G for TCSP has been updated to include the deficiencies identified.</p> <p>Revised MICS.</p>

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			made enforceable on the DNFBPs under MOT and GCB.	<p>The revision of the Minimum Internal Control Standards is in an advanced stage and is expected to be finished in September 2013.</p> <p>The updated MICS implement the current FATF Recommendations in Chapter 8 (“Deterrence and detection of money laundering and terrorist financing”), addressing amongst others identification of customers and customer due diligence, recognition and reporting of unusual transactions and the various requirements for the casino organization and its employees.</p> <p>The supervisory divisions (Audit and Technical & Operational Control) will receive in house training on supervising compliance with the new MICS. The MICS will be introduced to the casinos via a presentation, and the casinos will have access to a help desk, manned by GCB auditors, should questions arise.</p>

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17. Sanctions	PC	<p>The range of administrative sanctions available to the Central Bank under the various Ordinances is uneven.</p> <p>The procedures under the RFETCSM to impose sanctions on non-bank MTCs are unclear and may prove ineffective.</p> <p>Effectiveness of the range of sanctions available for non-compliance with requirements cannot be determined given the limited employ of such.</p>	<ul style="list-style-type: none"> With respect to EC 17.1, the range of sanctions under the various Ordinances should be reviewed with a view to harmonising and ensuring effectiveness, dissuasiveness and proportionality as follows: <ul style="list-style-type: none"> The power to appoint a trustee/administrator should apply under the RFETCSM, NOSTSP, NOSII and NOIB Revocation of the license or dispensation should be available under the NOSSE, NOSII and NOIB. The power to impose administrative fines for AML/CFT violations should be available under the NOIB. Referral for criminal investigation or prosecution by the Central Bank should be available under the NOIB, NOSII The application of conditions and application of sanctions under the 	<p>The power to appoint a trustee/administrator has already been addressed in the Harmonization Law for the NOSTSP, NOSII and NOIB. The appointment of a trustee/administrator is not necessary under the RFETCSM as the aforementioned power will be possible under the abovementioned supervision laws for all institutions supervised by the Central Bank.</p> <p>The revocation of license has already been addressed in the Harmonization Law. Julie</p> <p>The power to impose administrative fines has already been addressed in the Harmonization Law.</p> <p>For insurance companies and insurance brokers referral for criminal investigations or prosecutions is already possible based on article 10 of the NOIS and article 23 of the NORUT. Nevertheless, the referral for criminal prosecution is also being addressed in the Harmonization Law.</p> <p>The abovementioned Harmonization Law is in the legislative process.</p>

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			RFETCSM to non-bank MTCs should be clarified.	<p>The application of conditions is based on article 17 paragraph 3 juncto article 21 paragraph 1 of the RFETCSM. Therefore, violations of these conditions will result in the application of the sanctions under the RFETCSM (such as an instruction (article 33 paragraph 1) or revocation of license/dispensation (article 22) or a referral for criminal investigation or prosecution (article 81)) and the sanctions under the NOIS and the NORUT.</p> <p>The abovementioned sanctions referred to in the RFETCSM already cover the non-bank MTCs. In addition, these sanctions are also included in the draft National Ordinance on the Supervision of Money Transfer Companies that is in the legislative process.</p> <p>The non-bank have been authorized by the Central Bank subject to conditions. These conditions include the following:</p> <ul style="list-style-type: none"> - Before executing a transaction the identity of the client must be established and registered. Without a careful identification no transaction should be executed. - The maximum amount per individual transaction is determined at US\$ 5,000 daily. - A complete record must be maintained of the name and nationality of the clients (including a copy of the identification document), the amount and purpose of the transaction, the currency, and origin and destination of the funds. This information must be kept for a period of at least five years. <p>The P&Gs for MTCs have been issued pursuant to:</p> <ul style="list-style-type: none"> • The NORUT, article 22h, paragraph 3;

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				<ul style="list-style-type: none"> • The NOIS, article 2, paragraph 5, and article 11, paragraph 3; and • Regulations for Foreign Exchange Transactions Curaçao and Sint Maarten (N.G. 2010, no. 112), article 21, paragraph 1. <p>Consequently, in the event of non-compliance with the P&Gs also sanctions cited in the RFETCSM are applicable to a non-complying MTC.</p>

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18. Shell banks	C	This Recommendation has been fully observed.		
19. Other forms of reporting	C	This Recommendation has been fully observed.		
20. Other NFBP & secure transaction techniques	C	This Recommendation has been fully observed.		
21. Special attention for higher risk countries	PC	<p>No requirement in the P&Gs for IC & IB and MTCs that for transactions that have no apparent economic or visible lawful purpose that their background and purpose should as far as possible, be examined, and written findings should be available to assist competent authorities and auditors.</p> <p>Insufficient instructions issued regarding countermeasures where countries continue not to or insufficiently apply the FATF Recommendations</p>	<ul style="list-style-type: none"> The P&Gs for IC & IB and the MTCs should require that for transactions that have no apparent economic or visible lawful purpose, the background and purpose of such transactions should, as far as possible, be examined, and written findings should be available to assist competent authorities (e.g. supervisors, law enforcement agencies and the FIU (MOT)) and auditors. Authorities should effectively demonstrate employ of instructions regarding countermeasures for transactions and business relationships with countries that do not apply or insufficiently apply the FATF Recommendations. 	<p>The P & G for IC & IB and the MTCs have been updated to include the deficiencies identified.</p> <p>The P&Gs issued by the Central Bank have been updated to include instructions regarding countermeasures.</p> <p>The P&Gs issued by the FIU are being amended to ensure that the DNFBP have sufficient instructions regarding countermeasures where countries do not or not sufficiently apply the FATF Recommendations. The enhanced customer due diligence has been included in the P&Gs for DNFBP since October 2012.</p>
22. Foreign branches & subsidiaries	C	This Recommendation has been fully observed.		
23. Regulation, supervision and monitoring	LC	Financial institutions engaged in factoring services were only recently subject to the NOIS and NORUTT and subject to supervision by the Central Bank.		The information in the columns 'Summary of Factors for Rating' and 'Recommended Actions' do not correlate.

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			<ul style="list-style-type: none"> The new framework for prudential supervision of MTCs should be implemented as soon as possible. 	The draft National Ordinance on the Supervision of Money Transfer Companies is in the legislative process.

