



CARIBBEAN  
FINANCIAL ACTION  
TASK FORCE

## Eight Follow-Up Report

### Suriname

November , 2015

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**MUTUAL EVALUATION OF SURINAME: EIGHT FOLLOW-UP REPORT****I. INTRODUCTION**

1. This report represents an analysis of Suriname'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 (MER). The third round MER of Suriname was adopted in October 2009 in Curacao and Suriname was placed in expedited follow-up. In May of 2011 Suriname was placed into the first stage of enhanced follow-up. Suriname's fourth follow-up report was presented to the May 2013 Plenary in Nicaragua where it was determined that Suriname had made sufficient progress to be placed back into expedited follow-up. Suriname last reported to the May 2015 Plenary in Port-of-Spain, Trinidad and was kept in expedited follow-up.
2. Suriname received ratings of PC or NC on 15 of the Core and Key Recommendations as follows:

**Table 1: Ratings for Core and Key Recommendations**

Rec.	<b>1</b>	3	4	<b>5</b>	<b>10</b>	<b>13</b>	23	26	35	36	40	I	<b>II</b>	III	<b>IV</b>	V
Rating	<b>P</b> <b>C</b>	PC	PC	<b>NC</b>	<b>P</b> <b>C</b>	<b>NC</b>	N C	PC	PC	C	PC	N C	<b>NC</b>	NC	<b>NC</b>	N C

3. Relative to the other non-core or key recommendations, Suriname was rated partially compliant and non-compliant as follows:

**Table 2: 'Other' Recommendations rated as PC and NC**

<b>Partially Compliant (PC)</b>	<b>Non-Compliant (NC)</b>
R. 14 (Protection & no tipping-off)	R. 6 (Politically exposed persons)
R. 18 (Shell banks)	R. 7 (Correspondent banking)
R. 20 (Other NFBP & secure transaction techniques)	R. 8 (New technologies & non face-to-face business)
R. 25 (Guidelines & Feedback)	R.9 (Third parties and introducers)
R. 27 (Law enforcement authorities)	R. 11 (Unusual transactions)
R. 30 (Resources, integrity and training)	R. 12 (DNFBP – R.5, 6, 8-11)
R. 37 (Dual criminality)	R. 15 (Internal controls, compliance & audit)
R. 38 (MLA on confiscation and freezing)	R. 16 (DNFBP – R.13-15 & 21)
	R. 17 (Sanctions)
	R. 19 (Other forms of reporting)
	R. 21 (Special attention for higher risk countries)
	R. 22 (Foreign branches & subsidiaries)
	R. 24 (Regulation, supervision and monitoring)
	R. 29 (Supervisors)
	R. 32 (Statistics)
	R. 33 (Legal persons – beneficial owners)
	SR. VI (AML requirements for money/value transfer services)
	SR. VII (Wire transfer rules)
	SR. VIII (Non-profit organisations)
	SR. IX (Cross Border Declaration & Disclosure)

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

**Table 3: Size and integration of Suriname's financial sector**

		Banks	Non-bank related	Other Credit Institutions *	Pension funds	Insurance	TOTAL
<b>Number of institutions</b>	Total #	9	3	24	30	13	79
<b>Assets</b>	US\$	3.303.908	86.813	3.832	536.617	382.852	4.314.022
<b>Deposits</b>	Total: US\$	2.691.844	71.602	3.136	N.A.	N.A.	2.766.582
	% Non-resident	% of deposits					
<b>International Links</b>	% Foreign-owned:	% of assets	% of assets	% of assets	% of assets	% of assets	% of assets
	#Subsidiaries abroad	N.A.					

There are no Securities institutions

Data regarding banking sector and non-banks as of June 2015

Data regarding credit institutions, Pension Funds and Insurance as of December 2014

## II. SCOPE OF THIS REPORT

5. This report will focus on assessing the extent of Suriname's efforts to cure the deficiencies for all Recommendations which were rated as PC or NC. Recommendations which were assessed to have been closed in previous follow-up reports will not be reassessed in this follow-up report. Suriname provided updates for Recommendation 15 and 21 and Special Recommendation VII. No updates were received for Key Recs. 4, 35, SR I and SR III.

## III. SUMMARY OF PROGRESS MADE BY SURINAME

6. On April 1, 2015 the Amended CBS AML/CFT directives came into effect. Provisions of this amendment positively affected Recs. 15 and 21.

### CORE RECOMMENDATIONS

7. The sixth follow-up report has detailed the measures taken by Suriname which resulted in the Core Recommendations being closed.

### KEY RECOMMENDATIONS

8. All the issues raised in the third follow-up report ([Suriname 3rd Follow-up Report](#)) for **Recommendation 4**, are still relevant for this Report. This Recommendation continues to remain *outstanding*.
9. The Assessors recommendations aimed at filling the gaps for **Recommendation 35** and **Special Recommendation I** are identical. There were three (3) recommendations made as follows:
  - i. *Suriname should take the necessary steps to fully and effectively implement the Vienna and Palermo Conventions* -The Genesis of the assessors' comments can be found at paragraphs 620, 621 and 622 of the MER. There are four (4) issues outstanding here, two (2) of which are related to the Vienna Convention and the other two (2) are related to the Palermo Convention. Issue#1 - For Art 5 of the Vienna Convention and specifically related to R38.2 (the enforcement of foreign confiscation orders), the Assessors had recommended that "*Legal certainty on the capability to execute foreign confiscation orders should be ensured, if necessary through specific legislation*" *The draft legislation covering the enforcement of foreign final court sentences including confiscation orders (WOTS Act) was submitted to Parliament on June, 13<sup>th</sup> 2013 for deliberation.*
  - ii. Issue#2 For Arts 15, 17 and 19 of the Vienna Convention is in relation to cross-border cash transportation which Suriname has not as yet conclusively reported on. The draft legislation covering the enforcement of foreign final court sentences including confiscation orders (WOTS Act) was submitted to Parliament on June, 13<sup>th</sup> 2013 for deliberation.
  - iii. Issue#3 and #4 which are in relation to Art 7 and 20 of the Palermo Convention and are concerned with R.29, SR.IX and R.27.3.R.29 were finalized in the 6<sup>th</sup> follow-up

report whilst 27.3 is an additional element. Consequently, issues #3 and #4 have been fully resolved.

- iv. *Suriname should forthwith initiate the accession procedure to the CFT Convention and take the necessary implementation steps-* According to documents provided by Suriname, on July 18, 2013, the Jurisdiction acceded to the United Nations International Convention for the Suppression of the Financing of Terrorism. This gap is **closed**.
  - v. *UN Res. 1267 and 1373 should be implemented fully and without delay –* The International Sanctions Act came into force on May 21 2014 (O.G.2014 no.54) addressing the aspects of freezing of funds related to UN resolution 1267 and 1373. Suriname has advised the Secretariat that either a State Decree to give effect to art.2 of this law was drafted and is the subject of approval by the Council of ministers. This gap is **open**.
10. As noted at paragraph 16 (i) above, two (2) of the three (3) Assessors recommendations are still in the process of being addressed by Suriname. Recommendation 35 and Special Recommendation I continue to remain **outstanding**.
11. With regard to **Special Recommendations III**, the Assessors had applied a NC rating and made one recommendation as follows:
- i. *The Suriname authorities should endeavour to introduce the appropriate legislative measures effectively implementing the relevant UN Resolutions and establishing an adequate freezing regime in respect of assets suspected to be terrorism related -* Suriname has reported that freezing of assets as mentioned by the UN Security Council in relation to UN resolutions 1267 and 1373, is possible according to Art. 2 of the International Sanction Act (O.G. 2014 no 54). A State Decree to give effect to art.2 of this law was drafted and is the subject of approval by the Council of ministers. This gap is **open**.

#### **OTHER RECOMMENDATIONS**

12. The status of **Recommendation 15** is exactly as was noted in the third follow-up report. The CBS directives of 2012 are relevant and the third follow-up report has already provided an analysis of the enforceability of the CBS' directives. Suriname was rated NC and the Assessors had noted seven (7) shortcomings for which there were no 'general enforceable requirements'. **Directive X paragraphs a-e** of the 2012 directives has subsumed all of these shortcomings *with the exception of the requirement that the internal audit function be adequately resourced*. On April 1, 2015 the CBS issued amended directives and Suriname has put forward directive XL as a cure for this outstanding deficiency. Directive XL is concerned with compliance and internal audit. Here, internal audit departments are required to be robust in order to carry out their tasks. There are minimum requirements which direct that the head of the department should possess knowledge and management qualities; employees should be sufficiently trained and the internal audit department must have sufficient employees at its disposal. Further, if the internal audit department is not sufficiently equipped for its functions the Executive Board is required to ensure that this is

reversed within the short term. . Suriname has now addressed the lone outstanding issue that has kept this Recommendation as a result this Recommendation is now *closed*.

13. For **Recommendation 16**, the third follow-up report ([Suriname 3rd Follow-up Report](#)), lists the action already taken by Suriname to fix the shortcomings noted by the Assessors. The open gap here continues to be in relation to the non-issuing of guidelines by the Gaming Supervision and Control Institute, insofar as gaming providers are involved. This Recommendation has been significantly addressed and will be fully *closed* once the said guidelines have been issued.
14. For **Recommendation 21**, Suriname previously pointed to Art.4 sub f and art.10 sub 1a of the WID act (S.B 2012 no.134). It was noted that paragraphs 51 and 52 of the 3<sup>rd</sup> follow-up report contained detailed analyses of those same provisions which have in fact had a positive impact on Suriname's implementation of Rec. 21. This Recommendation was kept open because the legislation appeared to be deficient in the requirement for effective measures to be in place to ensure that financial institutions are advised of concerns about weaknesses in the AML/CFT systems of other countries. Another apparent deficiency is the lack of an ability/requirement to apply counter measures on countries which do not appropriately apply the FATF Recommendations. Suriname subsequently pointed to Annex A of the SDIUT which advises banking, credit, and security institutions and investment companies of some '*objective indicator*' of ML and TF. Here transactions with legal persons in countries or jurisdictions that do not or do not sufficiently meet the internationally accepted standards in the field of the prevention and the fight against money laundering and terrorist financing has been flagged as such. The particularization of objective indicators does not amount to the advice on concerns about weaknesses in the AML/CFT systems of other countries and the apparent lack of an ability/requirement to apply counter measures on countries which do not appropriately apply the FATF Recommendations. Amended CBS AML/CFT directives have been issued and came into effect on April 1<sup>st</sup> 2015. The amended directives however do not appear to have address the weaknesses noted above. This Recommendation remains *outstanding*.

## IMPLEMENTATION FACTORS

Suriname has produce the following table of statistics to demonstrate the implementation of some aspects of its AML/CFT infrastructure.

**Table 4 Central Bank of Suriname**

		2013	2014	2015	2016
1	Number of on-site inspections *	3	6	5	
2a	Number of formal requests on information exchange from other supervisors	0	0	0	
2b	Requests denied	0	0	0	

## CONCLUSION

15. For the Key Recommendations, SRV is closed. Recs. 4, 35, 40, SR.I and SR.III continue to be outstanding with Recs. 35 and SR.I and SR.III requiring legislative attention including legislation and procedures to give effect to U.N. S/RES/1267(1999) and U.N. S/RES/1373(2001). 'Other' Recommendation 15 is also now closed.
16. Based on the above, it is recommended that Suriname be kept in Expedited follow-up and report to the May 2016 Plenary.

CFATF Secretariat  
November, 2015


**Matrix with ratings and follow-up action plan 3rd round Mutual Evaluation  
Suriname Updated 24th July 2015**

Forty Recommendations	Rating	Summary of factors underlying rating <sup>1</sup>	Recommended Action	Action Undertaken
<b>Legal systems</b>				
1. ML offence	PC	<ul style="list-style-type: none"> <li>• Not all designated categories of predicate offences are covered in the absence of the criminalization of ‘terrorism and financing of terrorism’ and ‘insider trading and market manipulation’ in Suriname penal legislation;</li> <li>• It is virtually impossible to do any assertion with regards to the effectiveness and efficiency of the systems for combating ML, due to the lack of comprehensive and reliable (annual) statistics.</li> <li>• Evidentiary requirements for autonomous ML still untested (effectiveness issue).</li> </ul>	i. It is recommended that legislation is adopted to make insider trading and market manipulation and terrorism and the financing of the same offences under Surinamese laws.	<p>i. CBS is drafting legislation regarding the supervision of the capital market. In this legislation insider trading and market manipulation will be criminalized. According to the Suriname ICRG/CFATF Action Plan 2012 this legislation should come into force before the end of this year.</p> <p>i Central Bank working group is discussing draft legislation with stakeholders. The draft was prepared in collaboration with CARTAC. The stakeholder for this activity is the Suriname Stock Exchange Board who requests the bank to review certain parts of the</p>

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

			<p>ii. Besides the criminalization of FT, local authorities should see to it, that, as soon as there is an act criminalizing the FT, comprehensive statistics be kept on the number investigations, prosecutions and convictions for the act of FT</p>	<p>draft. Discussions will result in finalizing this draft in the very near future.</p> <p>The draft Act on Capital Markets has been approved by the Council of Ministers and was forwarded to the State Advisory Council. Their comments have been forwarded to the ministry of Finance to be implemented in the draft. Insider trading and market manipulation will be covered by this act.</p> <p>The Act on Capital markets came into effect on May 21th 2014 (O.G. 2014, no 53). The Act defines insider trading in art 1 sub m as:          knowledge of specific inside information which has a direct or indirect bearing on a securities-issuing institution whose securities are traded on the stock exchange for which the holder has been granted a license, or which pertains to trading in such securities,          - where such information has not been brought into the public domain,          - the disclosure of such information would impact</p>
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				<p>significantly on the price of the securities or on the price of securities deriving therefrom.</p> <p>Market manipulation is defined in art 1 sub n as follows:</p> <ul style="list-style-type: none"><li>- transactions or trade orders which give incorrect or misleading signals or are likely to do so in relation to the supply of securities, the demand for securities or the price of same, or where one or more persons act in concert to maintain the price of a security at an abnormal or artificial level,</li><li>- transactions or trade orders which rely on the use of improper schemes or any other form of fraud or deception;</li><li>- the dissemination of information through the media, including the Internet, or through other channels, which provides incorrect or misleading signals or is likely to do so in relation to securities, including the dissemination of false rumors and false or misleading reports in respect of which the person who disseminated the information knew or must have known that said</li></ul>
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				<p>information was incorrect or misleading.</p> <p>According to art 19 of this Act it is prohibited for any person who has inside information to make use of said inside information for one's own benefit or for the benefit of third parties in order to acquire, dispose of, or to attempt to acquire or dispose of, directly or indirectly, the securities relating to this inside information</p> <p>According to art 21 it is prohibited for any person to become involved in market manipulation. Stock brokerage firms and stock Exchanges should put structural arrangements in place in order to prevent and to expose market manipulation.</p> <p>Both Market Manipulation and Insider Trading are deemed to be criminal offences under the Capital Market Act and punishable with jail sentences and fines.</p> <p>The Act penalizing Terrorism and the Financing of Terrorism (O.G. 2011 no. 96) (CFT legislation) came into force on July 30, 2011. In the legislation also amendments</p>
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				<p>were made regarding the Fire arms Act (art. II) and the Act regarding suspicious transactions (MOT Act art. III). In general all categories of predicate offences, related to money laundering are applicable to the financing of terrorism (art. I C sub art. 71a). That also includes acts in preparation of activities related to terrorism.</p> <p>ii.</p> <p>A template to keep comprehensive statistics on the number of investigations, prosecutions and convictions is developed and will be formally distributed in August 2012 to the stakeholders: FIU, Prosecutors office and the Central Bank. This is in line with the Suriname ICRG/CFATF Action Plan 2012.</p> <p>ii.</p> <p>Templates to keep comprehensive statistics on the number of investigations, prosecutions, convictions and mutual legal assistance has been developed and formally distributed to the stakeholders: FIU, Financial</p>
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				Investigative Team (FOT), Gaming Board, Prosecutors office and the Central Bank. See attachment
2. ML offence – mental element and corporate liability	LC	<ul style="list-style-type: none"> <li>• It is virtually impossible to do any assertion with regards to the effectiveness and efficiency of the systems for combating ML, due to the lack of comprehensive and reliable (annual) statistics.</li> <li>• Evidentiary requirements for autonomous ML still untested (effectiveness issue).</li> </ul>	<p>i. Besides the criminalization of FT, local authorities should see to it, that, as soon as there is an act criminalizing the FT, comprehensive statistics be kept on the number investigations, prosecutions and convictions for the act of FT</p>	<p>A template to keep comprehensive statistics on the number of investigations, prosecutions and convictions is developed and will be formally distributed in August 2012 to the stakeholders: FIU, Prosecutors office and the Central Bank. This is in line with the Suriname ICRG/CFATF Action Plan for 2012.</p> <p>Templates to keep comprehensive statistics on the number of investigations, prosecutions, convictions and mutual legal assistance has been developed and formally distributed to the stakeholders: FIU, Financial Investigative Team (FOT), it Gaming Board, Prosecutors office and the Central Bank.</p> <p>Closed 4<sup>th</sup> follow up report</p>