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24. DNFBP - regulation, supervision and monitoring	NC	<p>No supervision of internet casinos for compliance with AML/CFT obligations</p> <p>The FIU (MOT) has not implemented an effective supervisory regime.</p> <p>The FIU (MOT) lacks resources to effectively supervise DNFBPs subject to AML/CFT obligations.</p> <p>Deficiencies identified in section 3.10 with regard to R. 17 and 29 are also applicable to DNFBPs under the Central Bank.</p>	<ul style="list-style-type: none"> The Authorities should implement an AML/CFT regime for supervision of and compliance by Internet casinos. The FIU (MOT) should implement and effective supervisory regime as soon as possible. The FIU (MOT) should be given more resources to fulfil their supervisory role for the relevant DNFBP sector. The deficiency identified in section 3.10 (R. 29) with regard to the supervisory function of the Central Bank should be remedied. 	<p>The relevant supervision law is in the legislative process.</p> <p>A new supervisory law for internet gambling has been submitted to the Advisory Council, but will be resubmitted because of the constitutional reform after October 10, 2010.</p> <p>The FIU has organized regular audits pursuant to the NORUT and the NOIS since January 2013.</p> <p>The FIU's request to the Minister of Finance regarding the necessity of additional human resources is being addressed.</p> <p>Please refer to the response on R.29.</p> <p>Moreover, all onsite examinations conducted on the DNFBPs supervised by the Central Bank are in the area of AML/CFT.</p>
25. Guidelines & Feedback	PC	<p>The FIU (MOT) annual reports do not include adequate information on trends and typologies.</p> <p>P&G for providers of factoring services not in place to assist in implementing and complying with AML /CFT requirements.</p> <p>No P&Gs for Internet Casinos.</p>	<ul style="list-style-type: none"> Reporting entities should receive more general and case-by-case feedback on reports submitted to the FIU. The annual report (or other reports) of the FIU (MOT) should include more information on ML and FT trends and typologies. In light of the recent National Decree Designating Services, Data and Supervisors under the NOIS (when Providing Services), a framework, inclusive of a P&G should be implemented. 	<p>The FIU is reviewing its annual reports to make the trends and typologies more visible.</p> <p>The implementation of AML/CFT supervision on factoring service providers is being prepared by the Central Bank. The Central Bank conducted a risk assessment of the factoring service providers sector. The preliminary findings indicate that the factoring service providers are exposed to very</p>

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			<ul style="list-style-type: none"> Provisions and Guidelines should be developed for Internet Casinos. The FIU (MOT) should provide the DNFBPs that it supervises with more ML/FT feedback. 	<p>limited risk. The business is not cash based. Payments to customers, salaries and other expenses are done through transfer on their bank accounts or through issuance of cheques.</p>

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Institutional and other measures				
26. The FIU	PC	<p>Provisions of Articles 4, 16 and 22 of the NORUT present a risk to the proper protection of information.</p> <p>Articles 4, 16 and 22 of the NORUT contain provisions that risk the interference in the operation of the FIU (MOT):</p> <p style="padding-left: 40px;">Possibility of undue influence and interference by the Minister of Finance who can directly manage the FIU (MOT) database under the provisions of the NORUT (Articles 4 and 22).</p> <p style="padding-left: 40px;">Current composition of the Guidance Committee for the FIU (MOT) could lead to undue influence or interference. (Article 16).</p> <p>Insufficient trends and typologies in the FIU (MOT's) annual reports.</p> <p>Effectiveness issues:</p> <p style="padding-left: 40px;">Lack of sufficient human resources is limiting the FIU (MOT's) effectiveness.</p> <p style="padding-left: 40px;">Systems and procedures in place result in a low level of UTRs being analysed.</p> <p style="padding-left: 40px;">The approval process of the FIU (MOT) with regard to cases appears to be burdensome.</p> <p style="padding-left: 40px;">Important limitation to indirect access to law enforcement database (requirement of a letter on a case by case basis).</p>	<ul style="list-style-type: none"> The Authorities should consider revising the composition and mandate of the Guidance Committee (Article 16 of the NORUT) to avoid any possibility of undue influence or interference. Article 22 of the NORUT should be revised in order to better protect the access to the database from individuals being the object of UTRs. The process of having most cases presented by an analyst to the Head of the FIU should be revised with consideration being given to using the process in exceptional circumstances. In addition, other officials than the Head of FIU (MOT) should have the authority to approve the disclosure of cases on a regular basis. The Curaçao Authorities should consider amending Articles 4, of the NORUT to remove provisions that could potentially lead to the risk of interference or undue interference. <input type="checkbox"/> The annual report (or other reports) of the FIU (MOT) should include more information on ML and FT trends and typologies. 	<p>This recommendation will be addressed in the revision of the NORUT. The draft revision of the NORUT is in administrative preparation in order to start with the official legislative process.</p> <p>This recommendation has been addressed in the revision of the NORUT. The draft revision of the NORUT is in administrative preparation in order to start with the official legislative process.</p> <p>This recommendation has been addressed in the revision of the NORUT. The draft revision of the NORUT is in administrative preparation in order to start with the official legislative process.</p>

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27. Law enforcement authorities	LC	<p>Effectiveness:</p> <p>The UFCB is facing important issues with regard to structure, resources and operations.</p> <p>BFO is also facing resources issues as there are six (6) vacant positions out of a total of fifteen (15) positions.</p> <p>Domestic recruitment of officers is an issue for law enforcement authorities in general. The level of experience and knowledge can limit the ability to undertake complex money laundering cases.</p> <p>Limited training on ML to law enforcement authority officers.</p> <p>No specific training is provided to law enforcement authority officers on terrorist financing.</p>	<ul style="list-style-type: none"> The Curacao Authorities should review the functions and method of operation of the UFCB, and depending on the outcome of that review provides the Unit with adequate human and economic resources. The BFO is also facing recruitment challenges. Authorities should deploy efforts to find additional resources domestically that will be able to handle increasingly complex cases of ML and, potentially, FT. 	<p>The decision to acquire (new) Financial Crime Investigators has been taken by the relevant authorities. Based on this decision four Financial Crime Investigators have already been selected.</p> <p>According to the approved Arrangement Plan of KPC (police force) flexibility and multi-functionality of the employees are guiding principles within the Division of Organized Crime (DOC). This means that at all times, depending on the operational needs (flexibility) within all tactical units of the Investigation and Information Service employees may be deployed (multi-employability) on all themes.</p>
28. Powers of competent authorities	LC	<p>Effectiveness: competent authorities can face challenges in obtaining warrants to search persons or premises or Court orders to compel production of documents or information held by reporting entities.</p>	<ul style="list-style-type: none"> The process for obtaining a Court order to compel production of documents or information from reporting entities and warrant for the search of persons and premises should be amended so that it can be more easily available to law enforcement in the investigation of (ML and FT matters). 	
29. Supervisors	LC	<p>Limited number of AML onsite inspections do not definitively demonstrate adequacy of supervisory powers.</p>	<p>Albeit the risk-based approach, the onsite supervision programme should cover more licensed financial institutions and include a file review.</p>	<p>The Central Bank conducts thematic reviews in the area of ML/FT. These thematic reviews are not based on safety/soundness deficiencies identified at the supervised institutions. A bank may very well be selected for an AML/CFT review by the Central Bank if there are AML/CFT deficiencies, despite a low risk classification in the area of safety and soundness. For the international banking sector, for example, the thematic reviews in the area of ML/FT conducted in</p>

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				<p>2010 comprised approximately 80% of the total assets of the international banking sector.</p> <p>Factors, such as AML/CFT deficiencies identified during previous examinations and in reporting documentation received and management letters, are also essential elements that are taken into consideration by the Central Bank in the execution of its AML/CFT risk assessment of the supervised institutions. Based on the Central Bank's overall risk assessment conducted in light of the qualitative factors and supervisory concerns, the Central Bank will determine the appropriate supervisory strategies and the intensity of the supervision and on-site examinations to be applied to a particular supervised institution.</p> <p>Although the ratio of the size of the staff of the various supervision departments of the Central Bank compared to the number of conducted on-site examinations is lower for certain sectors under supervision than others, the risk-based approach applied by the Central Bank allows the Central Bank to effectively monitor adherence to the AML/CFT requirements. The application of the risk-based approach allows the Central Bank to allocate and use its resources more efficiently and effectively among supervised institutions, while at the same time it allows the Central Bank to distinguish those institutions that pose a higher risk to the achievement of supervisory objectives. The monitoring of controls to combat ML and FT also forms an integral part of the supervisory risk-based regime applied by the Central Bank.</p> <p>The risk-based approach applied by the Central Bank allows the Central Bank to effectively monitor adherence to the AML/CFT requirements. The Central Bank has given instructions for non-compliance with AML/CFT requirements.</p> <p>The onsite supervision program covers all financial institutions that are licensed by the</p>

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				<p>Central Bank. In addition, the supervision program includes a file review, refer to table 8 of the MER: incomplete files regarding NOIS/P&G, clearly provides an overview of the file reviews that were conducted during onsite examinations.</p> <p>The risk based approach of the Central Bank is primarily based on the nature of the institutions' business. A significant number of the credit institutions (in 2010: credit unions (15), specialized credit institutions (6), savings and credit funds (7)) are regarded as low risk due to the nature of their business. Subsequent to eliminating these low risk institutions from the total licensed institutions, all high and medium risk credit institutions have been subjected to onsite reviews for verification of compliance with AML/CFT.'</p> <table border="1"> <thead> <tr> <th></th><th>2007</th><th>2008</th><th>2009</th><th>2010</th></tr> </thead> <tbody> <tr> <td>Examinations without AML/CFT components</td><td>0</td><td>0</td><td>6</td><td>4</td></tr> <tr> <td>Examinations with AML/CFT components</td><td>12</td><td>7</td><td>4</td><td>22</td></tr> <tr> <td>Total Examinations conducted</td><td>12</td><td>7</td><td>10</td><td>26</td></tr> <tr> <td>Total licensed credit institutions</td><td>47</td><td>50</td><td>49</td><td>49</td></tr> <tr> <td>Domestic commercial banks</td><td>11</td><td>12</td><td>13</td><td>13</td></tr> <tr> <td>International banks</td><td>34</td><td>36</td><td>34</td><td>34</td></tr> <tr> <td>Credit unions</td><td>1</td><td>1</td><td>1</td><td>1</td></tr> <tr> <td>Specialized credit institutions</td><td>0</td><td>0</td><td>0</td><td>0</td></tr> <tr> <td>Savings bank</td><td>1</td><td>1</td><td>1</td><td>1</td></tr> <tr> <td>Savings and credit funds</td><td>0</td><td>0</td><td>0</td><td>0</td></tr> </tbody> </table> <p>Based on the total examinations with AML/CFT components conducted during 2010 and the total high and medium risk licensed credit institutions as indicated above, these credit institutions have been examined approximately every 2 years by the Central Bank.</p> $\frac{49}{22} = 2.2$ <p>In light of the risk based approach of the Central Bank, there are high and medium risk licensed credit</p>		2007	2008	2009	2010	Examinations without AML/CFT components	0	0	6	4	Examinations with AML/CFT components	12	7	4	22	Total Examinations conducted	12	7	10	26	Total licensed credit institutions	47	50	49	49	Domestic commercial banks	11	12	13	13	International banks	34	36	34	34	Credit unions	1	1	1	1	Specialized credit institutions	0	0	0	0	Savings bank	1	1	1	1	Savings and credit funds	0	0	0	0
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				<p>institutions that have been visited on more than 1 occasion during this time frame.</p> <p>Despite our risk-based approach, all life insurance companies under the supervision of the Central Bank were submitted to an AML/CFT examination. As was indicated before, a file review forms part of the examination program.</p>
30. Resources, integrity and training	PC	<p>Lack of adequate resources has resulted in a lower percentage of analysed UTRs.</p> <p>High number of vacant positions in the FIU (MOT) reduces its capacity to analyse and supervise.</p> <p>Insufficient human resources at the BFO.</p> <p>Insufficient lawyers at the Public Prosecutor's Office (PPO).</p> <p>Need to strengthen domestic capacity with regard to specialist prosecutors and judiciary.</p> <p>Insufficient amount of officers in the PPO that are assigned to handle mutual legal assistance requests.</p> <p>Potential challenges with resources available for AML/CFT supervision and regulation of the financial institutions.</p>	<ul style="list-style-type: none"> The human resources of the BFO should be enhanced significantly so that they can properly handle increasingly complex cases of ML. The Curaçao Authorities should give consideration to assigning more lawyers to deal with mutual legal assistance requests. The PPO should continue to build up its specialist prosecutorial resources and the Authorities should continue their efforts to attract more local legal professionals into the prosecutorial and judicial services. 	<p>According to the approved Arrangement Plan of KPC (police force) flexibility and multi-functionality of the employees are guiding principles within the Division of Organized Crime (DOC). This means that at all times, depending on the operational needs (flexibility) within all tactical units of the Investigation and Information Service employees may be deployed (multi-employability) on all themes.</p> <p>The PPO works according to his establishment plan. The PPO is arranged around two teams. Each team focuses on the primary tasks of the prosecution. The teams are each led by a team leader who is leading a number of prosecutors, assistant to the prosecutors and legal assistants. Each team is also supported by a secretary. The team leader is responsible for ensuring quality, integrity and knowledge. A prosecutor in the teams is designated as investigation officer. An execution officer is also appointed from the team.</p> <p>The PPO is doing its utmost to upgrade the personnel. The PPO offers its staff an internal training program in order to fulfil the need for more officers and increased ability to perform under the assistant to the prosecutors (the target is</p>