<p>3. Confiscation and provisional measures</p>	<p>PC</p>	<ul style="list-style-type: none"> <li>• No legal basis for the confiscation of TF related assets, in the absence of a TF offence</li> <li>• It is impossible to assess the effectiveness and efficiency of the systems for combating ML, due to the lack of comprehensive and reliable (annual) statistics with respect to property / objects seized and confiscated.</li> </ul>	<p>i. The two shortcomings are the fact that the FT is no offence under Surinamese laws, and there are no statistics available to see how effective the legislation is in practice.</p>	<p>Terrorism has been penalized in art. I A of the Act dated July 29, 2011 (O.G. 2011 no. 96). The financing of terrorism is penalized in art. IC of the same Act, in which art.71a was added to the Penal Code.</p> <p>Provisional and confiscation measures also related to TF are addressed, respectively in art. 82 and 82a of the Criminal Proceeding Code, and in art. 50, 50a, 50b and 50c of the Penal Code as amended in O.G. 2002 no. 67.</p> <p>A template to keep comprehensive statistics on the number of investigations, prosecutions and convictions is developed and will be formally distributed in August 2012 to the stakeholders: FIU, Prosecutors office and the Central. This is in line with the Suriname ICRG/CFATF Action Plan for 2012.</p>

				<p>Templates to keep comprehensive statistics on the number of investigations, prosecutions, convictions and mutual legal assistance has been developed and formally distributed to the stakeholders: FIU, Financial Investigative Team (FOT), Gaming Board, Prosecutors office and the Central Bank.</p> <p>Closed 4<sup>th</sup> follow up report</p>
Preventive measures				
4. Secrecy laws consistent with the Recommendations	PC	<ul style="list-style-type: none"> <li>• While most of the competent authorities have access to information, there are no measures allowing for the sharing of information locally and internationally.</li> <li>• There are no measures for the sharing of information between financial institutions as required by Recommendations 7 and 9 and Special Recommendation VII.</li> </ul>	i. The assessment team recommends that the relevant competent authorities in Suriname be given the ability to share locally and internationally, information they require to properly perform their functions.	<p>Article 9 of the MOT Act is revised in order to make sharing of information possible, both, locally and internationally. In line with the Suriname ICRG/CFATF Action Plan for 2012, this legislation was adopted by Parliament on the 17<sup>th</sup> of July 2012 and entered into force on the 9<sup>th</sup> of August 2012.</p> <p>Art 9 addresses the aspect of sharing of information for investigation and prosecution purposes. Art 13 will be revised in order to allow MOT to share information with other</p>

				<p>supervisory authorities i.e. the Central Bank and the Gaming Board</p> <p>The draft MOT Act with amendments regarding sharing of information has been sent to the Council of Ministers for advice</p> <p>Draft Act to incorporate NPO's in both the MOT and WID act has been finalized in order to forward to the Council of Ministers.</p> <p>The Banking and Credit System Supervision Act, which entered into force on November 23rd 2011, gives the CBS the authority to enter into information exchange agreements (MOU's) with supervisory authorities' abroad (art. 46).</p> <p>Based on the Banking and Credit System Supervision Act of 2011, the CBS entered into an information exchange agreement (MOU) with the Caribbean Group</p>
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				of Banking Supervisors in July 2012.
5. Customer due diligence	NC	<ul style="list-style-type: none"> <li>• All financial institutions should be fully and effectively brought under AML and CFT regulation and especially under the broad range of customer due diligence requirements. The definition of “financial activities” should be updated in accordance with the definition of “financial activities” in the FATF Methodology.</li> <li>• Financial institutions should be required to undertake full CDD measures when carrying out occasional transactions that are wire transfers in circumstances covered by the Interpretative Note to SR VII or occasional transactions above the applicable threshold of USD/EUR 15.000;</li> <li>• There is no legal requirement to undertake CDD measures in cases where there is a</li> </ul>	<p>Suriname should implement the following elements from Recommendation 5 which have not been fully addressed:</p> <ul style="list-style-type: none"> <li>i. All financial institutions should be fully and effectively brought under AML and CFT regulation and especially under the broad range of customer due diligence requirements;</li> <li>ii. The definition of “financial activities” should be updated in</li> </ul>	<p>By amending the WID Act and the MOT Act, Suriname has implemented the following elements from Recommendation 5. In line with the Suriname ICRG/CFATF Action Plan for 2012, legislation regarding the following elements was adopted by Parliament on the 17<sup>th</sup> of July 2012 and entered into force on the 9<sup>th</sup> of August 2012.</p> <ul style="list-style-type: none"> <li>i. The CBS has issued in April 2012, new AML/CTF regulations for the financial sector. These new regulations are in line with the recommendations of the MER with regard to: Comprehensive CDD requirements, Peps, cross border correspondent banking, none face to face transactions, KYC regarding third parties and beneficiaries, recordkeeping, enhanced due diligence on high risk and complex transactions.</li> <li>ii. Legislation amending the MOT Act and the WID Act, art. 1, in order to</li> </ul>

		<p>suspicion of terrorist financing and in cases where there are doubts about the veracity or adequacy of previously obtained customer identification data.</p> <ul style="list-style-type: none"> <li>• There is no legal requirement to verify the legal status of legal arrangements like trusts and understand who is (are) the natural person(s) that ultimately owns or control the customer or exercise(s) effective control over a legal arrangement such as a trust.</li> <li>• There is no legal requirement regarding identification and verification of the beneficial owner of a legal person.</li> <li>• There is no legal requirement to obtain information on the purpose and intended nature of the business relationship.</li> <li>• No specific requirement to perform ongoing due diligence on business relationships.</li> </ul>	<p>accordance with the definition of “financial activities” in the FATF Methodology;</p> <p>iii. Financial institutions should be required to undertake full CDD measures when carrying out occasional transactions that are wire transfers in circumstances covered by the Interpretative Note to SR VII or occasional transactions above the applicable threshold of USD/EUR 15.000;</p> <p>iv. The requirement to undertake CDD measures in cases where there is a suspicion of terrorist financing and in cases where there are doubts about the veracity or adequacy of previously obtained customer identification data;</p> <p>v. The requirement to verify the legal status of legal arrangements like trusts and understand who is (are) the</p>	<p>bring the definition of financial activities in accordance with the FATF Methodology was adopted by Parliament.</p> <p>iii.</p> <p>In legislation amending the WID Act, ART. I sub B amendments are made to art. 2, requiring CDD measures when carrying out wire transfers for occasional transactions.</p> <p>iv.</p> <p>In legislation amending the WID Act, ART. I sub F and G amendments are made to art. 4 and 6, in order to update previously obtained CDD information and to keep it relevant.</p> <p>v.</p> <p>In legislation amending the WID Act, ART. I sub E a new art. 3a is added, regarding CDD measures for Suriname and foreign legal persons.</p>
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	<ul style="list-style-type: none"> <li>• Performing enhanced due diligence on higher risk categories of customers, business relationships or transactions.</li> <li>• There should be some consideration/assessment made based on which there is a satisfaction about compliance with the Recommendations by countries which are currently seen as compliant without any doubt.</li> <li>• There are no general requirements to apply CDD measures to existing customers on the basis of materiality and risk.</li> <li>• When regulating the identification and verification of beneficial owners, a requirement to stop the financial institution from opening an account, commence business relations or performing transactions when it is unable to identify the</li> </ul>	<p>natural person(s) that ultimately owns or control the customer or exercise(s) effective control over a legal arrangement such as a trust;</p> <p>vi. The requirements regarding identification and verification of the beneficial owner for legal persons, including the obligation to determine the natural persons who ultimately own or control the legal person;</p> <p>vii. The obligation to obtain information on the purpose and intended nature of the business relationship;</p> <p>viii. No specific requirement to perform ongoing due diligence on business relationships;</p>	<p>vi. In legislation amending the WID Act, ART. I sub G provisions has been included regarding the identification requirements of the beneficial owner for legal persons.</p> <p>vii. In legislation amending the WID Act, ART. I sub D amendments are made to art. 3, with the obligation to obtain information regarding the purpose and nature of the business relation.</p> <p>viii. In legislation amending the WID Act, ART. I sub G amendments are made to art. 6, in order to update previously obtained CDD information and to keep it relevant.</p> <p>ix. In legislation amending the WID Act, ART. I sub F amendments are made to art. 4 for enhanced due diligence on higher risk categories</p>
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		<p>beneficial owner satisfactorily is needed.</p> <ul style="list-style-type: none"> <li>• There is no legal requirement to terminate the business relationship and to consider making a suspicious transaction report when identification of the customer cannot be performed properly after the relationship has commenced.</li> </ul>	<p>ix. Performing enhanced due diligence on higher risk categories of customers, business relationships or transactions;</p> <p>x. There should be some consideration/assessment made based on which there is a satisfaction about compliance with the Recommendations by countries which are currently seen as compliant without any doubt;</p> <p>xi. There are no general requirements to apply CDD measures to existing customers on the basis of materiality and risk;</p> <p>xii. When regulating the identification and verification of beneficial</p>	<p>of customers, business relations and transactions.</p> <p>x. In legislation amending the WID Act, ART. I sub K adds a new art. 10 requiring special attention regarding business relations and transactions with natural and legal persons from countries or territories with none or less compliance with international recommended AML/CFT requirements.</p> <p>xi. In legislation amending the WID Act, ART. I sub F and G amendments are made to art. 4 and 6, in order to apply CDD measures to existing clients on the basis of the business relationship or nature and higher risks of transactions to be conducted.</p> <p>xii. In legislation amending the WID Act, ART. I sub C adds a new article 2a section 3 and 4, prohibiting a transaction to be conducted if identification and verification of the client pose difficulties and as a last</p>
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			<p>owners, a requirement to stop the financial institution from opening an account, commence business relations or performing transactions when it is unable to identify the beneficial owner satisfactorily.</p> <p>xiii. The requirement to terminate the business relationship and to consider making a suspicious transaction report when identification of the customer cannot be performed properly after the relationship has commenced.</p>	<p>resort the business relation can be terminated.</p> <p>xiii. In legislation amending the WID Act, ART. I sub C adds a new article 2a section 4 which requires termination of the business relationship. Accordingly the business relation will be terminated. Closed 4<sup>th</sup> follow up report</p>
6. Politically exposed persons	NC	<ul style="list-style-type: none"> <li>Suriname has not implemented any AML/CDD measures regarding the establishment and maintenance of customer relationships with politically exposed persons (PEP's).</li> </ul>	<p>i. Suriname should implement the necessary requirements pertaining to PEPs.</p>	<p>Legislation to amend article 1, art. 4 and art. 9 of the WID act, in order to include AML/CDD measures regarding PEPs was adopted by Parliament, on the 17<sup>th</sup> of July 2012 and entered into force on the 9<sup>th</sup> of August 2012.</p> <p>The CBS has issued in April 2012, new AML/CTF regulations for the financial sector in line with the recommendations of the MER with regard to comprehensive CDD requirements for Peps.</p>

				<p>According to the Explanatory Notes of the Act on the Identification Requirements for Service Providers the term “important public functions” includes head of States, prominent politicians, high-ranking officials, court officers or senior officers, directors of state enterprises, important political party officials. Business relationships with family members or partners of Peps harm the reputation in the same way as with these Peps itself. Persons in the middle or lower part of the afore mentioned categories do not fall under this definition.</p> <p>Closed 3th follow up report</p>
7. Correspondent banking	NC	<ul style="list-style-type: none"> <li>• There are no legal requirements applicable to banking relationships.</li> </ul>	<p>i. With regard to correspondent banking, financial institutions should be required to determine that the respondent institution’s AML/CFT controls are adequate and effective, and regarding payable through accounts, to be satisfied that the respondent has performed all normal CDD obligations.</p>	<p>Legislation to amend article 1, 4, 13 and 14 of the WID act, introducing legal requirements applicable to correspondent banking relationship was adopted by Parliament, on the 17<sup>th</sup> of July 2012 and entered into force on the 9<sup>th</sup> of August 2012.</p> <p>The CBS has issued in April 2012, new AML/CTF regulations for the</p>

				<p>financial sector in line with the recommendations of the MER with regard to comprehensive CDD requirements related to cross border correspondent banking.</p> <p>Closed 3th follow up report</p>
<p>8. New technologies &amp; non face-to-face business</p>	<p>NC</p>	<ul style="list-style-type: none"> <li>The (legal) requirement for financial institutions to have policies in place or take such measures as may be needed to prevent misuse of technological developments in ML or TF schemes is not covered.</li> </ul>	<p>Suriname should also implement the necessary requirements pertaining non-face to face business relationships or (ongoing) transactions.</p> <p>In addition, steps should be taken to ensure that financial institutions have policies in place or take such measures as may be needed to prevent the misuse of technological developments in ML or TF schemes.</p>	<p>Legislation amending article 11 of the WID act, which require financial institutions to pay special attention to ML/TF threats that can arise from new or developing technologies and to have policies and procedures in place to address specific risks associated with non-face to face business relations or transactions was adopted by Parliament, on the 17<sup>th</sup> of July 2012 and entered into force on the 9<sup>th</sup> of August 2012.</p> <p>These non-face to face businesses are also addressed by the new CBS AML/CFT regulations for the financial sector and are among others: internet banking, phone banking, POS payments, reloadable or account-linked value cards.</p> <p>Closed 3th follow up report</p>