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			<ul style="list-style-type: none"> The FIU (MOT) should be given more resources to fulfil their supervisory role of the relevant DNFBP sector. The Authorities should review and strengthen as necessary, the resources available to supervise financial institutions. 	<p>to invest in the development of its own staff). More internal mobility of staff makes the PPO a more dynamic organization that fully exploits the potential of its employees (the target is to invest in the development of its own staff). More internal mobility of staff makes the PPO a more dynamic organization that fully exploits the potential of its employees.</p> <p>The idea is to provide employees with strong legal understanding - basically the assistant to the prosecutors but possibly also policy makers – retraining and giving them the opportunity to get acquainted and get experienced with different aspects of prosecution in Money Laundering cases and cases dealing with the Financing of Terrorism. Subject to satisfactory performance, they can then be appointed as deputy prosecutor, or to current Dutch PPO example, as an assistant prosecutor.</p> <p>The FIU's request to the Minister of Finance regarding the necessity of additional human resources is being addressed.</p> <p>Being one of the Strategic goals of the Central Bank, (financial) resources are being allocated annually to hire new staff if necessary and to properly train available staff members. Supervision departments are required to annually prepare their policy memorandum in which they indicate their short, medium and long term goals. These memoranda contain the activities that will be carried out during the next year and also the resources necessary to carry out these activities. Additionally, the number of staff needed is being indicated and the funds necessary to provide for continuing education of the staff members.</p> <p>In the past year the number of new staff recruited for the supervision departments amounted to 4. Most of them were people with some years of relevant working experience. In addition, the CBCS has changed its traditional supervisory approach to</p>

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				<p>a risk based approach and as such enabling her to use her resources more effectively and efficiently.</p> <p>The FIU's request to the Minister of Finance regarding the necessity of additional human resources is being addressed.</p>

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31. National cooperation	PC	<p>The national committee on AML/CFT measures (CIWG) lacks structure and organization.</p> <p>Important concerns with frequency of meetings of the CIWG.</p> <p>Operational competent authorities are not represented on the CIWG</p> <p>No national committee or working group for competent authorities only.</p>	<ul style="list-style-type: none"> There should be a clear structure, governance and terms of reference in place that would assist with the organization of the CIWG. The composition of the CIWG should include more operational competent authorities such as FIU (MOT), the PPO and other law enforcement authorities. Consideration should be given to having a forum where only competent authorities can work together on policy and legislative changes that will contribute to improve the national AML/CFT regime. An assessment of the adequacy of resources assigned to competent authorities should be undertaken to ensure that they keep pace with a dynamic financial sector. 	<p>The current legislation regarding the structure and organization of the committee (CIWG) has been revised. The draft revision of mentioned legislation includes a clear structure and the possibility for the committee to draft terms of reference that will assist with the organization. Moreover, mentioned draft legislation includes i.a. more operational competent authorities such as FIU, the PPO and other law enforcement authorities in the composition of the committee and a forum where competent authorities can work together on policy and legislative changes to improve the AML/CFT regime.</p> <p>This draft revised legislation is in administrative preparation in order to start with the official legislative process.</p> <p>Being one of the Strategic goals of the Central Bank, (financial) resources are being allocated annually to hire new staff if necessary and to properly train available staff members. Supervision departments are required to annually prepare their policy memorandum in which they indicate their short, medium and long term goals. These memoranda contain the activities that will be carried out during the next year and also the resources necessary to carry out these activities. Additionally, the number of staff needed is being indicated and the funds necessary to provide for continuing education of the staff members.</p> <p>In the past year the number of new staff recruited for the supervision departments amounted to 4. Most of them were people with some years of relevant working experience. In addition, the CBCS has changed its traditional supervisory approach to a risk based approach and as such enabling her to use her resources more effectively and efficiently.</p> <p>The FIU's request to the Minister of Finance regarding the necessity of additional human</p>

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				<p>resources is being addressed.</p> <p>Capacity and capability of the Gaming Control Board</p> <p>To ensure effective supervision of the casinos, the capacity of the audit division is being increased. In addition to the Supervisor and the Audit Senior, who were hired in the first half of 2012; three additional auditors have been added to the GCB workforce in the second half of 2012.</p> <p>The audit division now consists of a Division Head, a Supervisor, an Audit Senior and two Auditors. Before the end of 2013 another Auditor will be added.</p> <p>In accordance with the new policy that as of June 2012 CAMS-certification is mandatory for all GCB auditors, the Division Head, the Supervisor and the Audit Senior are now CAMS-certified after passing the CAMS-exams with very good results. The other auditors are scheduled to take the CAMS-exam this year.</p> <p>In 2013, four auditors have attended training at the GLI University to update their knowledge of technical aspects of the casino industry. They have also attended the courses on Casino Auditing I and II at the International Gaming Institute of the University of Las Vegas, to ensure that the audits of the financial statements meet the current standards and criteria.</p> <p>To further improve the Audit Division's operations, the newly developed Audit Methodology and Approach now includes AML work programs, and the Case ware Working Paper for Auditors will be acquired to automate audit methodology and work programs and to digitalize audit working papers.</p> <p>In order to improve supervision on money flow, the GCB plans to introduce an Online Monitoring & Control System. Casinos have already committed themselves through a Memorandum of Understanding signed with the Government to connect to this system that will supply the GCB with timely data from all slot</p>

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				<p>machines and automated table games.</p> <p>Of the Technical & Operational Control Division, two inspectors have attended the training at the GLI University.</p> <p>As per August 2013, two new inspectors will be joining this division. Before the end of 2013 two more inspectors will be added.</p> <p>A training program for existing and new inspectors is being devised to ensure that they are up to date with developments in the sector.</p> <p>The GCB is in the process of automating the work programs of the GCB Inspectors.</p> <p>Per September 2012 the Gaming Control Board has been reorganised, creating room for a new Enforcement Division, in an attempt to address the issue of sanctions in a more definitive way.</p>

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32. Statistics	PC	<p>No statistics being kept on the exchange of information between law enforcement Authorities other than those related to mutual legal assistance.</p> <p>No segregation of the PPO database with regard to its different activities</p> <p>No statistics on reports filed for cross border bearer negotiable instruments.</p> <p>No statistics kept on the type of legal assistance that was requested and the time required to respond to the request in accordance with E.C.32.2 (c).</p>	<ul style="list-style-type: none"> The PPO must segregate its database with regard to its different activities. Statistics for the exchange of information (other than the mutual legal assistance process) between law enforcement authorities should be kept. Customs or other relevant competent authority should maintain statistics with regard to cross border bearer negotiable instruments. The Curaçao Authorities should keep statistics with regard to the nature of the request made and the time required to respond to mutual legal assistance requests. 	<p>Between the Curacao police and police abroad there is an almost unrestricted exchange of information. When it comes to using the information submitted by the police in any proceedings, the information should be requested formally thru a request for mutual legal assistance.</p> <p>Customs keeps statics of everything regarding cross border. Up till now there was no case of cross border negotiable instruments.</p>
33. Legal persons—beneficial owners	PC	<p>There is no system in place to register the information about the ultimate beneficial owner.</p> <p>The Chamber of Commerce has no administrative sanctioning power against legal persons who fail to provide accurate and up to date information.</p> <p>There is no certainty that the information at the Commercial Register is current or updated on a regular basis.</p> <p>There is no procedure in place to have the UBO available and in a timely manner to all competent authorities.</p> <p>There are still some bearer shares in circulation.</p>	<ul style="list-style-type: none"> Law or regulation should establish a requirement for all legal persons to register the information on the UBO at the Commercial Register of the Chamber of Commerce. 	<p>The information relative to the UBO's are registered at their respective service provider(s). In addition, the tax law requires that all that have the obligation to pay taxes should, administer who the beneficial owners are of the assets (Article 45 of the National Ordinance on the amendment of the sales tax, formal tax law, and related national ordinances on taxes (N.G. 2013, no. 50).</p> <p>The respective service providers should at all times adhere to the NOIS and NORUT. For non-compliance to the aforementioned legislations, different sanctions and fines apply.</p> <p>The supervisors should ensure that all service providers have procedures in place relative to providing adequate, accurate and on a timely fashion UBO information in place, when requested by the competent</p>

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		Effectiveness has not been demonstrated.	<ul style="list-style-type: none"> The Chamber of Commerce should establish procedures to ensure that all the information at the Commercial Register is up to date and periodically reviewed and that the information is complete and accurate. 	<p>authorities. These procedures should be reviewed and "tested" during the on-site examinations.</p> <p>Registration of UBO information is a FATF requirement. However registration of such at the</p> <p>Chamber of Commerce is not. FATF leaves it to the country to decide on the mechanism to be used for this purpose. For security reasons other ways to comply with this recommended action are being contemplated by Curaçao.</p> <p>The procedure for filing information with the registry is concise, as required by law (in detail described in the Trade Registry Decree 2009), and is limited to what is necessary for the surety required for participation of businesses in the legal and economic processes in Curaçao. Crucial in this participation is the objective identification of the business and its officials representing it in accordance with its legal goals (and thus boundaries), which since 1945 is done satisfactorily through the public registry of the Chamber of Commerce.</p> <p>The system of this public registry is a so called positive system, meaning that if a required information is not registered or not correctly registered, the civil law sanction is that the third party consulting the registry can rely on the facts that are registered with the registry (a tort), unless he is not acting in good faith, which should be proven in a court of law. This system offers the Chamber the possibility to make sure that the one filing information is the one whom is required to do so by law. Besides that the Chamber is legally allowed to passively check if the information offered for filing is in accordance with the facts or incomplete, while the Chamber is allowed by law to require proof if in that process there is any doubt that the information may not be correct and/or complete, in which latter case the Chamber refuses the registration. If notwithstanding the opinion of the Chamber the specific filing is</p>

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			<ul style="list-style-type: none"> The Authorities should provide the Chamber of Commerce with administrative sanctioning power against natural and legal persons who fail to provide accurate and up-to-date information. There should be better procedures with regard to the exchange of information in the 	<p>insisted upon, the Chamber is required to accept the filing and has the possibility to request the Court in First Instance to instruct the company official involved to file the information in accordance with the facts. Moreover, not filing the required information, or willfully file information that is not correct, is punishable under the laws of the registry. (i.a. up to ANG. 50.000,= for intentionally filing incorrect information, up to ANG. 20,000 for not filing a required information, ANG. 50,000 for not filing the business. The first and the latter are considered felonies, while the second a misdemeanor). In view of this system it is stated that the information provided by the Chamber is 100% accurate as registered with the Registry; all records are public records. The information on the website is an excerpt!. The website is a service of the Chamber to its clients and to promote the usage of formal documents through ready availability. The database of the website is the exact same database which is currently being used internally to produce excerpts. Excerpts are issued daily: 23,822 in 2011, while 29,085 updates were filed and processed with the registry (see attachment). Each and every filing is sequentially numbered, dated and certified before processing and filed with the physical dossier of the entities.</p> <p>The register held by the Chamber is a public register; the register is accessible to everyone, local and foreign.</p>

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			<p>Commercial Register.</p> <ul style="list-style-type: none"> The Authorities must ensure the immobilization of bearer shares. 	<p>All filings are available upon request, copied electronically or physically. The provision of information is regulated in the Trade Registry Decree 2009).</p> <p>Supervision on the compliance of the relevant national decree is being exercised. However, a proposal to change/update the legislation to include elimination of bearer shares is being drafted.</p>

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34. Legal arrangements – beneficial owners	LC	Not all competent authorities have information on UBOs in a timely fashion.	<ul style="list-style-type: none"> There should be better procedures to access the information on UBOs in a timely fashion. 	<p>The information relative to the UBO's are registered at their respective service provider(s). In addition, the tax law requires that all that have the obligation to pay taxes should, administer who the beneficial owners are of the assets (Article 45 of the National Ordinance on the amendment of the sales tax, formal tax law, and related national ordinances on taxes (N.G. 2013, no. 50).</p> <p>The respective service providers should at all times adhere to the NOIS and NORUT. For non-compliance to the aforementioned legislations, different sanctions and fines apply.</p> <p>The supervisors should ensure that all service providers have procedures in place relative to providing adequate, accurate and on a timely fashion UBO information in place, when requested by the competent authorities. These procedures should be reviewed and "tested" during the on-site examinations.</p>
International Cooperation				
35. Conventions	PC	Terrorism Financing not criminalized in accordance with the TF Convention.	<ul style="list-style-type: none"> The offence of terrorism financing should be criminalized in accordance with the Terrorist Financing Convention. The Vienna Convention should be fully implemented in Curacao law with regard to Article 15 of that Convention, as no measures regarding the Article were seen by the Examiners. 	<p>Article 2:55 of the Penal Code criminalizes the offence of terrorism financing according to article 2 of the Terrorism Financing Convention, while the punishment takes into account the gravity of the offence (see attachment).</p> <p>To improve the security situation in the Netherlands Antilles and to limit the influx of drug traffickers in the Netherlands on flights from the Netherlands Antilles, the Netherlands Antilles and the Netherlands decided in January 2005 to establish a so called common border control teams (GGCT). The cooperation was made within the framework of the Netherlands Antilles Security Plan (PVNA) and was further based on the Joint Declaration of 22 December 2004 and the Feasibility Study. The GGCT has been operational</p>