<p>9. Third parties and introducers</p>	<p>NC</p>	<ul style="list-style-type: none"> <li>• There is no legal provision that addresses the reliance on intermediaries or third party introducers to perform some of the elements of the CDD process or to introduce business.</li> <li>• Financial institutions are not required to take adequate steps to satisfy themselves that copies of the relevant documentation will be made available from the third party upon request without delay</li> <li>• There is no requirement that the financial institution must be satisfied that the third party is regulated and supervised and has measures in place to comply with the CDD requirements.</li> <li>• In determining in which countries the third party that meets the conditions can be based, competent authorities do not take into account information available on whether those countries</li> </ul>	<p>i. If financial institutions are permitted to rely on third parties or introducers the Surinamese legislation needs to be adjusted accordingly. If financial institutions are not permitted to rely on third parties or introducers for some elements of the CDD process, the law or regulation should specify this</p>	<p>Legislation amending article 12 of the WID act, permitting financial institutions to rely on the client screening performed by another financial service provider having its registered office in Suriname with regard to a client introduced by this financial service provider, was adopted by Parliament, on the 17<sup>th</sup> of July 2012 and entered into force on the 9<sup>th</sup> of August 2012.</p> <p>According to this new legislation the ultimate responsibility for customer identification and verification remains with the financial institution which relies on the introducer.</p> <p>The CBS has issued in April 2012, new AML/CTF regulations in line with the recommendations of the MER which contain criteria for financial institutions who rely on intermediaries.</p> <p>According to the CBS AML/CFT Directive of April 2012 financial service providers established in Suriname may act as intermediaries as long as they meet the applicable conditions. The ultimate</p>
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		<p>adequately apply the FATF Recommendations.</p> <ul style="list-style-type: none"> <li>There is no legal provision that indicates that the ultimate responsibility for customer identification and verification remains with the financial institution relying on the third party.</li> </ul>		<p>responsibility for customer identification and verification remains with the institution.</p> <p>Article 12 of the Act on the Identification Requirements for Service Providers stipulates that upon request of a service provider all data and information of the client screening will be provided by the third party and that all information will be made available without delay.</p> <p>No reference is made in the 6<sup>th</sup> follow up report. We are of the opinion that this recommendation is closed.</p>
<p>10. Record keeping</p>	<p>PC</p>	<ul style="list-style-type: none"> <li>No requirement to keep all documents recording the details of all transactions carried out by the client in the course of an established business relationship.</li> <li>No requirement to maintain account files and correspondence for at least five</li> </ul>	<p>i. There should be a requirement to keep all documents, which record details of transactions carried out by the client in the course of an established business relationship, and a requirement to keep all documents longer than 7 years (if requested to do by an competent authority).</p>	<p>i. In this regard article 8 of the ID law requires all service providers to keep all documents, which record details of transactions carried out by the client in the course of an established business relationship, longer than 7 years (if requested to do by an competent authority).</p>

		<p>years following termination of an account or relationship.</p> <ul style="list-style-type: none"> <li>• No general requirement in law or regulation to keep documentation longer than 7 years if requested by a competent authority.</li> <li>• There is no general requirement for financial institutions to ensure that all customers and transactions records and information are available on a timely basis to domestic competent authorities upon appropriate authority.</li> </ul>	<p>ii. There should be a requirement for financial institutions to ensure availability of records to competent authorities in a timely manner.</p>	<p>ii.</p> <p>Legislation amending article 8 of the WID Act, in order to make it possible to continue recordkeeping of details regarding transactions which has been carried out by a client, for a period longer than 7 years, once requested by a competent authority was adopted by Parliament on the 17<sup>th</sup> of July 2012 and entered into force on the 9<sup>th</sup> of August 2012.</p> <p>Closed 4<sup>th</sup> follow up</p>
11. Unusual transactions	NC	<ul style="list-style-type: none"> <li>• No requirement to pay special attention to all complex, unusual large transactions, or unusual patterns of transactions, that have no apparent or visible economic or lawful purpose.</li> <li>• The obligation to examine as far as possible the background and purpose of the transaction and to set forth the findings in</li> </ul>	<p>i. There should be a requirement for financial institutions to pay special attention to all complex, unusual large transactions, or unusual patterns of transactions, that have no apparent or visible economic or lawful purpose.</p>	<p>i.</p> <p>Article 10 of the WID Act was amended. Financial institutions are now required to pay special attention to all complex, unusual large transactions and all unusual patterns of transactions which have no apparent economic or feasible lawful purpose.</p> <p>The background and purpose of such transactions should be</p>

		<p>writing is not dealt with explicitly in the legislation.</p> <ul style="list-style-type: none"> <li>• No specific requirements for financial institutions keep findings regarding examinations about complex, unusual large transactions available for competent authorities and auditors for at least five years</li> </ul>	<p>ii. There should be requirement for financial institutions to examine as far as possible the background and purpose of the transaction and to set forth the findings in writing and to keep these findings available for competent authorities and auditors for at least five years.</p>	<p>examined, the findings should be established in writing and be available for competent authorities for seven years. Upon request of a competent authority, the findings should be available for a longer period.</p> <p>In line with the Suriname ICRG/CFATF Action Plan for 2012, this new legislation was adopted by Parliament on the 17<sup>th</sup> of July 2012 and entered into force on the 9<sup>th</sup> of August 2012.</p> <p>ii. The CBS has issued in April 2012, new AML/CTF regulations for the financial sector in line with the recommendations of the MER with regard to the aspects of complex, unusual large transactions or unusual patterns of transactions that have no apparent or visible economic or lawful purpose.</p> <p>Closed 3th follow up</p>
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<p>12. DNFBP – R.5, 6, 8-11</p>	<p>NC</p>	<ul style="list-style-type: none"> <li>• The ID law does not contain any provisions with regard to the supervision of DNFBPs on their compliance with their obligations pursuant to the ID law;</li> <li>• There is a significant lack of guidance to the DNFBPs as to the proper application of the identification obligations pursuant to the ID law;</li> <li>• There is no public entity or government agency explicitly tasked with guidance and supervision for DNFBPs with respect to their obligations under the ID law;</li> <li>• The ID law lacks an effective sanctioning system;</li> <li>• The above leads to an overall problem of effectiveness of the ID law in so far as it concerns DNFBPs;</li> <li>• The registration system for legal persons is not always adequate, thereby hampering certain DNFBPs to properly identify the persons behind a</li> </ul>	<p>Suriname should modify the ID law in order for it to cover the full range of CDD measures as set out in the FATF standards</p> <p>Suriname should introduce in the ID law or in another law provisions regarding the supervision of the DNFBPs on their compliance with the identification requirements of the ID law. In doing so Suriname should set out the supervisory instruments and powers, and designate a public entity or government agency tasked with the actual supervision of DNFBPs.</p> <p>Suriname should introduce in the ID law or in another law provisions enabling effective, proportionate and dissuasive sanctioning of non-compliance by DNFBPs with their obligations pursuant to the ID law. More specifically Suriname should consider the</p>	<p>In line with the Suriname ICRG/CFATF Action Plan for 2012, Suriname has modified the ID law to cover the full range of CDD measures as set out in the FATF standards. This legislation was adopted by Parliament on the 17<sup>th</sup> of July 2012 and entered into force on the 9<sup>th</sup> of August 2012.</p> <p>In this regard, the following elements are implemented in the ID law.</p> <p>A new article 22 has been added to the MOT Act, regarding supervision of the DNFBP’s, respectively the Gaming Board for the casinos and lotteries and MOT to supervise the other DNFBP’s as mentioned in the Act.</p> <p>The new art. 22 of the MOT Act enables the supervisory authorities to impose administrative sanctions once a service provider does not</p>
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		<p>legal person involved in a transactions</p> <ul style="list-style-type: none"> <li>• The ID law does not contain specific provisions regarding the identification by the DNFBPs of the ultimate beneficiary owner;</li> <li>• The ID law does not contain explicit provisions regarding transactions carried out by DNFBPs involving ultimate beneficiary owner;</li> <li>• DNFBP-specific laws such as the new Law on lawyers, which may provide for useful additional identification requirements, have not been fully implemented;</li> </ul>	<p>introduction of administrative sanctioning of violations of the ID-law by DNFBPs next to the existing general criminal sanctioning provision of article 10 of the ID law. In doing so Suriname should also designate a public entity or government agency tasked with the imposition of the administrative sanctions on non-compliant DNFBPs.</p> <p>Suriname should provide proper, continuous and effective guidance to the DNFBPs on the purpose and compliance with the ID law, in order to raise their awareness of their obligations and responsibilities under the ID law and to facilitate and enhance their compliance.</p> <p>The ID law should contain more specific provisions for the identification of the ultimate beneficiary owners involved in transactions carried out by DNFBPs. DNFBPs should also be required to understand the ownership and control structure of the customers, and to determine who are the natural persons that ultimately own or control the customer.</p>	<p>comply with the obligations pursuant to the law.</p> <p>The supervisory authorities will deposit the collected fines and collection costs in the treasury.</p> <p>FIU has started awareness raising sessions for all service providers since 2009, and will continue doing this. On the 28<sup>th</sup> of February 2012 an awareness raising session for financial and non-financial service providers and all other stakeholders was held in collaboration with the CFATF.</p> <p>Awareness raising sessions for 7 Categories of DNFBP's including casinos, real estate agencies, notaries public, jewelers, car dealers, administration offices and accountancy firms were organized by the FIU in November 2012. During these sessions also the reporting aspects according to the AML/CFT Guidelines of October 2012 were addressed.</p> <p>FIU will continue its awareness raising sessions for the non-</p>
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		<ul style="list-style-type: none"> <li>The ID law requires only civil notaries, accountants and lawyers to establish the transaction amount when recording additional personal data of the customer</li> </ul>	<p>Article 4, first section, of the ID law, which deals with identification of natural persons acting on behalf of a customer, requiring DNFBPs in the process to establish the identity of such a natural person prior to the provision of a <u>financial</u> service, should be modified so as to requiring identity establishment of a natural person acting on behalf of another when providing a service as meant in paragraph d of article 1 of the ID law.</p> <p>Article 7, second section, of the ID law should be expanded to require other DNFBPs besides currently civil notaries, accountants and lawyers, to record the transaction amount as part of the identification requirements pursuant to article 7 and 3 of the ID law.</p>	<p>financial service providers during 2013.</p> <p>In these sessions issues related to AML/CFT guidelines and the completion of UTR's will also be addressed. It is expected that 2 training sessions will be held before August 2013.</p> <p>In April 2013 the first training sessions for all financial and non-financial service providers (a total of 153 participants ) were held and the second training session is planned for November 2013 whereby approximately 450 participants will be invited. The training sessions will be held annually. For 2014 a semi-annual training program is scheduled.</p> <p>In the WID Act a new art. 3a has been added regarding special CDD measures relating to local and foreign legal persons, public corporations and religious organizations.</p> <p>Legislation to require identity establishment of a natural person acting on behalf of another when</p>
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			<p>Suriname should improve its registration system for legal persons, especially for foundations, in order to better enable DNFBPs to better comply with their identification obligations under the ID law. Additionally, measures, including legal ones, should be taken to better enable DNFBPs to identify the ultimate beneficiary owner through the legal persons registration system.</p> <p>Suriname should consider bringing the scope of the ID requirements for casinos, real estate agents, dealers in precious metals, dealers in precious stones, lawyers, civil notaries, accountants and other DNFBPs in accordance with essential criterion 12.1. This means introducing a monetary threshold for casinos, dealers in precious metals and dealers in precious stones, as well as a description of activities for real estate agents, lawyers, civil notaries, accountants and other legal professionals, for activities subject to the identification requirements.</p> <p>Suriname should fully implement the Law on lawyers. In doing so, Suriname might consider to have an order decree pursuant to article 34 of this law enacted with provisions on the identification of</p>	<p>providing a service as meant in paragraph d of article 1 of the ID law was adopted by Parliament.</p> <p>The ID law was modified, art. 1 sub q, art 2 and art. 2a, so as to inquire about ownership and control structure of the customers, and to determine who the natural persons are that ultimately own or control the customer.</p> <p>The ID law, art. 4, was modified, so as to require identity establishment of a natural person acting on behalf of another for all services provided, financial and non-financial.</p>
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			<p>clients by lawyers, thereby further strengthening the identification framework for lawyers. Suriname may also consider introducing similar provisions for other professionals such as civil notaries and accountants.</p>	
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13. Suspicious transaction reporting	NC	<ul style="list-style-type: none"> <li>• The reporting obligation does not cover transactions related to insider trading and market manipulation as these are not predicate offences for money laundering in Suriname.</li> <li>• There is no requirement to report suspicious transactions related to terrorist financing because the legislation on TF is not yet in place.</li> <li>• Not <u>all</u> institutions and DNFBPs that have a reporting requirement are fully aware of this requirement.</li> <li>• There is a concern on the quality of STRs under the objective criteria, since quite a lot of STRs do not contain the information as prescribed by article 12.2 of the MOT Act; only 32 out of 101 institutions file STRs that comply with the article 12.2 of the MOT Act.</li> </ul>	<p>The reporting obligation under the MOT Act should cover transactions related to insider trading and market manipulation.</p> <p>The reporting duty needs to be explicitly in the law to include all funds where there are reasonable grounds to suspect or they are suspected to be linked or related to, or to be used for terrorism, for terrorist acts, or by terrorist organizations or those who finance terrorism.</p> <p>The assessment team advises to include in the State Decree on Unusual</p>	<p>Criminalization of insider trading and market manipulation in the capital Market Act will qualify these offenses as predicate offences with the obligation to report these offences to the FIU.</p> <p>In the State Decree on Unusual Transaction (SDIUT) all services regarding securities transactions are listed in Annex A. Institutions need to determine whether a conducted or intended transaction is unusual within the meaning of the law when rendering these services. Art 12 of the MOT ACT requires that service providers that discover facts during the performance of their duties which point to money laundering and financing of terrorism are obligated, with due observance of the indicators laid down by SDIUT to immediately disclose an effected or intended unusual transaction in writing -digitally or non-digitally- to the FIU.</p>