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			<ul style="list-style-type: none"> The Palermo Convention should also be fully implemented in Curacao law with regard to Articles 18, 23 and 25-28 of that Convention as no measures regarding those Articles were seen by the Examiners. 	<p>since mid-July 2005.</p> <p>The GGCT were placed at the international airports of the Netherlands Antilles and consist of staff of the Antillean Police and Customs supplemented by staff from the Royal Netherlands Military Police and Customs.</p> <p>The GGCT had two goals. 1. They are aimed at an effective control of goods, passengers and luggage (particularly drugs and related offenses) at least the direct flights from the Netherlands Antilles to the Netherlands. 2. The exchange of expertise between the two countries to ensure that even after termination of the cooperation, an effective and efficient implementation of the control will continue. For the execution of the work on each of the international airports, a special team has been established that had to report to the Task Force: The Flamingo team on Bonaire, on Curaçao, the Hato team and the team Juliana on St Maarten.</p> <p>At the moment the Hato team still exists consisting only of Customs officers. In April this year an officer of the Management team of Customs together with the team leader of Hato Team went to Holland to strengthen the cooperation between Curacao and Holland and to discuss new issues. It is the intention that a new MOU will be signed.</p> <p>The Palermo Convention is fully implemented in Curacao.</p> <p>Article 18: Vide art. 555-565 Code of Criminal Procedure on mutual legal assistance.</p> <p>Article 18, paragraph 9-29, of the Palermo Convention however is applicable when no treaty on mutual legal assistance exists between parties. This is important. Thus Parties to the Palermo Convention are bound to grant requests for mutual legal assistance solely on the basis of this article 18 (It is incorrect to state that a Party to the Convention shall take measures to implement article 18).</p>

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				<p>The procedure described in paragraph 10-12, is not common practice in Curaçao. Curaçao makes use of a Rogatory Commission to interview a suspect or witness detained abroad.</p> <p>Article 23: The acts described in article 23 of the Palermo Convention are penalized as crimes according to article 2:132, 2:133 and 2:254 of the Penal Code.</p> <p>Article 25: Article 261, Code of Criminal Procedure, contains measures to protect a witness in criminal proceedings. Articles 374-380, Code of Criminal Procedure, provides access to compensation and restitution to victims. Article 1:78, Penal Code, entitles the government to advance the payment by the criminal in order to ease the burden of the victim. The victim is entitled to bring his case in Civil Court. The Bureau of Assistance to Victims provides necessary guidance and intermediation to victims of crimes.</p> <p>Article 26: Taking into account the discretionary powers of the prosecution it is possible to provide for the encouragement as described in article 26 of the Palermo Convention. Prosecution has the power to abstain from further prosecution (articles 272-283 Code of Criminal Procedure); Prosecution has the power to adapt its demand for punishment according to the contribution of the suspect. The government is considering regulation of a procedure regarding main witness in criminal cases.</p> <p>Article 27: This article in itself can be a basis for cooperation. No additional compliance measure is necessary.</p> <p>Article 28:</p>

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				The implementation of this article is safeguarded by Bureau Interpol Curacao (also the RST and the UFCB collect necessary information).
36. Mutual legal assistance (MLA)	LC	Terrorism Financing not criminalized in accordance with the TF Convention.		<p>Terrorism Financing is criminalized on the basis of article 2:55 of the Penal Code.</p> <p>In this article the financing of terrorism is punishable as a separate and independent offense. The article 2:55, is in fully in line with the UN Convention of the 9th of December 1999 (New York) for the suppression of the financing of terrorism (Treaty Series 2000, 12), which requires parties to punish all intentionally gathering and making available of funds with the intention or in the knowledge that they will be used to finance terrorist offenses, whether or not the terrorist crime actually took place.</p> <p>Furthermore, the criminalization of terrorist financing is not solely focus on the financing of one or more terrorist acts, but just as well as the financing of terrorist organizations and individual terrorists, as appears to be the definition of "another" contained in the second paragraph of article 2:55. Also, the terms "group" and "organization" are used separately because terrorist organizations can be active as associations for random acts of terrorism or as sustainable organizations.</p> <p>The term "funds" is very broad and covers essentially all active assets within the meaning of the civil law, that is to say all accruing to a person that are part of its assets.</p>
37. Dual criminality	LC	Terrorism Financing not criminalized in accordance with the TF Convention.		
38. MLA on confiscation and freezing	C	This Recommendation has been fully observed		

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39. Extradition	LC	No requirement to commence prosecution against a national of Curacao (who is immune to extradition) where there is request from a foreign state	<ul style="list-style-type: none"> There is no requirement to commence prosecution against a national of Curacao (who is immune to extradition) where there is request from a foreign state. 	It should be noted that in the absence of prosecution local authorities could honour a request from a foreign state to commence criminal prosecution against a national of Curaçao (who is immune to extradition) based on article 15 of the Penal Procedures Code. The articles 2-7 stipulate that money laundering and terrorism related crimes are prosecutable in Curaçao when committed outside Curaçao.
40. Other forms of co-operation	LC	<p>No clear mechanism in place for law enforcement authorities to exchange information with foreign counterparts.</p> <p>No authority for the FIU (MOT) to exchange information with supervisory authorities from other jurisdictions.</p> <p>Inability for the GCB to share information with foreign counterparts.</p> <p>No explicit provision authorizing the Central Bank, supervisory arm of the FIU (MOT) and GCB to conduct enquiries on behalf of foreign counterparts.</p>	<ul style="list-style-type: none"> The Authorities should establish clear mechanisms for the exchange of information between law enforcement and their foreign counterparts. 	<p>Curacao attaches great importance to multilateral and international relations. Curacao is internationally very active and has strong commitment with international cooperation and information sharing. Within their mandate all competent authorities are able to cooperate with their foreign counterparts. This cooperation takes place on several levels (operational, policy, administrative) and subjects. The PPO directive/guidelines with regard to the exchange of information between law enforcement and counterparts are as follows.</p> <p>For international assistance in criminal matters a difference is made between the so-called small legal assistances (requests seeking to hear witnesses, seizure with or without search, etc.) and extradition requests.</p> <p>1. Small legal assistance</p> <p>Within the Public Prosecutor Office there is a prosecutor appointed to coordinate the small legal assistance. This coordinator is a prosecutor working on Curacao. All incoming requests for legal assistance shall be initially assessed by the coordinator. Afterwards the requests are distributed among the members of the Public Prosecution Service. Small legal assistance is governed by treaties between the Dutch Kingdom and other jurisdictions. In cases where there are no treaties with other countries, assistance is given on the basis of reciprocity.</p> <p>2. Requests for extradition</p> <p>The execution of extradition requests is the</p>

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			<ul style="list-style-type: none"> The FIU (MOT) should be given the legal authority to exchange information with supervisory authorities from other jurisdictions. The IOCCS should make provision for the 	<p>responsibility of the Attorney General's Office. The coordinator is the policy maker of the Attorney General or another member of the Public Prosecutor's office designated by the Attorney General. The coordinator receives all extradition requests for further processing.</p> <p>With regard to the procedures regarding extradition requests, those are submitted to the Attorney General, after which the courts of Appeal will decide whether or not the individual to be extradited may be extradited.</p> <p>These recommendations have been addressed in the revision of the NORUT. The draft revision of the NORUT is in administrative preparation in order to start with the official legislative process.</p> <p>This recommendation has been addressed in the revision of the NORUT. The draft revision of the NORUT is in administrative preparation in order to start with the official legislative process.</p> <p>With regard to the Central Bank it is noted that this recommendation is addressed in article 29 of the RFETCSM regarding the MTC. Moreover, regarding the other supervised institutions, this recommendation has also been addressed in the draft Harmonization supervision ordinances, which</p>

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			<p>sharing of information with foreign counterparts.</p> <ul style="list-style-type: none"> Mechanism needed to facilitate all competent authorities (Central Bank, supervisory arm of the FIU (MOT) and GCB) undertaking enquiries on behalf of foreign counterparts. 	<p>is in the legislative process.</p> <p>In addition, this recommendation will also be addressed in the revision of the NORUT with regard to the other competent authorities. The draft revision of the NORUT is in administrative preparation in order to start with the official legislative process.</p>

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9 Special Recommendations				
SR.I Implement UN instruments	PC	No provisions in law to deal with the requirements of paragraph 4(a) of UNSCR 1267. Freezing of the assets of locally designated terrorists cannot occur without delay as required by UNSCR 1373.	<ul style="list-style-type: none"> The laws should be properly amended to give effect to paragraph 4(a) of UNSCR 1267. Measures should be put in place that would allow for the freezing of assets without delay as they pertain to locally designated terrorists under UNSCR 1373. 	<p>The relevant law has been reviewed and will be amended accordingly.</p> <p>A protocol has been drafted which includes automatic freezing of assets of terrorists whether locally designated or listed by the UN.</p>
SR.II Criminalize terrorist financing	PC	Offences for participation and financing of terrorism do not meet the requirements of the Terrorist Financing Convention. The Examiners could not evaluate effectiveness of the FT sanctions.	<ul style="list-style-type: none"> The offences of participation (which would include the financing offences) should be criminalized in keeping with the requirements of the Terrorism Financing Convention 	<p>Translation of the Penal Code</p> <p>Offences regarding participation and financing of terrorism are punishable under various articles of the Penal Code. There are ancillary offences for terrorism and the financing of terrorism, for example articles 1:202-1:204 (terrorist offence, terrorist intent and preparing terrorist offence). Article 2:80 deals with the participation in a terrorist organization and article 2:55 makes the financing of terrorism punishable. All articles are in line with inter alia articles of the UN Convention on 9 December 1999 (New York) for the suppression of the financing of terrorism (Treaty Series 2000, 12) and Council of Europe Convention on the Prevention of Terrorism (Warsaw, 16.V.2005).</p>
SR.III Freeze and confiscate terrorist assets	PC	Freezing of assets of locally designated terrorist cannot occur or be maintained without delay as required by UNSCR 1373. Procedures for de-listing and unfreezing not publicly known. Lack of guidance to non-financial entities and individuals.	<ul style="list-style-type: none"> Measures should be put in place that allow freezing without delay, and the maintenance of such freezes, as required by UNSCR 1373. Curaçao should make the procedures for de-listing publicly known. Curaçao should have a mechanism for the issuance of Guidance to non-financial entities or individuals who may find themselves in possession of property or assets that may belong to terrorist or terrorist 	<ul style="list-style-type: none"> There will no longer be separate protocols for the freezing of assets of locally designated terrorists and those of terrorists designated under UN listing. A protocol has been drafted which includes automatic freezing of assets of terrorists whether locally designated or listed by the UN. A decision on publication of the de-listing procedures will follow on the approval of

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		<p>No structure for monitoring compliance outside of the financial sector</p> <p>No clear criteria for the exercise of the Minister's discretion to protect of third party rights.</p>	<p>entities.</p> <ul style="list-style-type: none"> • Clear criteria for the exercise of the Minister's discretion with regard to the protection of third party rights should be developed. • A structure should be put in place for monitoring compliance outside of the financial sector. 	<p>the revised protocol.</p> <ul style="list-style-type: none"> • Based on the draft protocol not only the Central Bank but also the FIU and the Gaming Control Board will provide guidance to supervised institutions and individuals that find themselves in possession of funds or assets that should be frozen. More specifically, FIU Curaçao is in the process of revising the existing Provisions and Guidelines for the non-financial entities and individuals that are supervised by the FIU to include the guidance with regard to assets that may belong to terrorist or terrorist entities. <p>The monitoring structure will be in line with the structure that is now used to monitor compliance with the legislation on money laundering.</p> <ul style="list-style-type: none"> • The monitoring structure of FIU Curaçao will be in line with the structure that is now used to monitor compliance with the legislation on money laundering. • The recommended action to stipulate clear criteria for the exercise of the Minister's discretion with regard to protection of third party rights has been addressed in the current revision of the Sanctions National Ordinance (N.G. 1997, nr. 336) amended by (N.G. 1997, nr. 237) and (N.G 2001, nr. 80) The draft revision to the Sanctions National Ordinance is in administrative preparation in order to start the official legislative process

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SR.IV Suspicious transaction reporting	PC	<p>Effective implementation of reporting of suspicious reports is not demonstrated.</p> <ul style="list-style-type: none"> ➤ Subjective indicators for the filing of UTRs are rules based, which hinders the reporting entity's autonomy to decide whether to file a UTR ➤ Heavy reliance by the reporting entities on the prescriptive list of indicators provided by the Ministerial Decree. ➤ Insufficient flexibility for reporting entities to identify suspicion of ML or FT. 	<ul style="list-style-type: none"> • The Authorities should ensure that reporting entities from all sectors report UTRs. • Mechanisms should be put in place that would require all reporting entities to focus on identifying and reporting on transactions for which they can identify a suspicion. • Reporting entities should not rely only on the prescriptive list of indicators provided by the Ministerial Decree. • The relevant procedures should be revised to allow developing more flexibility for reporting entities to identify suspicion of ML or FT. 	<p>Please be referred to actions taken under R. 13.</p> <p>Please be referred to actions taken under R. 13.</p> <p>Please be referred to actions taken under R. 13.</p> <p>Please be referred to actions taken under R. 13.</p>
SR.V International cooperation	LC	<p>No requirement to commence prosecution against a national of Curacao (who is immune to extradition) where there is request from a foreign state as it pertains to FT matters.</p> <p>No clear mechanism in place for law enforcement authorities to exchange information as it pertains to FT.</p>	<ul style="list-style-type: none"> • The Curacao Authorities should have measures in place to ensure the early commencement of prosecution for FT offences against a national of Curacao (who is immune from extradition) where there is a request from a foreign state. • The Curacao Authorities should have measures in place to ensure the early commencement of prosecution for FT offences against a national of Curacao (who is immune from extradition) where there is a request from a foreign state. 	<p>It should be noted that in the absence of prosecution local authorities could honour a request from a foreign state to commence criminal prosecution against a national of Curaçao (who is immune to extradition) based on article 15 of the Penal Procedures Code. The articles 2-7 stipulate that money laundering and terrorism related crimes are prosecutable in Curaçao when committed outside Curaçao.</p> <p>It should be noted that in the absence of prosecution local authorities could honour a request from a foreign state to commence criminal prosecution against a national of Curaçao (who is immune to extradition) based on article 15 of the Penal Procedures Code. The articles 2-7 stipulate that money laundering and terrorism related crimes are prosecutable in Curaçao when committed outside Curaçao.</p>