		<ul style="list-style-type: none"> <li>• There is a concern on the delay of STRs reported under the objective criteria; since this is virtually always done by using fixed period intervals, rather than without delay, as required by the MOT Act.</li> <li>• Reporting institutions mainly rely in the objective criteria to report and pay little or no attention to elements that would make a transaction suspicious.</li> <li>• Overall serious concern about the effectiveness of the system</li> </ul>	<p>Transactions the requirement to also report “attempted unusual transactions”</p> <p>The financial institutions that choose to use an UTR-interface for reporting purposes, should be obliged to improve the quality of the UTRs as soon as possible and in such a way that the disclosures contain all information as prescribed by article 12.2. of the MOT Act.</p> <p>The authorities should consider whether the obligation to report unusual transactions “without delay” is sustainable.</p> <p>The FIU and other competent authorities should make an inventory to identify all financial institutions and DNFBPs that have a reporting requirement, reach out</p>	<p><del>Central Bank working group is discussing draft legislation with Stakeholders. The draft was prepared in collaboration with CARTAC. The stakeholder for this activity is the Suriname Stock Exchange Board who requests the bank to review certain parts of the draft. Discussions will result in finalizing this draft in the very near future.</del></p> <p><del>The draft State Decree on Indicators of Unusual Transactions (SDIUT) has been forwarded to the council of Ministers for approval. After approval it will be sent to the State Advisory Council, and based on their advice it will be enacted through publication in the State Gazette.</del></p> <p>The State Decree on Indicators of Unusual Transactions (SDIUT) has been approved (O.G.2013 no.148) and entered into force on August 15th, 2013.</p> <p>Based on art. III sub C of the CFT legislation (OG 2011 no. 96)</p>
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			<p>to these parties and apply sanctions in case of non-compliance.</p> <p>The FIU and other competent authorities should raise awareness and enhance the sensitivity of all financial institutions and DNFBPs regarding money laundering and terrorist financing risks.</p>	<p>UTR's are filed with the FIU regarding transactions, which are suspected to be related to terrorism, terrorist acts of terrorists organizations. Art 12 MOT Act already incorporates attempted unusual transactions.</p> <p>Sub 1 of art. 12 was amended in order to include UTR's based on TF (Art. III of the Terrorist Act (O.G. 2011 no. 96).</p> <p>Art. 12 of the MOT Act, explicitly requires reporting of all unusual transactions or attempted unusual transactions.</p> <p>Sub 2 of art. 12, where the reporting requirements are stipulated was amended, obligating financial institutions to improve the quality of the UTRs.</p> <p>Enforcement of the obligation to report transactions without delay is</p>
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				<p>supervised by the authorities mentioned in art. 22 of the MOT Act.</p> <p>In the legislation amending the MOT Act art. 22 has been added which gives the FIU the supervision over the DNFBP's. In this article sanctions are applied in case of non-compliance. This legislation was adopted by Parliament on the 17<sup>th</sup> of July 2012 and entered into force on the 9<sup>th</sup> of August 2012.</p> <p>FIU continues with awareness raising session for all service providers and will continue these sessions in 2014. During these sessions ML/FT typologies will be shared with the service providers.</p>
14. Protection & no tipping-off	PC	<ul style="list-style-type: none"> <li>No compliance with the prohibition by law to disclose the fact that a UTR or related information is being reported or provided to the FIU, is not</li> </ul>	Violation of the prohibition against tipping-off should be enforced by sanctions.	<p>Art 22 and 23 of the Mot Act include sanctions in case of tipping-off.</p> <p>Legislation amending art. 25 of the MOT Act, which prohibits</p>

		<p>enforced by sanctions, as Suriname is lacking effective AML/CFT supervision.</p>		<p>disclosure of data and information given or received in relation to the MOT Act, including data related to UTR's as mentioned in art. 12 sub 1 was adopted by Parliament, on the 17<sup>th</sup> of July 2012 and entered into force on the 9<sup>th</sup> of August 2012. Violation of this prohibition is sanctioned in art. 21 of the MOT Act</p> <p>The new AML/CTF regulations of the CBS also address the aspects of protection and no tipping off.</p> <p>Closed 3th follow up</p>
<p>15. Internal controls, compliance &amp; audit</p>	<p>NC</p>	<p>No general enforceable requirements to:</p> <ul style="list-style-type: none"> <li>• Establish and maintain internal procedures, policies and controls to prevent money laundering and to communicate them to employees;</li> <li>• Designate compliance officers at management level;</li> <li>• Ensure compliance officers have timely access to information;</li> </ul>	<p>i. The Surinamese authorities need to ensure that Recommendation 15 in all its aspects is clearly required by law, regulation or other enforceable means all of which requirements should be capable of being sanctioned.</p>	<p>The CBS has issued in April 2012, new AML/CTF regulations for financial institutions in line with the recommendations of the MER with regard to the internal control, compliance and audit. The regulations introduce a formal requirement for the financial sector to appoint a compliance officer, who will be responsible for the design and implementation of the compliance policy.</p>

		<ul style="list-style-type: none"> <li>• Maintain an adequately resourced and independent audit function to test compliance with AML/CFT procedures, policies and controls;</li> <li>• Establish ongoing employee training;</li> <li>• Put in place screening procedures;</li> <li>• Ensure high standard when hiring employees.</li> </ul>	<p>Specific directive from the Central Bank for the financial service providers regarding internal audit is pending. It is expected to come in effect by the end of 2014.</p> <p>Amended CBS AML/CFT regulations have been discussed with the Bankers Association and will come in effect on April 1<sup>st</sup> 2015.</p> <p>Under the amended regulations (paragraph 11 sub e) financial service providers will be required to have an adequately resourced internal audit department. The regulation sets minimum requirements for the department.</p> <p>The amended CBS AML/CFT Directive came into force as of April 1, 2015.</p> <p>Under the amended regulations (paragraph 11 sub e) financial service providers are required to have an adequately resourced internal audit department. The regulation sets minimum requirements for the department.</p>
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				See attached “AML/CFT Directive, April 1, 2015”
16. DNFBP – R.13-15 & 21	NC	<p>The same deficiencies and shortcomings detected in the MOT legislative framework and its implementation with respect to the financial institutions recur with the DNFBPs. These include the absence of TF-related provisions, of compliance supervision, effective, proportionate and dissuasive sanctions to enforce compliance and the lack of clear and effective guidance;</p> <p>Due to practical constraints the FIU has been focusing primarily on financial institutions, further compromising the effectiveness of the reporting system for DNFBPs;</p> <p>The definition of legal professionals services in the MOT Act and the Decree Indicators Unusual</p>	<p>Suriname should address the deficiencies and shortcomings noted in sections 2.5 and 3.7 regarding the functioning of the FIU and the application and enforcement of the provisions of the MOT Act and the Decree Indicators Unusual Transactions, since these are equally applicable to the DNFBPs. These include, but is not limited to, DNFBPs should also be required to understand the ownership and control structure of the customers, and to determine who are the natural persons that ultimately own or control the customer the introduction of adequate compliance supervision provisions in the MOT Act and the introduction of effective, proportionate and dissuasive sanctions in the MOT Act. The latter could be done by introducing administrative sanctions in the MOT Act.</p> <p>More specifically, Suriname should provide adequate and continuous guidance to the DNFBPs in order to reach and maintain satisfactory</p>	<p>Art 12 sub 1 of the MOT Act was amended in order to include UTR’s based on TF (Art. III of the Terrorist Act (O.G. 2011 no. 96).</p> <p>Reporting by DNFBP’s of ML/TF is based on art. 12 sub 1 of the MOT Act.</p> <p>Art. 22 sub 1c of the MOT Act gives the FIU the supervision over DNFBP’s. Art 22 sub 2 gives FIU the authority to introduce AML/CFT guidelines.</p> <p>Art. 22 sub 3 and sub 4 introduces administrative sanctions.</p> <p>Art. 1 sub d of the MOT Act has been amended in order to include a wide range of services performed by DNFBP’s.</p> <p>In line with the Suriname ICRG/CFATF Action Plan for 2012, this legislation was adopted by Parliament on the 17<sup>th</sup> of July 2012</p>

		<p>Transactions is excessive while the legal professional secrecy of lawyers and civil notaries has not been taken into account;</p> <p>Only certain groups of DNFBPs or individual DNFBPs submit unusual transactions reports to the FIU;</p> <p>Deficient reporting of unusual transactions in which only unusual transactions based on objective indicators containing monetary thresholds are reported, while unusual transactions based on subjective indicators are not reported at all;</p> <p>No requirement with respect to the presence of AML/CFT programs as required by Recommendation 15;</p> <p>Absence of measures or legal basis for such measures with respect to countries that do not or</p>	<p>compliance with the MOT Act and the Decree Indicators Unusual Transactions. This guidance should have as one of its primary objectives the prompt and continuous reporting of transactions based on the subjective indicators as well as transactions based on the objective indicators.</p> <p>Suriname should bring the definitions of services by lawyers, civil notaries and other legal professionals in the MOT Act and Decree Indicators Unusual Transactions in line with the circumstances set out in essential criterion 16.1 of the Methodology. While doing so Suriname should also take the legal professional secrecy of lawyers and civil notaries into account.</p> <p>Suriname should consider lowering the threshold amounts mentioned in the relevant objective indicators in order to better reflect the current realities of the Surinamese financial-economic situation, thereby increasing the amount of reports to be received pursuant to these indicators.</p> <p>It should be noted that a significant amount of subjective indicators described in the various categories are</p>	<p>and entered into force on the 9<sup>th</sup> of August 2012.</p> <p>The October 2012 MOT Guidelines for all service providers also addresses the gaming providers. Additional guidelines related to the operations of the gaming providers will be introduced at a later stage.</p>
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		insufficiently comply with the FATF Recommendations.	very broad and actually do not relate with the typical activities pursued by the relevant DNFBPs. For example, the subjective indicators for legal professionals cover various services which are typically financial services but are not services provided by legal professionals. Reference can be made to sections 7 up to and including 11 of the subjective indicators for legal professionals (category F of article 3 of the Decree Indicators Unusual Transactions). Suriname should address this issue in order to ensure effective reporting based on the subjective indicators.	
17. Sanctions	NC	<ul style="list-style-type: none"> <li>The range of sanctions is not sufficiently broad. There are no administrative sanctions, which can be imposed against financial institutions, directors, controlling owners and senior management of financial institutions directly for AML/CFT breaches. The available sanctions do not include the possibility to directly bar persons from the sector. Currently, there is not the general possibility to</li> </ul>	<ul style="list-style-type: none"> <li>The assessment team recommends to include administrative (e.g. fines) or civil sanctions in the AML/CFT framework, which are in practise easier enforceable and in practice more effective than penal provisions.</li> </ul>	<ul style="list-style-type: none"> <li>Art. 21 and 22 of the MOT Act include a wide range of penal and administrative sanctions to deal with natural and legal persons mentioned as service providers in the act, that fail to comply with AML/CFT requirements.</li> <li>In line with the Suriname ICRG/CFATF Action Plan for 2012, this legislation was adopted by Parliament on the 17<sup>th</sup> of July 2012</li> </ul>

		<p>restrict or revoke a license for AML/CFT violations.</p> <ul style="list-style-type: none"> <li>• No requirement to report suspicion of terrorist financing and consequently no supervision of this issue.</li> <li>• The effectiveness of the overall sanctioning regime, at present, is questioned because penal sanctions have not been imposed for AML failings.</li> </ul>	<p>ii. The range of sanctions should be broadened with administrative sanctions for financial institutions, DNFBPs, for directors and senior management of financial institutions, to include the more direct possibility to bar persons from the sector, to be able to more broadly replace or restrict the powers of managers, directors, or controlling owners for AML&amp; CFT breaches. In addition, there should be the possibility to restrict or revoke a license for AML and CFT violations.</p>	<p>and entered into force on the 9<sup>th</sup> of August 2012.</p> <p>ii. Based on art. 16 of the Banking and Credit system Supervision Act (O.G. 2011 no. 155), the CBS has the authority to issue AML/CFT regulations for financial institutions.</p> <p>Art. 56 of the Banking and Credit system Supervision Act, enables the CBS to impose fines for breaches of AML/CTF regulations.</p> <p>Based on art. 11 sub 1h of the Banking and Credit system Supervision Act the CBS will be able to revoke a license of a financial institution for violations of AML/CTF regulations.</p> <p>According to art. 17 of the Banking and Credit System Supervision Act, the CBS has the authority to place the credit institution under undisclosed custody. This may happen when the CBS is of the opinion that the credit institution neglects to act on a directive of the</p>
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				<p>CBS including AML/CFT guidelines. The CBS may appoint a person upon whose instructions the credit institution must perform their tasks, according to the directives of the CBS.</p> <p>In the new article 22 of the MOT Act the CBS has been appointed as the AML supervisory authority of financial service providers. Under this article the CBS is authorised to give directives to the service providers that fall under its supervision for the purpose of facilitating compliance with the MOT Act. This article also enables the supervisory authority i.c the CBS to impose a maximum fine of SRD 1 million for each contravention on a service provider that does not comply, or does not comply on time, with the obligations laid down in the aforementioned directives of the CBS.</p> <p>According to article 1B of the Act Penalization of Legal Entities of September 5, 2002, regarding detailed amendments to the criminal code in connection with the adoption of general provisions on</p>
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				the criminal liability of legal persons, sanctions for AML/CFT violations can be applied to directors, senior management and financial institutions.
18. Shell banks	PC	<ul style="list-style-type: none"> <li>Measures to prevent the establishment of shell banks and to prevent financial institutions to enter into or continue a correspondent banking relationship with shell banks are not sufficiently explicit.</li> <li>There is no specific enforceable obligation that requires financial institutions to satisfy themselves that respondent financial institutions in a foreign country do not permit their accounts to be used by shell banks</li> </ul>	<ol style="list-style-type: none"> <li>Suriname should review its laws, regulations, and procedures and implement a specific requirement that covers in a formal way, the prohibition on the establishment or continued operation with shell banks.</li> <li>There should a specific enforceable obligation on financial institutions to reassure themselves that a respondent</li> </ol>	<ol style="list-style-type: none"> <li>Legislation amending the WID Act, art. 1 and 14, prohibits financial institutions to enter into a correspondent bank relation or to establish relations with shell banks. In line with the Suriname ICRG/CFATF Action Plan for 2012, this legislation was adopted by Parliament on the 17<sup>th</sup> of July 2012 and entered into force on the 9<sup>th</sup> of August 2012.</li> <li>Based on art. 14 sub.2 of the WID Act financial institutions should also ensure that their foreign</li> </ol>

			<p>financial institution in a foreign country does not permit its accounts to be used by shell banks.</p>	<p>correspondent relations do not have accounts with, or facilitate shell banks.</p> <p>The CBS has issued in April 2012, new AML/CTF regulations for the financial sector in line with the recommendations of the MER with regard to prohibiting financial institutions to have correspondent bank relationships with shell banks.</p> <p>Closed 3th follow up report</p>
19. Other forms of reporting	NC	<ul style="list-style-type: none"> <li>Feasibility and utility of CTR or threshold reporting has not been considered</li> </ul>	<p>i. Suriname should <u>consider</u> the feasibility and utility of implementing a system where financial institutions report <u>all</u> transactions in currency above a fixed threshold to a national central agency with computerized database.</p>	
20. Other NFBP & secure transaction techniques	PC	<p>Although real estate agents and car dealers are also subject to basically the same legal identification and reporting obligation as the DNFBPs meant in R.12 and R.16, the same legal and practical deficiencies are present;</p>	<p>i. Suriname is urged to correct the deficiencies discussed in sections 4.1 and 4.2 of this report which are also present with respect to the real estate agents and car dealers.</p> <p>ii. Suriname should require the transaction amounts to be</p>	<p>i.</p> <p>The National AML commission has reviewed the State Decree on Indicators of Unusual Transactions including the transaction amounts that are required for all financial and non - financial services. The draft SDIUT was sent to the council of Ministers for approval and will</p>

		<p>No obligation in the ID law for real estate agents and car dealers to establish the transaction amounts during the identification of their clients;</p> <p>Threshold for reporting of unusual transactions based on monetary objective indicator is too high;</p> <p>No measures are currently present encouraging the development and use of modern and secure techniques for conducting financial transactions that are less vulnerable to money laundering.</p>	<p>established as well when real estate agents and car dealers establish the identity of a client pursuant to the ID law.</p> <p>iii. Suriname should also consider lowering the threshold amounts mentioned in Decree Indicators Unusual Transactions in order to improve the amounts of reports received based on the objective indicators.</p> <p>iv. As Suriname has a largely cash-based economy with a fairly large informal component it is encouraged to introduce measures for the development and use of modern and secure techniques for conducting financial transactions that are less vulnerable to money laundering</p>	<p>be forwarded to the State Advisory Council for advice.</p> <p>The State Decree on Indicators of Unusual Transactions (SDIUT) has been approved (O.G.2013 no.148) and entered into force on August 15th, 2013.</p> <p>The Central Bank has lounded a project regarding the modernisation of the payment system, which will result in electronic clearing and settlement. This will encourage the development and use of modern and secure techniques for conducting financial transactions.</p> <p>Banking Network Suriname N.V. (BNETS) was founded in February 2005 with the aim of promoting electronic payments and integrating payments between financial institutions operating in Suriname as well as integrating payments with foreign financial institutions. BNETS has the following key activities:</p>
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				<ul style="list-style-type: none"> <li>- Counseling, support and encourage collective cashless payment services that contribute to an innovative, high-quality, secure and efficient electronic payment system in Suriname;</li> <li>- Integration of payments between financial institutions operating in Suriname and abroad;</li> <li>- Encouraging the awareness regarding the electronic payments in Suriname.</li> </ul> <p><i>Both transactions through ATM and POS have increased annually. Statistics indicates that since 2007 to 2013 the use of debit cards has doubled while payments via POS increased by almost six times</i></p>
21. Special attention for higher risk countries	NC	<ul style="list-style-type: none"> <li>• No obligation to examine as far as possible the background and purpose of transactions with persons from countries which do not or insufficiently apply FATF Recommendations.</li> <li>• No specific requirements to keep written findings available</li> </ul>	i. Suriname should issue a law or regulation to implement the requirements of Recommendation 21.	Legislation amending the WID Act, art. 4 and 10, introducing legal requirements to pay special attention to transactions with persons and institutions from high risk countries, was adopted by Parliament, on the 17 <sup>th</sup> of July 2012 and entered into force on the 9 <sup>th</sup> of August 2012.

		<p>to assist competent authorities and auditors.</p> <ul style="list-style-type: none"> <li>• No provision for the financial institutions to apply appropriate counter-measures against countries which do not or insufficiently apply the FATF.</li> </ul>		<p>The CBS has issued in April 2012, new AML/CTF regulations for the financial sector in line with the recommendations of the MER with regard to transactions with countries that are considered to be high risk.</p> <p>According to art 12 sub 1 of the MOT act (as amended in august 2012 O.G. 2012 no 133) a new State Decree dated 2 july 2013 O.G. 2013 no 148 has been issued. Annex A of this State Decree stipulates a reporting obligation regarding transactions with (legal) persons who are established in countries or jurisdictions which have been designated by the Minister of Justice and Police and the Minister of Finance as countries or jurisdictions that do not or do not sufficiently meet the internationally accepted standards in the field of the prevention and the fight against money laundering and terrorist financing.</p>
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			<p>Draft act to amend art.4f and 10 of the WID act regarding special attention to high risk countries has been prepared and will be forwarded to the Council of Ministers</p> <p>Amended CBS AML/CFT regulations have been discussed with the Bankers Association and will come in effect on April 1<sup>st</sup> 2015.</p> <p>In paragraph 7 financial service providers are required to report to the FIU transactions with (legal) persons in countries or jurisdictions that have been designated as high risk.</p> <p>The amended CBS AML/CFT Directive came into force as of April 1, 2015.</p> <p>Under the amended regulations (paragraph VII) financial service providers are required to report to the FIU transactions of (legal-) persons established in countries or jurisdictions which have been designated by the Minister of Justice and Police and the Minister of Finance as being countries or jurisdictions which do not comply,</p>
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				<p>or do not comply sufficiently, with common international standards in the sphere of the prevention and combating of money laundering and the financing of terrorism. Information concerning countries with an increased risk can be obtained (amongst other places) from: Mutual Evaluation Reports and the public statements of FATF/CFATF, FSAP reports of the IMF and the World Bank and the website of the Central Bank of Suriname.</p>
<p>22. Foreign branches &amp; subsidiaries</p>	<p>NC</p>	<ul style="list-style-type: none"> <li>• There is no general obligation for all financial institutions which ensures their branches and subsidiaries observe AML/CFT measures consistent with home requirements and the FATF Recommendations to the extent that host country laws and regulations permits;</li> <li>• There is no requirement to pay particular attention to situations where branches and subsidiaries are based in countries that do not or</li> </ul>	<p>1) There should be a binding obligation on all financial institutions:</p> <ul style="list-style-type: none"> <li>i. To pay particular attention to the principle with respect of countries which do not or insufficiently apply FATF Recommendations;</li> <li>ii. Where the minimum AML/CFT requirements of home and host country differ to apply the higher standard to the extent that host country laws permit;</li> <li>iii. To inform the home country supervisor when a foreign branch</li> </ul>	<p>In accordance with art. 16 of the Bank and Credit System Supervision Act, the Central Bank has issued AML/CTF regulations that address the requirement for credit institutions to ascertain that said regulations also apply to their foreign branches and subsidiaries. If standards of the foreign country are higher, the highest standard should apply, notwithstanding the requirements of the home country.</p> <p>Closed 3th follow up report</p>

		<p>insufficiently apply FATF Recommendations;</p> <ul style="list-style-type: none"> <li>• Provision should be made that were minimum AML/CFT requirements of the home and host countries differ, branches and subsidiaries in host countries should be required to apply the higher standard to the extent that local (i.e. host country) laws and regulations permit;</li> <li>• No general obligation to inform the home country supervisor when a foreign branch or subsidiary is unable to observe appropriate AML/CFT measures.</li> </ul>	<p>or subsidiary is unable to observe appropriate AML/CFT measures.</p>	
<p>23.Regulation, supervision and monitoring</p>	<p>NC</p>	<ul style="list-style-type: none"> <li>• Relevant supervisory authority has not been designated as responsible for ensuring the compliance of their supervised financial institutions and DNFBPs with AML/CFT requirements.</li> <li>• The money &amp; value transfer companies, money exchange</li> </ul>	<p>i. A relevant supervisory authority should be designated as responsible for ensuring the compliance of their supervised financial institutions and DNFBPs with AML/CFT requirements.</p>	<p>I Legislation which introduces a new art 22 of the MOT Act gives supervisory authority to:</p> <ul style="list-style-type: none"> <li>a. CBS for the financial sector</li> <li>b. The Gaming Board for the gaming industry</li> </ul>

		<p>offices and stock exchange are not subject to AML/CFT supervision.</p> <ul style="list-style-type: none"> <li>• Money transfer offices and money exchange offices are not registered or licensed and appropriately regulated.</li> <li>• No requirement to report suspicion of terrorist financing and consequently no supervision of this issue.</li> </ul>		<p>c. FIU for all other DNFBP's</p> <p>In line with the Suriname ICRG/CFATF Action Plan for 2012, this legislation was adopted by Parliament on the 17<sup>th</sup> of July 2012 and entered into force on the 9<sup>th</sup> of August 2012.</p> <p>I</p> <p>In January 2013 CBS in collaboration with the US Treasury Department conducted a AML/CFT training for its Supervision Department, Financial Market Department and Legal Department. The CBS is now working on a AML/CFT onsite examination manual.</p> <p>For 2013 three AML/CFT on-site inspections of credit institutions are scheduled of which two has been conducted in April and July 2013 with assistance of the U.S. Treasury Department, Office of Technical Assistance. The inspection itself involved five staff members plus the advisor and covered 5 days onsite plus a number of days in preparation and post examination analysis of</p>
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			<p>ii. There should be a general requirement for money transfer offices and money exchange offices to be licensed or registered. In addition, money transfer offices and money exchange offices should also be made subject to a system for monitoring and ensuring compliance with the AML/CFT requirements.</p>	<p>gathered information and preparation of a report.</p> <p>Ii</p> <p><del>The draft Act concerning the Supervision of money transfer offices (MTOs) and money exchange offices (MEOs) is already in Parliament. Discussions concerning the adoption of this draft act by Parliament will commence soon.</del></p> <p>Under the Act concerning the supervision of Money Transaction Offices the CBS is the sole licensing authority for Money Transfer Offices and Money Exchange Offices.</p> <p>With assistance of the US Treasury Department a special AML/CFT onsite examination manual for Money Transaction Offices has been prepared. The CBS has started AML/CFT onsite inspections on MTO's in November 2013 and will continue in 2014.</p>
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			<p>iii. Surinamese authorities should consider regulating and supervising the Stock exchange for AML/CFT purposes.</p>	<p>ii</p> <p>The Act on Money Transaction Offices came into force on October 29<sup>th</sup> 2012. This act governs the supervision of money transfer companies and money exchange offices. In accordance with article 26 of this act, the Central Bank has specific authority to issue regulations on among other AML/CFT. Article 28 authorizes the Bank to share information with local and foreign government bodies as well as institutions that are responsible for supervision on the financial markets.</p> <p>The draft Act on Capital Markets has been approved by the Council of Ministers and was forwarded to the State Advisory Council. Their comments have been forwarded to the ministry of Finance to be implemented in the draft. Insider trading and market manipulation will be covered by this act.</p>
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				<p>The draft Act on Capital Markets also include the stock exchange and securities firms.</p> <p>The Act on Capital markets came into effect on May 20<sup>th</sup> 2014. Art 7 places all market participants within the capital market under the supervision of the Bank.</p> <p>Compliance with the provisions of the Act shall be monitored by the Bank in the interest of a properly functioning capital market.</p> <p>According to art 10 of the act the CBS may issue guidelines in relation to the administrative and management organization of a stock brokerage firm or stock exchange, including the financial administration and the internal control. The guidelines for the operational management shall also contain rules governing a sound operational management which will include among other regulations regarding the combating of money laundering and financing of terrorism.</p>
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<p>24. DNFBP regulation, supervision and monitoring -</p>	<p>NC</p>	<p>No AML/CFT based regulation and supervision of casinos currently present.</p> <p>No adequate regulatory and monitoring measures regarding AML/CFT in place for the other categories of DNFBPs currently operating in Suriname</p>	<ul style="list-style-type: none"> <li>i. Suriname should effectively introduce as soon as possible an AML/CFT-based regulation and supervision of casinos in accordance with Recommendation 24. This includes the institution of a regulatory body with adequate powers and operational independence, and invested with sanctions instruments that are effective, proportionate and dissuasive</li> <li>ii. As for lawyers, Suriname should fully implement the Law on Lawyers, a.o. by making the Bar Association operational and providing this entity with all the instruments described in the Law.</li> <li>iii.</li> <li>iv. In doing so, Suriname should consider having the Bar Association issue one or more bar decrees on AML/CFT matters which complement and support the current AML/CFT system set out in the ID law and the MOT Act. Suriname should also consider to remove the current ministerial authority set</li> </ul>	<p>In the MOT Act a new art. 22 ( sub 1b) has been added, which appoint the Gaming Board as the supervisory authority for casinos and lotteries.</p> <p>As supervisory authority the Gaming Board can issue AML/CFT guidelines.</p> <p>In the new art. 22 (sub 1c) the FIU is appointed as the supervisory authority for all other DNFBP’s, and is authorized to issue AML/CFT guidelines.</p> <p>In line with the Suriname ICRG/CFATF Action Plan for 2012, this legislation was adopted by Parliament on the 17<sup>th</sup> of July 2012 and entered into force on the 9<sup>th</sup> of August 2012.</p>
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			<p>out in article 34 of the Law on Lawyers to annul a bar decree within a given period as this clearly undermines the independent status of the Bar Association.</p> <p>v. Suriname should consider introducing SRO-style bodies for other (legal) professionals, such as civil notaries, accountants and tax advisors, with mandatory membership and authority to regulate and supervise these professionals. Given the total amount of for example civil notaries (currently 19 against a legal maximum of 20) this does seem quite feasible.</p>	
<p>25. Guidelines &amp; Feedback</p>	<p>PC</p>	<ul style="list-style-type: none"> <li>• There is no requirement for the FIU to provide the financial institutions and DNFBPs with adequate and appropriate information on current ML and TF techniques, methods and trends (typologies) and sanitised examples of actual money laundering and terrorist financing cases.</li> </ul>	<p>i. Suriname is strongly urged to introduce guidelines for DNFBPs to assist them with the implementation and compliance with their respective AML/CFT requirements.</p> <p>ii. The assessment team recommends the CBS to work together with the FIU and the Anti-Money Laundering</p>	<p>For all service providers financial and non-financial guidelines were issued in October 2012 and part of these guidelines addresses the area of subjective indicators in which typologies for the services are included.</p> <p>According to art. 4 sub 2 of the MOT Act, the FIU will be able to provide feedback to DNFBP's in</p>

		<ul style="list-style-type: none"> <li>• There is no requirement for the FIU to provide the financial institutions and DNFBPs with an acknowledgement of receipt of the UTRs and whether a report is subject to legal principles, if a case is closed or completed, and if information is available, information on the decision or result.</li> <li>• No guidelines present for DNFBPs to assist them with the implementation and compliance with their respective AML/CFT requirements</li> </ul>	<p>Commission in drafting guidelines for financial institutions (and DNFBPs) that give a description of money laundering and terrorist financing techniques and methods.</p>	<p>order to assist in applying national AML/CFT measures and in detecting and reporting suspicious transactions. Based on art. 4 sub 3 the FIU is authorized to issue guidelines regarding the reporting of UTR's.</p> <p>Based on art. 5 sub 3 MOT Act, the FIU can request the service provider to supply detailed information within a certain period of time.</p> <p>Based on art. 6 and 8 MOT Act, the FIU is required to provide information once requested by investigating and prosecuting agencies. Such requests should be channeled through the AG.</p> <p>Based on art. 22 sub 2 of the act, the FIU is authorized to issue AML/CFT guidelines for the DNFBP's.</p> <p>Based on art. 4 sub 2, of the act, the FIU will provide financial institutions, DNFBP's, prosecutors, investigators and the general public with typologies and methodologies</p>
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				<p>in order to prevent and combat ML/CFT.</p> <p>In line with the Suriname ICRG/CFATF Action Plan for 2012, this legislation was adopted by Parliament on the 17<sup>th</sup> of July 2012 and entered into force on the 9<sup>th</sup> of August 2012.</p> <p>In October 2012 the FIU issued guidelines for the financial and the non-financial service providers regarding the filing of UTR's and subjects related to compliance and supervision.</p>
Institutional and other measures				
26. The FIU	PC	<ul style="list-style-type: none"> <li>Overall problem of effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>i. That the missing implementing legal instruments be drafted without further delay, so to consolidate the legal framework</li> </ul>	<ul style="list-style-type: none"> <li>i. By Ministerial decree of the Minister of Justice and Police, the organization chart of the Ministry of Justice and Police has been changed</li> </ul>