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			<ul style="list-style-type: none"> There should be clear mechanisms in place for law enforcement authorities to exchange information as it pertains to FT. 	<p>It should be pointed out that any extradition treaty contains a list of all the facts for which someone can be extradited. Terrorism is one of them. See for example the European Convention on Extradition (Paris, December 13, 1975, 1965/9 Trb.) and Extradition Treaty between the Kingdom of the Netherlands and the United States of America (The Hague, June 24, 1980, Treaty Series 1980 / 111).</p>

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SR.VI AML requirements for money and value transfer services	PC	<p>No legislative requirements for CDD when carrying out occasional wire transfers in the circumstances covered by the Interpretative Note to SR VII.</p> <p>No legislative requirements for service providers to conduct on-going due diligence on the business relationship.</p> <p>No explicit requirement in the P&G for MTCs requiring financial institutions to consider making a UTR where the requirements at E.C 5.3 to 5.6 are not met.</p> <p>See factors in sections 3.1 – 3.10 which apply to MTCs.</p> <p>A subjective indicator for identification problems is not specified for MTCs under the NORUT.</p> <p>The sector P&Gs do not conform to the NOIS as it relates to the timing of verification of non-resident clients.</p> <p>The P&G for MTCs should include an explicit requirement for MTCs to maintain a current list of agents.</p>	<ul style="list-style-type: none"> The P&G for MTCs should explicitly require that a financial institution consider making a UTR/STR where the requirements at E.C 5.3 to 5.6 are not met. The Authorities should create or indicate a subjective indicator for identification problems as it relates to MTCs under the NORUT. There should be an explicit requirement for MTCs to maintain a current list of agents. 	<p>The recommended action has been incorporated in the P&Gs</p> <p>The recommended action has been incorporated in the P&Gs</p>
SR.VII Wire transfer rules	LC	<p>No explicit mandatory provisions in the P&Gs regarding requirements on beneficiary institutions to apply risk based procedures when identifying and handling wire transfers that are not accompanied by complete originator information. In addition, lack of complete originator information is not included as a subjective indicator in the NORUT in assessing whether a wire transfer or related transaction is suspicious and should be reported to the FIU (MOT).</p>	<ul style="list-style-type: none"> The P&Gs should make it mandatory for beneficiary institutions to apply risk based procedures when identifying and handling wire transfers that are not accompanied by complete originator information. In addition, lack of complete originator information should be included as a subjective indicator to the NORUT in assessing whether a wire transfer or related transaction is suspicious and should be reported to the FIU (MOT). Curacao should consider disclosing the 	<p>The P&Gs has been revised to comply herewith.</p>

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			requirements for cross-border wire transfers in a composite P&G document.	

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SR.VIII Non-profit organizations	NC	<p>There has been no recent review of the NPO sector and no current identification of its vulnerabilities for FT.</p> <p>There is no supervision or monitoring specifically for the NPO sector.</p> <p>No supervisory programme in place to ensure NPO sector compliance with AML/CFT legal framework</p> <p>No outreach programmes in place.</p> <p>No training in place to the NPO sector or to the financial institutions with regard the risks of the NPO sector.</p> <p>There is no obligation for NPOs to keep financial information on transactions or to submit financial statements to the Chamber of Commerce or any other relevant authority.</p>	<ul style="list-style-type: none"> The Authorities should enact legislation to deal with the AML/CFT responsibilities of NPOs. Curaçao should consider designating a supervisory authority for the NPO sector. Curaçao authorities should conduct a new assessment on the risk with regard to the NPO sector. The authorities of Curaçao should undertake outreach programmes to the NPO sector with a view to protecting the sector from FT abuse. Ensure that training programs are in place for the NPO sector and supervised institutions with regard to the risks of the NPO sector. There should be a requirement for NPOs to keep records of transactions for at least five years and Curaçao Authorities should consider requiring the NPOs to submit that information to a designated competent authority periodically. 	<p>The working group on NPOs is studying different possibilities to execute the recommended actions. The working group will conclude its recommendations in order to advise the Minister of finance.</p>
SR.IX Cash Couriers	PC	<p>Ad hoc cross-border declaration system. Unexpected change from declaration system (declaration card) to disclosure system. As a result, the requirement to make a truthful disclosure is not clearly identified at the border.</p> <p>No process in place to identify the source, destination and purpose of movement of gold or other precious metal and stones.</p> <p>No power to stop or restrain currency where there is a suspicion of ML or FT.</p>	<ul style="list-style-type: none"> Authorities should further improve the way they inform travellers of their obligation in the arrival zone or revert to a declaration system by putting back a question on transportation of currency on the card distributed to all passengers. Customs should be obligated to better 	<p>There have been consultations with the authorities of the airport. The structure of the arrival area will be modified. As a result thereof more signs will be placed in this area while taking into account an improved visibility of these signs.</p> <p>In addition to the signs at the airport the public is now being informed through folders in the languages Dutch, Papiamentu, English and Spanish about their cross border declaration obligation on the transportation of currency. The folders are distributed to the passengers before landing.</p> <p>Customs keeps all the information regarding the source and the destination. In the draft amended National</p>

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		No indication that authorities are monitoring entities or individuals associated with terrorist activities listed by the United Nations.	<p>monitor the source, the destination or purpose of the movement of gold or precious metal and stones.</p> <p>Curaçao Customs should have the power to stop or restrain currency where there is a suspicion of ML or TF.</p>	<p>Ordinance Obligation to Report Cross Border Money Transportation gold, precious metal and stone are included. This draft is in the legislative process.</p> <p>In the General Regulation, import, export and transit, it is mentioned that Customs do have the authority and power to stop or restrain currency where there is a suspicion of ML. However, the power to stop or restrain currency will be explicitly stated in the amended General Regulation. This draft is now in the legislative process.</p>

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Other Measures				