		<ul style="list-style-type: none"> <li>• Insufficient use of the analytical and enquiry powers</li> <li>• Insufficient protection of the information and staff security</li> <li>• The FIU remit does not cover TF related disclosures</li> </ul>	<p>of the organisation and functioning of the FIU;</p> <p>ii. To substantially increase the human and financial resourcing of the FIU;</p> <p>iii. To move MOT to a location that ensures a secure conservation and management of the sensitive information and the safety of the staff;</p> <p>iv. To improve the IT security measures to protect the sensitive and confidential information;</p>	<p>as of May 2011 and the FIU has been identified as an independent institute.</p> <p>Art 2 sub 1 of the amended MOT Act confirms the independent status of the FIU.</p> <p>ii</p> <p>FIU personnel have been increased from 4 to 12, including 4 analysts and 2 lawyers. The budget for the FIU has been incorporated in the budget of the Ministry of Justice and Police for the fiscal year 2012.</p> <p>iii</p> <p>Since September 2011 the FIU is located in a new building situated in the business area of Paramaribo.</p> <p>The office space 170 m2 with a 24/7 electronic security system.</p> <p>iv</p> <p>Since October 2009 a server (Local Area Network) is in use by the FIU to store information. Sensitive and confidential information are stored in a secured database. Backups are made once a week.</p>
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			<p>v. That the sensitisation and education of all reporting entities should be substantially enhanced by awareness raising sessions and typology feedback, aimed at an increased perception of suspicious activity to be reported;</p> <p>vi. To issue the necessary guidance to the sector stressing the importance of timely reporting, particularly of suspicious activity;</p>	<p>v</p> <p>The FIU has started with awareness raising session for all service providers since 2009, and will continue.</p> <p>Part of the sessions addresses issues regarding typologies which are reported by service providers and documented in their UTR. By doing so FIU is giving typology feedback to service providers with the aim to increase their perception of suspicious activities. For all service providers financial and non-financial guidelines were issued in October 2012 and part of these guidelines addresses the area of subjective indicators in which typologies for the services are included.</p> <p>As of June 27, 2014 FIU Suriname has launched a website (<a href="http://www.mot.sr">www.mot.sr</a>) on which the following information is available: MOT legislation, annual reports.</p>
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			<p>vii. To increase the quality of the analytical process by systematically querying all accessible sources, particularly the law enforcement and administrative data (including tax information);</p> <p>viii. To fully exploit all possibilities of information collection, particularly by having the supervisory and State authorities report as provided by the Law;</p> <p>ix. Finally, to intensify the efforts for the analysts to acquire better knowledge and insight in money laundering techniques and schemes.</p>	<p>vi  <del>Guidelines regarding mandatory reporting for the service providers are being drafted determining time limits for all reports.</del></p> <p>In the FIU guidelines as mentioned above explicitly in paragraph 3.2 a time frame has been given for reporting of UTR's . When objective indicator is involved reporting should be done in 14 days and in case of subjective indicator reporting should be completed in 5 days.</p> <p>vii          According to art. 7 of the MOT Act, the FIU can, on a case to case basis, requests information from law enforcement and governmental agencies, to be used in the analytical process.</p> <p>viii idem</p>
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				<p>viii</p> <p>Based on art.13 of the MOT act, the FIU will institutionalize a forum of government agencies including supervisory bodies for the financial and the non-financial sectors in order to collect information related to ML/TF or any suspicious grounds for these activities. The government agencies will include police, immigration, customs, Central Bank and the Gaming board.</p> <p>ix. Ongoing training of FIU staff. November 2009 orientation visit to the FIU in Belgium, march 2010 visit to FIU N.A. November 2009 Tactical Analysis Course for FIU personnel (by Egmont instructor Mr. Dambruck)</p> <p>In cooperation with the US Treasury Department analysis and supervision training will start in October 2012.</p>
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<p>27. Law enforcement authorities</p>	<p>PC</p>	<ul style="list-style-type: none"> <li>• No designated financial investigation team until recently – effectiveness untested</li> <li>• Loss of effectiveness by             <ul style="list-style-type: none"> <li>- insufficient focus on the financial aspects of serious criminality</li> <li>- unsatisfactory exploitation of FIU reports</li> </ul> </li> <li>a. non-observance of the legal obligation to spontaneously informing MOT of ML relevant information</li> </ul>	<p>The performance of the AML/CFT effort should be enhanced by:</p> <ul style="list-style-type: none"> <li>i. A better interaction between the FIU and the police</li> <li>ii. A more efficient use of the information supplied by the FIU</li> <li>iii. A reinforced focus on the financial aspects when investigating (proceeds generating) offences</li> </ul>	<p>Interaction between Police (FOT) and FIU has been improved.</p> <p>Members of the Financial Investigative Team (FOT) have participated in a training course hosted by CIFAD in march 2012 in Paramaribo. In April 2012 two members of the FOT team have attended a financial investigating training seminar in France.</p> <p>In cooperation with the US Treasury Department financial investigative training will start in October 2012.</p> <p>New dates for the above mentioned training are set for April 2013. There will also be a mixed setting for FOT/MOT trainees.</p>
<p>28. Powers of competent authorities</p>	<p>C</p>	<p>This Recommendation has been fully observed</p>		<p>Closed</p>
<p>29. Supervisors</p>	<p>NC</p>	<ul style="list-style-type: none"> <li>• The CBS should have the authority to conduct inspections of relevant financial institutions including</li> </ul>	<ul style="list-style-type: none"> <li>i. The CBS should have the <u>general</u> power to compel production or to obtain access to all records, documents or information</li> </ul>	<p>I</p> <p>According to Article 29 of the Banking and Credit System Supervision Act CBS is authorized to conduct (on-site) inspections to</p>

		<p>on-site inspection to ensure compliance.</p> <ul style="list-style-type: none"> <li>• The CBS should have the <u>general</u> power to compel production or to obtain access to all records, documents or information relevant to monitoring compliance.</li> <li>• The CBS should have adequate powers of enforcement and sanction against financial institutions and their directors or senior management for failure to comply with the AML/CFT requirements.</li> </ul>	<p>relevant to monitoring compliance.</p> <p>ii. The CBS should have the authority to conduct inspections of all relevant financial institutions including on-site inspection to ensure compliance.</p> <p>iii. The supervisor should have adequate powers of enforcement and sanction against financial institutions and their directors or senior management for failure to comply with the AML/CFT requirements</p>	<p>ensure compliance with AML/CTF regulations for all supervised banks. Similar legislation has been drafted to address the aspect of inspection by CBS of MTOs and MEOs.</p> <p>ii</p> <p>According to Articles 17 and 55 of the Banking and Credit System Supervision Act, CBS has the authority to enforce the AML/CTF regulations and impose sanctions.</p> <p>ii</p> <p>The Supervision also regards AML/CFT guidelines issued according to art.16 sub 1 of the Bank and Credit System Supervision Act.</p> <p>iii</p> <p>In the MOT Act a new article 22 has been added appointing the CBS as AML supervisor of the financial sector. Under this legislation adequate powers of enforcement and sanction for failure to comply with AML/ CFT requirements is given to CBS.</p> <p>According to article 16, 17 and 19</p>
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				<p>sub 1 and 2 the Central Bank can conduct AML/CFT on-site inspections and impose sanctions against credit institutions and their directors for failure to comply with AML/CFT guidelines issued by the Central Bank.</p> <p>In the new article 22 of the MOT Act the CBS has been appointed as the AML supervisory authority of financial service providers. Under this article the CBS is authorized to give directives to the service providers that fall under its supervision for the purpose of facilitating compliance with the MOT Act. This article also enables the supervisory authority i.c the CBS to impose a maximum fine of SRD 1 million for each contravention on a service provider that does not comply, or does not comply on time, with the obligations laid down in the aforementioned directives of the CBS.</p> <p>According to article 1B of the Act Penalization of Legal Entities of September 5, 2002, regarding</p>
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				<p>detailed amendments to the criminal code in connection with the adoption of general provisions the criminal liability of legal persons, sanctions can applied for AML/CFT violations to directors, senior management and financial institutions.</p> <p>For 2013 three AML/CFT on-site inspections of credit institutions are scheduled of which two has been conducted in April and July 2013 with assistance of the U.S. Treasury Department, Office of Technical Assistance. The inspection itself involved five staff members plus the advisor and covered 5 days onsite plus a number of days in preparation and post examination analysis of gathered information and preparation of a report.</p> <p>In line with the Suriname ICRG/CFATF Action plan for 2012, this legislation was adopted by Parliament, on the 17<sup>th</sup> of July</p>
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				<p>2012 and entered into force on the 9<sup>th</sup> of August 2012.</p>
<p>30. Resources, integrity and training</p>	<p>PC</p>	<p><u>FIU:</u></p> <ul style="list-style-type: none"> <li>• Serious capacity problem by lack of adequate financial and human resources</li> <li>• Analyst training rather basic</li> </ul> <p><u>PP:</u></p> <ul style="list-style-type: none"> <li>• Low number of PP magistrates disproportionate to workload</li> </ul> <p><u>SUPERVISORS (CBS):</u></p> <ul style="list-style-type: none"> <li>• Insufficient staffing for (future) AML/CFT supervision on all FI</li> <li>• No adequate training on AML/CFT issues</li> </ul>	<ul style="list-style-type: none"> <li>i. To substantially increase the human and financial resourcing of the FIU;</li> <li>ii. The CBS should consider creating a team of examiners specialising in AML/CFT measures that check financial institutions compliance with AML/CFT on an ongoing basis for all supervised entities.</li> </ul>	<p>FIU personnel have been increased from 4 to 12, including 4 analysts and 2 lawyers. The FIU is looking into increasing the staff.</p> <p>The FIU staff has been increased to a total of 17 members. For the analysts in depth training has been provided by the OTA of the USA Treasury Department in 2014.</p> <p>The CBS will increase the number of examiners. All examiners will be trained in conducting AML/CFT examinations by the US Treasury Department.</p> <p>On October 1<sup>st</sup> 2012 the Central Bank recruited 40 young trainees, right out of the university, for placement on a number of departments in the Bank. 15 of these trainees were allotted to the Supervision Department. After the initial orientation phase of 6 months ending in March 2013, these</p>

				<p>trainees will be assigned to the different sections where they will be trained in supervision of banks, insurance companies, pension funds and credit unions and other aspects of supervisory work including AML/CFT.</p> <p>On November 5<sup>th</sup>2012 the Governor of the CBS and the Ambassador of the USA signed a Terms of Reference for Technical Assistance (TA). According to the accompanying work plan the US Treasury will train employees of the Supervision Department, the Legal Department and the Financial Market Department in AML/CFT supervision. The TA also includes the drafting of AML/CFT manuals, policies and procedures.</p> <p>PP          Within the office of the Attorney general, a senior prosecutor was appointed in order to instruct and guide FOT/KPS in the investigation of ML/TF cases. In 2013, 9 persons will complete their 5 years period</p>
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				<p>in order to become a junior prosecutor. They also receive training to investigate and prosecute ML/TF cases.</p> <p>In 2014 nine junior prosecutors joined the AG's office of which two are also in the unit for instructing financial investigations including ML and TF cases. Also in 2014 five new judges were appointed. Part of the training of the new judges includes financial crime.</p>
31. National co-operation	LC	<ul style="list-style-type: none"> <li>The legal mandate of the existing monitoring and advisory body does not extend to cooperation and coordination</li> </ul>	<p>i. Although the legal mandate of the AML Commission does not include the coordination and cooperation between the different competent authorities, in practice it already goes some way in that direction. It could be an option to give this body a more permanent and structural character, with extension of its mandate to expressly include coordination of the AML/CFT effort and streamlining the cooperation between the relevant actors, but this matter is obviously the</p>	<p>As of December 9th 2011 a AML Steering Council was established consisting of the Minister of Justice and Police, Minister of Finance and the President of the Central Bank. This council constitutes a partnership to strengthen the legal framework for countering ML and TF and to strengthen the supervision structure for the financial and non-financial sectors.</p>

			<p>sovereign decision of the government. The relatively small size of the Suriname society is already a facilitating factor for an efficient communication and cooperative relation between the relevant actors.</p>	
32. Statistics	NC	<p>Lack of comprehensive and reliable (annual) statistics on the number of ML investigations.</p> <p>No policy of keeping comprehensive statistics at the Public Prosecutor’s level</p> <p>Lack of comprehensive and reliable (annual) statistics with respect to property / objects seized and confiscated.</p> <p>MLA: no statistical information on the nature of the requests, on the number and reasons of refusal, nor on the time required to respond</p> <p>Extradition: no information on the underlying offence and response time</p> <p>Supervisor: no statistics on request for assistance</p>	<p>Besides the criminalization of FT, local authorities should see to it, that, as soon as there is an act criminalizing the FT, comprehensive statistics be kept on the number investigations, prosecutions and convictions for the act of FT</p> <p>i. The CBS should be given additional resources to be allocated for AML/CFT supervision and maintain statistics of the number of on-site inspections conducted and sanctions applied.</p> <p>ii. The competent authorities do not keep annual statistics on the number of cases and the amount of property seized and confiscated relating to ML, FT and criminal proceeds. No comprehensive statistics are maintained on the</p>	<p>i.</p> <p>A template to keep comprehensive statistics on the number of investigations, prosecutions and convictions is developed and will be formally distributed in August 2012 to the stakeholders: FIU, Prosecutors office and the Central Bank. (This is in line with the Suriname ICRG/CFATF Action Plan for 2012).</p> <p>i</p> <p>Templates to keep comprehensive statistics on the number of investigations, prosecutions, convictions and mutual legal assistance has been developed and formally distributed to the stakeholders: FIU, Financial Investigative Team (FOT), Gaming</p>

			<p>number of cases and the amounts of property seized and confiscated relating to underlying predicate offences.</p> <p>iii. The CBS should keep statistics on formal requests for assistance made or received by law enforcement authorities relating to money laundering or financing terrorism, including whether the request was granted or refused.</p> <p>iv. The authorities should endeavour to maintain more detailed statistics allowing them to assess and monitor the performance of the MLA regime.</p>	<p>Board, Prosecutors office and the Central Bank.</p> <p>ii. The Central Bank will keep statistics of AML/CFT on-site inspections. They will also keep track of sanctions applied. The Bank will also keep record of formal request by law enforcement authorities and the decisions on such request.</p>
<p>33. Legal persons – beneficial owners</p>	<p>NC</p>	<ul style="list-style-type: none"> <li>• There are no measures to prevent the unlawful use of legal persons in relation to money laundering and terrorist financing;</li> <li>• There is no adequate transparency concerning the beneficial ownership and control of legal persons;</li> <li>• The information at the registries can not be trusted. They are not kept up to date.</li> </ul>	<p>Suriname should take measures to prevent the unlawful use of legal persons in relation to money laundering and terrorist financing. There should be adequate transparency concerning the beneficial ownership and control of legal persons.</p> <p>The first time a foundation, public limited company, co-operative society / association or association is registered, the information about the directors is at hand and (most of the time) accurate. However there is no information</p>	<p>According to art. 3a of the MOT Act, provisions are established regarding a transparent system of identification of local and foreign legal persons. Special provisions have been made in art. 3a sub 4 for the identification of religious organization.</p> <p>According to art. 6 jo. Art. 4 of the MOT Act, special attention is required for business relationships and transactions regarding the</p>

			<p>regarding the (ultimate) beneficial owner and changes in directors or beneficial owners are not communicated with the registrars. Measures should be taken to ensure that the information with the different registrars is accurate and kept up to date.</p> <p>Measures will have to be taken to prevent the misuse of bearer shares for ML.</p>	<p>identification of beneficial owners and control of legal persons.</p> <p>In line with the Suriname ICRG/CFATF Action plan for 2012, this legislation was adopted by Parliament, on the 17<sup>th</sup> of July 2012 and entered into force on the 9<sup>th</sup> of August 2012.</p> <p>Based on art. 22 of the Bank and Credit System Supervision Act it is prohibited to use bearer shares in credit institutions. Furthermore all shareholdings of 5% or more are subject to permission from the CBS.</p>
34. Legal arrangements – beneficial owners	N/A	<ul style="list-style-type: none"> <li>Suriname does not have trusts or other legal arrangements.</li> </ul>		
International Co-operation				
35. Conventions	PC	<ul style="list-style-type: none"> <li>No signing, ratification and implementation of the TF Convention; no full and effective implementation of the relevant provisions of the</li> </ul>	<p>vi. Suriname should take the necessary steps to fully and effectively implement the Vienna and Palermo Conventions</p>	<p>i. Several core principles of the Vienna Convention and the Palermo</p>

		<p>Vienna and Palermo Convention</p>	<p>vii. Suriname should forthwith initiate the accession procedure to the CFT Convention and take the necessary implementation steps.</p> <p>viii. UN Res. 1267 and 1373 should be implemented fully and without delay (see comments above on SRIII).</p>	<p>convention have already been incorporated in domestic law.</p> <p>ii.  <del>Draft legislation to become part of the CFT UN convention is in Parliament. According to the Suriname Action Plan to the ICRG, this legislation should come into force by mid August 2012.</del></p> <p>The CFT legislation (O.G. 2011 no. 96) is in accordance with the recommendations of the UN/CFT Convention. ART. I A sub 8, of the CFT legislation explicitly refer to the UN convention.</p> <p>ii.          On October 16<sup>th</sup> 2012 Parliament adopted the Act concerning the accession of the Republic of Suriname to the International Convention for the Suppression of the financing of terrorism. This legislation entered into force on November 2<sup>nd</sup> 2012.</p> <p>The instrument of accession to the UN/ CTF Convention has been</p>
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				<p>deposited and came into force for Suriname on August 18<sup>th</sup>, 2013</p> <p>The International Sanctions Act came into force on May 21 2014 (O.G.2014 no.54) addressing the aspects of freezing of funds related to UN resolution 1267 and 1373.</p> <p>A State Decree to give effect to art.2 of this law has been drafted and is subject to approval of the Council of ministers.</p> <p>iii.</p> <p>Provisions have been incorporated in the CFT Act (O.G. 2011 no. 96) implementing UN Res. 1373. ART IA sub 9, 71 a, 111a, 111b, 160 b, 188a, 228a, 228b of the CFT Act (O.G. 2011 no. 96) i.a. criminalizes the willful provision or collection, directly or indirectly with the intention that the funds will be used in order to carry out terrorist acts.</p> <p>The International Sanction Act came into force on</p>
36. Mutual legal assistance (MLA)	C	This Recommendation has been fully observed.		Closed

<p>37. Dual criminality</p>	<p>PC</p>	<ul style="list-style-type: none"> <li>• Restrictive and formalistic interpretation of the dual criminality principle impeding cooperation on the basis of mutually criminalised conduct, also affecting the effectiveness of the MLA system</li> <li>• Formalistic and restrictive interpretation of the dual criminality rule impeding extradition based on mutually criminalised conduct</li> <li>• Effectiveness cannot be assessed on the basis of the available information</li> </ul>	<p>i. In order to enhance the quality and comprehensiveness of its MLA system, the Suriname authorities should endeavour to complete their penal legislation with a speedy introduction of the missing designated predicate offences (insider trading and stock market manipulation) and the offence of terrorism financing, so as to avoid all prohibitions resulting from the dual criminality principle.</p> <p>ii. The narrow and legalistic interpretation of the dual criminality principle should be put to the test and efforts should be made to try and create jurisprudence which would bring the application of this (rightful) principle in line with the broader international standard, which</p>	<p>i.</p> <p>In the Act penalizing Terrorism and the Financing of Terrorism (O.G. 2011 no. 96) in general all categories of predicate offences, related to money laundering are applicable to the financing of terrorism (art. I C sub art. 71a). This also includes acts in preparation of activities related to terrorism.</p> <p>The dual criminality principle is addressed in the Extradition act of June 10<sup>th</sup> 1983 (O.G.1983no.52)</p> <p>Article 3</p> <ol style="list-style-type: none"> <li>1. Extradition can only be granted for the benefit of:             <ol style="list-style-type: none"> <li>a. an investigation by the authorities of the requesting State in respect of the presumption that the person to be extradited is guilty of a criminal act for which both the law of the requesting State as that of Suriname impose a punishment of one year or longer.</li> </ol> </li> </ol>
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			<p>only requires the underlying conduct to be criminalised by both countries. Legal certainty on the capability to execute foreign confiscation orders should be ensured, if necessary through specific legislation.</p>	<p>b. the execution of a court sentence of four months or longer of the person to be extradited for a criminal act as mentioned under a.</p> <p>2. for the purposes of the preceding paragraph, a to Surinamese law offence include a criminal act which has been infringed upon on the legal order of the requesting State while under the Surinamese law a punishable infringement of the rule of law is the same.</p> <p>CBS is drafting legislation regarding the supervision on capital markets in this legislation insider trading and market manipulation are criminalized according to the Suriname Action Plan this legislation should come into force before the end of the year.</p>
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				<p>The draft Act on Capital Markets has been approved by the Council of Ministers and was forwarded to the State Advisory Council. Their comments have been forwarded to the ministry of Finance to be implemented in the draft. Insider trading and market manipulation will be covered by this act.</p> <p>The Act on Capital markets came into effect on May 21<sup>th</sup> 2014</p>
38. MLA on confiscation and freezing	PC	<ul style="list-style-type: none"> <li>• Seizure and confiscation possibilities negatively affected in the MLA context by the non-criminalisation of all designated predicate offences and TF.</li> <li>• No formal legal basis for enforcement of foreign confiscation orders.</li> </ul>	<p>i. In order to enhance the quality and comprehensiveness of its MLA system, the Suriname authorities should endeavour to complete their penal legislation with a speedy introduction of the missing designated predicate offences (insider trading and stock market manipulation) and the offence of terrorism financing, so as to avoid all prohibitions resulting from the dual criminality principle.</p>	<p>According to art. 71a of O.G. 2011 no. 96, seizure and confiscation of goods and values, related to all designated predicate offences, including TF, has been made possible.</p> <p>Provisional and confiscation measures also related to TF are addressed, respectively in art. 82 and 82a of the Criminal Proceeding Code, and in art. 50, 50a, 50b and 50c of the Penal Code as amended in O.G. 2002 no. 67.</p> <p>The Act on Capital markets came into effect on May 21<sup>th</sup> 2014. Art</p>

			<p>ii. The narrow and legalistic interpretation of the dual criminality principle should be put to the test and efforts should be made to try and create jurisprudence which would bring the application of this (rightful) principle in line with the broader international standard, which only requires the underlying conduct to be criminalised by both countries. Legal certainty on the capability to execute foreign confiscation orders should be ensured, if necessary through specific legislation.</p>	<p>19 and 21 respectively, criminalize insider trading and market manipulation</p>
39. Extradition	LC	<ul style="list-style-type: none"> <li>Extradition grounded on certain designated predicate activity is subject to challenge</li> </ul>	<p>i. The deficiencies established in respect of the criminalisation of all designated predicate offences and terrorism financing should be remedied forthwith. Also the</p>	<p>Money laundering and terrorist financing are extraditable offences. Nationals who committed ML/TF crimes abroad cannot be extradited. Based on article 466a of the Criminal Proceeding Code, the AG</p>

			<p>restrictive interpretation of the dual criminality principle should be subject to reconsideration.</p>	<p>can request the competent judicial authorities of the foreign country to transfer the ML/TF cases for the purpose of prosecution.</p> <p>Closed</p>
40. Other forms of co-operation	PC	<p><u>FIU:</u></p> <ul style="list-style-type: none"> <li>Excessive treaty condition</li> <li>No legal basis for collecting information at the request of a counterpart</li> <li>Deficient protection of the exchanged information, both formally and physically</li> </ul> <p><u>Supervisor</u></p> <ul style="list-style-type: none"> <li>No legal basis for mutual assistance and information exchange with counterparts</li> </ul>	<p><u>FIU</u></p> <ol style="list-style-type: none"> <li>In order for MOT Suriname to legally and fully become a player in the international FIU forum and to comply with the present standards, it is recommended that:</li> <li>The treaty condition should be discarded and replaced by the generally accepted rule of information exchange with its counterparts, based on reciprocity and the Egmont Principles of Information exchange. Ideally such exchange should be allowed on an ad hoc basis or, if deemed necessary, on the basis of a bilateral agreement between FIUs;</li> <li>The Law should expressly allow MOT to collect information outside its register at the request of a counterpart FIU. One simple and adequate way to realise this is to put such foreign request legally at</li> </ol>	<ol style="list-style-type: none"> <li>Legislation amending art. 9 of the MOT Act, regarding the sharing of information, both, locally and internationally was adopted by Parliament, on the 17<sup>th</sup> of July 2012 and entered into force on the 9<sup>th</sup> of August 2012.</li> <li>Legislation amending art. 9 sub 2 of the MOT act, in order to maintain a line of communication with foreign FIU's, based on a MOU in order to share data was adopted by Parliament, on the 17<sup>th</sup> of July 2012 and entered into force on the 9<sup>th</sup> of August 2012.</li> <li></li> <li></li> </ol>

			<p>par with a disclosure, which would automatically bring them under the regime of art. 5 and 7 of the MOT Act;</p> <p>iv. The confidentiality status of the exchanged information should be expressly provided for to protect it from undue access or dissemination;</p> <p>v. The (physical) protection of the MOT data-base and its offices be upgraded;</p> <p>vi. The processing of TF related disclosures should be brought within the assignment of the FIU as soon as possible, which would also increase the chance of MOT acceding to the Egmont Group and its ESW.</p> <p><u>Supervisor</u></p>	<p>Conditions regarding the confidentiality status of the exchanged information will be included in the MOU.</p> <p>v. The FIU is now located in a new building with an office space of 170 square meters, with a 24/7 electronic security system in the business area in the capital of Paramaribo. Additional IT security measures had been implemented to protect sensitive and confidential data.</p> <p>vi. In art. III sub C and D of the CFT legislation (O.G. 2011 no. 96), UTR's should be filed once a transaction is, or can be related to TF.</p> <p>vii The Banking and Credit System Supervision Act (O.G. 2011 no. 155), which entered into force on November 23rd 2011 creates a legal basis for information exchange</p>
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			vii. A legal basis should be provided for information exchange between the CBS and counterpart supervisors, by way of MOUs or otherwise.	between CBS and counterpart supervisors based on a MMOU.  The Central Bank entered into an information exchange, co-operation and consultation agreement (MMOU) with the Caribbean Group of Banking Supervisors in July 2012.
Nine Special Recommendations	Rating	Summary of factors underlying rating		
SR.I Implement UN instruments	NC	<ul style="list-style-type: none"> <li>No signing, ratification and implementation of the TF Convention; no effective implementation of the UN Res. 1267 and 1373</li> </ul>	<p>i. Suriname should take the necessary steps to fully and effectively implement the Vienna and Palermo Conventions</p> <p>ii. Suriname should forthwith initiate the accession procedure to the CFT Convention and take the necessary implementation steps.</p> <p>iii. UN Res. 1267 and 1373 should be implemented fully and without</p>	<p>i. Several core principles of the Vienna Convention and the Palermo Convention have been incorporated in domestic law.</p> <p>ii. <del>Draft legislation to become part of the CFT convention is in Parliament. According to the Suriname Action Plan to the ICRG, this legislation should come into force by mid August 2012.</del></p>

			<p>delay (see comments above on SRIII).</p>	<p>The International Sanctions Act came into force on May 21 2014 (O.G.2014 no.54) addressing the aspects of freezing of funds related to UN resolution 1267 and 1373.</p> <p>A State Decree to give effect to art.2 of this law has been drafted and is subject to approval of the Council of ministers.</p> <p>ii.</p> <p>On October 16<sup>th</sup> 2012 Parliament adopted the Act concerning the accession of the Republic of Suriname to the International Convention for the Suppression of the financing of terrorism. This legislation entered into force on November 2<sup>nd</sup> 2012.</p> <p>The instrument of accession to the UN/ CTF Convention has been deposited and came into force for Suriname on August 18<sup>th</sup>, 2013</p> <p>iii.</p> <p>Provisions have been incorporated in the CFT Act (O.G. 2011 no. 96)</p>
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				<p>to implement UN Res. 1373. ART IA sub 9, 71 a, 111a, 111b, 160 b, 188a, 228a, 228b of the CFT Act (O.G. 2011 no. 96) i.a. criminalizes the wilful provision or collection, directly or indirectly with the intention that the funds will be used in order to carry out terrorist acts.</p>
<p>SR.II Criminalise terrorist financing</p>	<p>NC</p>	<ul style="list-style-type: none"> <li>• There is no legislation criminalizing FT;</li> <li>• Consequently, there are no TF related investigations, prosecutions and convictions.</li> </ul>	<p>i. Besides the criminalization of FT, local authorities should see to it, that, as soon as there is an act criminalizing the FT, comprehensive statistics be kept on the number investigations, prosecutions and convictions for the act of FT</p>	<p>The CFT legislation (O.G. 2011 no. 96) also amendments were made regarding the Fire arms Act and the act regarding suspicious transactions. In general all categories of predicate offences, related to money laundering are applicable to the financing of terrorism.</p> <p>A template to keep comprehensive statistics on the number of investigations, prosecutions and convictions is developed and will be formally distributed in August 2012 to the stakeholders: FIU, Prosecutors office and the Central Bank. (This is in line with the Suriname ICRG/CFATF Action Plan for 2012)</p> <p>Templates to keep comprehensive statistics on the number of</p>

				<p>investigations, prosecutions, convictions and mutual legal assistance has been developed and formally distributed to the stakeholders: FIU, Financial Investigative Team (FOT), Gaming Board, Prosecutors office and the Central Bank.</p> <p>Closed 4<sup>th</sup> follow up report</p>
SR.III Freeze and confiscate terrorist assets	NC	<ul style="list-style-type: none"> <li>No system in place complying with the relevant UN Resolutions and providing for an adequate freezing regime</li> </ul>	<ul style="list-style-type: none"> <li>i. None of the criteria of Special Recommendation III are met by Suriname. Many of the people interviewed did not even know of the existence of UN Security Council Resolutions 1267 (1999) and 1373 (2001) and there implications, nor did they have any information regarding the Best Practice Paper.</li> <li>ii. The Suriname authorities should endeavour to introduce the appropriate legislative measures effectively implementing the relevant UN Resolutions and establishing an adequate freezing regime in respect of assets suspected to be terrorism related.</li> </ul>	<ul style="list-style-type: none"> <li>i. The CFT legislation (OG 2011 no. 96) in art. I and II, makes confiscation of assets related to the financing of terrorism, possible.</li> <li>ii. Provisions have been incorporated in the CFT Act (O.G. 2011 no. 96) to implement UN Res. 1373. ART IA sub 9, 71 a, 111a, 111b, 160 b, 188a, 228a, 228b of the CFT Act (O.G. 2011 no. 96) i.a. criminalizes the willful provision or collection, directly or indirectly with the intention that the funds will be used in order to carry out terrorist acts.</li> </ul>

				<p>Draft legislation addressing the freezing regime related to UN resolution 1373 was approved by the State Advisory Council and will be sent to Parliament.</p> <p>The International Sanction act has been enacted (O.G. 2014 no54) in order to comply with conventions or binding resolutions of international law organizations, e.g. UN security council resolution 1267 and 1373. This act also provides for a freezing regime in respect of assets suspected to be terrorism related.</p> <p>The International Sanctions Act came into force on May 21 2014 (O.G.2014 no.54) addressing the aspects of freezing of funds related to UN resolution 1267 and 1373.</p> <p>A State Decree to give effect to art.2 of this law has been drafted and is subject to approval of the Council of ministers.</p>
SR.IV Suspicious transaction reporting	NC	<ul style="list-style-type: none"> <li>• There are no direct requirements for financial</li> </ul>	i. The reporting obligation under the MOT Act should cover	i

		<p>institutions to report to the FIU when they suspect or have reasonable grounds to suspect that funds are linked or related to, or to be used for terrorism, terrorist acts or by terrorist organisations, regardless of the amount of the transaction and including attempted transactions.</p>	<p>transactions related to insider trading and market manipulation.</p>	<p><del>After criminalization of insider trading and market manipulation, which legislation should come into force before the end of this year, the MOT Act will be amended.</del></p> <p>Criminalization of insider trading and market manipulation in the capital Market Act will qualify these offenses as predicate offences with the obligation to report these offences to the FIU.</p> <p>The Act on Capital markets came into effect on May 21<sup>th</sup> 2014</p> <p>In the State Decree on Unusual Transaction (SDIUT) all services regarding securities transactions are listed in Annex A. Institutions need to determine whether a conducted or intended transaction is unusual within the meaning of the law when rendering these services. Art 12 of the MOT ACT requires that service providers that discover facts during the performance of their duties which point to money laundering and financing of terrorism are obligated, with due observance of the indicators laid down by SDIUT to immediately disclose an effected</p>
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			<ul style="list-style-type: none"> <li>ii. The reporting duty needs to be explicitly in the law to include all funds where there are reasonable grounds to suspect or they are suspected to be linked or related to, or to be used for terrorism, for terrorist acts, or by terrorist organizations or those who finance terrorism.</li> <li>iii. The assessment team advises to include in the State Decree on Unusual Transactions the requirement to also report “attempted unusual transactions”</li> <li>iv. The financial institutions that choose to use an UTR-interface for reporting purposes, should be obliged to improve the quality of the UTRs as soon as possible and in such a way that the disclosures contain all information as prescribed by article 12.2. of the MOT Act.</li> <li>v. The authorities should consider whether the obligation to report</li> </ul>	<p>or intended unusual transaction in writing -digitally or non-digitally- to the FIU.</p> <ul style="list-style-type: none"> <li>ii. Requirements for Financial institutions to report UTR’s to the FIU on grounds based on TF are the same as for ML as stated in art III of the CFT legislation (OG 2011 no. 96).</li> <li>iii. In article I sub C of the CFT legislation amending the Penal Code and the MOT Act(O.G. 2011no. 96), an attempt and preparation act of ML / TF has been penalized. The draft State Decree on Indicators of Unusual Transactions (SDIUT) has been forwarded to the council of Ministers for approval. After approval it will be sent to the State Advisory Council and based on their advice it will be enacted through publication in the State Gazette.</li> </ul>
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			<p>unusual transactions “without delay” is sustainable.</p> <p>vi. The FIU and other competent authorities should make an inventory to identify all financial institutions and DNFBPs that have a reporting requirement, reach out to these parties and apply sanctions in case of non-compliance.</p> <p>vii. The FIU and other competent authorities should raise awareness and enhance the sensitivity of all financial institutions and DNFBPs regarding money laundering and terrorist financing risks.</p>	<p>The State Decree on Indicators of Unusual Transactions (SDIUT) has been approved (O.G.2013 no.148) and entered into force on August 15th, 2013.</p> <p>iv. Legislation amending art. 12 of the MOT Act, with the obligation for disclosers containing information as prescribed by article 12.2. was adopted by Parliament, on the 17<sup>th</sup> of July 2012 and entered into force on the 9<sup>th</sup> of August 2012.</p> <p>v. Sub 2 of art. 12, where the reporting requirements are stipulated was amended, obligating financial institutions to improve the quality of the UTRs.</p> <p>vi. Legislation amending the MOT Act, adding a new art 22, sub 1c, giving the MOT the authority to supervise the DNFBP’s, and apply sanctions in case of none compliance as mentioned in art. 22</p>
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				sub 3, was adopted by Parliament, on the 17 <sup>th</sup> of July 2012 and entered into force on the 9 <sup>th</sup> of August 2012.
SR.V International cooperation	NC	<ul style="list-style-type: none"> <li>• No legal basis for TF related MLA in the absence of TF criminalisation</li> <li>• No legal basis for TF related extradition requests in the absence of TF criminalisation</li> <li>• FIU and law enforcement: no legal framework for TF related information exchange and other forms of (non-legal) mutual assistance</li> <li>• Supervisor: No legal basis for mutual assistance and information exchange with counterparts</li> </ul>	<p>i. The deficiencies established in respect of the criminalisation of all designated predicate offences and terrorism financing should be remedied forthwith. Also the restrictive interpretation of the dual criminality principle should be subject to reconsideration.</p>	<p>Mutual legal assistance can be requested or provided in all criminal cases, including ML/TF, as stipulated in art. 466a (ART I B, O.G. 2002 no. 71)</p> <p>Draft legislation addressing the freezing regime related to UN resolution 1373 was approved by the State Advisory Council and will be sent to Parliament.</p> <p>The International Sanction act has been enacted (O.G. 2014 no 54) in order to comply with conventions or binding resolutions of international law organizations, e.g. UN security council resolution 1267 and 1373. This act also provides for a freezing regime in respect of assets suspected to be terrorism related.</p>

<p>SR VI AML requirements for money/value transfer services</p>	<p>NC</p>	<ul style="list-style-type: none"> <li>• None of the requirements are included in legislation, regulations or other enforceable means.</li> </ul>	<ul style="list-style-type: none"> <li>i. A competent authority should be designated to register or licence MTCs and be responsible for ensuring compliance with licensing and/or registration requirements.</li> <li>ii. A system for monitoring MTCs ensuring that they comply with the FATF Recommendations should be implemented. The mission also recommends that the CBS issues the AML/CFT Guidelines to MTCs that indicate circumstances in which a transaction might be considered as “unusual”.</li> <li>iii. MTCs should be required to maintain a current list of its agents and sub-agents, which must be made available to the</li> </ul>	<p><del>i. The draft Act concerning the Supervision of money transfer offices (MTOs) and money exchange offices (MEOs) is already in Parliament. Discussions concerning the adoption of this draft act by Parliament will commence soon.</del></p> <p>i</p> <p>The Act concerning the Supervision of Money Transaction Offices which includes money transfer offices (MTOs) and money exchange offices (MEOs) has been adopted by Parliament on October 29<sup>th</sup> 2012. (O.G. 2012 no 170).</p> <p>Under the new legislation the CBS is the sole licensing authority for MTOs and MEOs.</p> <p>ii</p> <p>Based on art. I sub A (13) of the MOT Act, unusual transactions are those listed in the State decree MOT indicators. This legislation was adopted by Parliament, on the 17<sup>th</sup> of July 2012 and entered into force on the 9<sup>th</sup> of August 2012.</p>
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			<p>CBS and the Foreign Exchange Commission.</p> <p>iv. The measures set out in the Best Practices Paper for SR.VI should be implemented and Suriname authorities should take FATF R. 17 into account when introducing system for monitoring money transfer companies.</p>	<p>iv The CBS has issued in April 2012, new AML/CTF regulations for the financial sector in line with the recommendations of the MER.</p>
SR VII Wire transfer rules	NC	<ul style="list-style-type: none"> <li>Suriname has not implemented any requirement regarding obtaining and maintaining information with wire transfers.</li> </ul>	<p>i. Suriname should issue a law or regulation to implement the requirements of Special Recommendation VII.</p>	<p>The CBS has issued in April 2012, new AML/CTF regulations for the financial sector in line with the recommendations of the MER, with regard to CDD measures for wire transfers. These include the requirement for accurate and meaningful originator information on funds transfer and enhanced scrutiny of and monitoring for suspicious activity funds transfers which do not contain complete originator information.</p> <p>Amended CBS AML/CFT regulations have been discussed with the Bankers Association and</p>

				<p>will come in effect on April 1<sup>st</sup> 2015.</p> <p>The CDD requirements in paragraph 1 have been expanded with a special section on wire transfer rules.</p> <p>The amended CBS AML/CFT Directive came into force as of April 1, 2015.</p> <p>Under the amended regulations (<b>paragraph I: Electronic Transfers of Funds</b>). Requirements for electronic transfers are:</p> <ul style="list-style-type: none"> <li>- with all electronic transfers of funds that conform with the threshold amounts specified in the Decree, it is required of the financial institution which will execute the transaction that they request and record the details of the person from whom the funds originate (the payer), in particular: name, account number (or reference number) and address. The customer identification number or national identity number</li> </ul>
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				<p>may be substituted for his address;</p> <ul style="list-style-type: none"><li>- with cross-border electronic transfers of funds, the financial institution which will execute the transaction must have at its disposal complete information regarding the payer and the payee. In the event that the payer's account number is lacking, the financial institution can substitute for this the identification code which can trace the transaction back to the payer;</li><li>- the basic information regarding the payer which is to be appended to transfers of funds should be immediately available for inspection by competent authorities who are charged with the combating of money laundering and the financing of terrorism;</li><li>- if the financial institution has no direct relationship with the receiving financial institution and the</li></ul>
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				<p>transaction is carried out via correspondent banks, then there is a question of two components: namely, the one part concerns information between the financial institution which authorises the payment and the receiving institution, and the other part concerns the information exchange between the correspondent banks. With the electronic transfer of funds, information regarding the payer should be appended and the correspondent bank is to ensure that all information received concerning the person, which has been appended to an electronic transfer of funds, remains with that credit transfer;</p> <ul style="list-style-type: none"><li>- on the basis of a risk evaluation, the receiving financial institution should demonstrate particular alertness when information regarding the payer is lacking or is incomplete. In</li></ul>
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				<p>the event that the required information regarding the payer is incomplete, the receiving institution refuses to execute the credit transfer or makes a request for the complete information regarding the payer. If a financial institution regularly fails to provide the required information regarding the payer, the receiving institution takes measures, which may consist of the sending of warnings or the imposition of deadlines, before deciding to refuse all future credit transfers from this institution or deciding either to restrict or to terminate its business relationship with this institution. The receiving financial institution reports this fact to the FIU.</p>
SR.VIII Non-profit organisations	NC	<ul style="list-style-type: none"> <li>Complete absence of an adequate legislative and regulatory system for the</li> </ul>	<p>i. Suriname should forthwith initiate the accession procedure to</p>	<p>i  <del>Draft legislation to become part of the CFT convention is in</del></p>

		<p>prevention of misuse of the non-profit sector by terrorists or for terrorism purposes</p>	<p>the CFT Convention and take the necessary implementation steps.</p> <p>ii. UN Res. 1267 and 1373 should be implemented fully and without delay (see comments above on SRIII).</p>	<p><del>Parliament. According to the Suriname Action Plan to the ICRG, this legislation should come into force by mid August 2012.</del></p> <p>i</p> <p>On October 16th 2012 Parliament adopted the Act concerning the accession of the Republic of Suriname to the International Convention for the Suppression of the financing of terrorism. This legislation entered into force on November 2nd 2012.</p> <p>The instrument of accession to the UN/ CTF Convention has been deposited and came into force for Suriname on August 18<sup>th</sup>, 2013</p> <p>Draft Act to incorporate NPO's in both the MOT and WID act has been finalized in order to forward to the Council of Ministers.</p> <p>Amended CBS AML/CFT regulations have been discussed with the Bankers Association and will come in effect on April 1<sup>st</sup> 2015.</p>
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				<p>A new paragraph 9 has been added to the regulation that deals with NPO's. Financial institutions are obligated to assess the risk associated with NPO's and to keep detailed records of the NPO and its activities.</p> <p>ii. Provisions have been incorporated in the CFT Act (O.G. 2011 no. 96) to implement UN Res. 1373.</p> <p>ART IA sub 9, 71 a, 111a, 111b, 160 b, 188a, 228a, 228b of the CFT Act (O.G. 2011 no. 96) i.a. criminalizes the wilful provision or collection, directly or indirectly with the intention that the funds will be used in order to carry out terrorist activities.</p> <p>ii The CBS has issued in April 2012, new AML/CTF regulations for the financial sector in line with the recommendations of the MER that also address the implementation of UN resolution 1267 and 1373.</p>
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				<p>In paragraph 8 of the AML/CFT regulations issued by the Central Bank in 2012 financial institutions are required to take all necessary measures with regard to the prevention of misuse of NPO's such as foundations and charitable organisations by terrorists or by terrorist organisations. These regulations were issued in accordance with the Banking and Credit System Supervision Act of 2011.</p>
<p>SR.IX Cross Border Declaration &amp; Disclosure</p>	<p>NC</p>	<ul style="list-style-type: none"> <li>• No declaration/disclosure system in place regarding the cross-border transportation of currency in the AML/CFT context</li> </ul>	<p>i. The Suriname authorities should decide on the choice between a disclosure or a declaration system for cross-border transportation of currency or bearer negotiable instruments and put in place such system aimed at discovering criminal or terrorist related assets without delay.</p>	<p>The Ministry of Foreign Affairs, in collaboration with all stakeholders, will conduct a pilot phase in November 2012, after which it will become official. This system will detect incoming and outgoing passengers and will enable blacklisting, giving the Government tools to address threats in the area of terrorism and illegal trafficking of immigrants. The Ministry is now busy with the drafting of an Embarkation Card in which the money laundering aspect will be tackled.</p>

				<p>On the 19<sup>th</sup> November 2012 the Border Management System was officially introduced on 4 border crossing points. This system registers outgoing passengers and the authenticity of passports can also be detected. Currently the ministry of Foreign Affairs is negotiating with Interpol and IMPACS/JRCC to connect the systems, the watchlist and the APIS system. The Military police is discussing the issue of embarkation/disembarkation cards with the ministry of Justice and Police and Customs.</p> <p>The order regarding the declaration form came into force on January 22<sup>th</sup>, 2015. See attachment</p>
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