CARIBBEAN FINANCIAL ACTION TASK FORCE

Suriname Eleventh Follow-up Report

Summary: Detailed exit report of Suriname

Meeting Date: May 31th 2017

Port of Spain, Trinidad and Tobago

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SURINAME: ELEVENTH FOLLOW-UP REPORT UPDATE AND FULL ANALYSIS

I. INTRODUCTION

1. The third round MER of Suriname was adopted in October 2009, in Curacao, and Suriname was placed in expedited follow-up. Suriname reported back to the CFATF in May 2011, (first follow-up report); May 2012, (second follow-up report); November 2012, (third follow-up report); May 2013, (fourth follow-up report); May 2014, (fifth follow-up report); November 2014, (sixth follow-up report); May 2015, (seventh follow-up report); November 2015, (eight follow-up report); June 2016, (ninth follow-up report); and November 2016, (tenth follow-up report).

2. This report is based on the CFATF procedure for removal from regular follow-up as agreed[1] by the CFAFT plenary in May 2014. Suriname has indicated that it is of the opinion that it had met the criteria necessary for removal from regular follow-up. It contains a detailed description and analysis of the actions taken by Suriname in respect of the core and key Recommendations rated partially compliant (PC) or non-compliant (NC) in the mutual evaluation, as well as a description and analysis of the other Recommendations rated PC or NC.

3. The analysis of this report was predicated on the basis of information provided by Suriname and is a desk evaluation that focused on Recommendations rated PC/NC, which means that only a part of the AML/CFT system was reviewed. The analysis consisted mainly looking at the main laws, regulations, directives, state decrees, ministerial decrees along with other material provided by Suriname. As this is a desk-based review, the level and nature of information provided and accepted in many instances is inherently different to that which would have been accepted during an onsite visit. Consequently, the conclusions of this report do not prejudge the results of any future assessments as they are based on information that was not verified through an onsite process.

The Legal and Regulatory Framework

[1] According to the decisions by the May 2014 Plenary, countries can apply to exit the follow-up process in the following cases:

a. Countries who have achieved the level of **C/LC** in all of their Core and Key Recommendations that were rated PC/NC in their MERs to apply to exit the FUP ; or

b. Countries that have achieved the level of C/LC in all their Core Recommendations, but have one (1) or more Key Recommendations that were rated PC/NC and still have not achieved the level of C/LC in those recommendations to apply to exit once they have achieved **substantial compliance** (the large majority of non-Core and Key Recommendations have been addressed) in their non-Core or Key Recommendations that were rated PC/NC in their MER.

4. Suriname's AML/CFT legal and regulatory framework are based on several laws (including Presidential Decrees and Ministerial Decrees). The main laws are the MOT and the WID. The relevant laws are discussed, in detail, at section IV of this report.
5. Suriname was rated PC or NC on the following Recommendations:

Table 1: Ratings for Core, Key and 'other' Recommendations

PARTIALLY COMPLIANT (PC)	NON-COMPLIANT (NC)
Core Recommendations	
R.1 (ML offence) R.10 (Record keeping)	R.5 (CDD) R.13 (Suspicious transactions reporting) SR. II (TF Criminalization) SR.IV (Suspicious transactions reporting)
Key Recommendations	
R. 3 (Confiscation and provisional measures) R. 4 (Secrecy laws) R. 26 (The FIU) R. 35 (Conventions) R. 40 (Other forms of cooperation)	R. 23 (Regulation; supervision and monitoring) SR. I (Implement UN Instruments) SR. III (Freeze and confiscate terrorist assets) SR. V (International cooperation)
Other Recommendations	
R. 14 (Protection & no tipping-off) R. 18 (Shell banks) R. 20 (Other NFBP & secure transaction techniques) R. 25 (Guidelines & Feedback) R. 27 (Law enforcement authorities) R. 30 (Resources, integrity and training) R. 37 (Dual criminality) R. 38 (MLA on confiscation and freezing)	R. 6 (Politically exposed persons) R. 7 (Correspondent banking) R. 8 (New technologies & non-face-to-face business) R.9 (Third parties and introducers) R. 11 (Unusual transactions) R. 12 (DNFBP – R.5, 6, 8-11) R. 15 (Internal controls, compliance & audit) 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)

II. MAIN CONCLUSION AND RECOMMENDATIONS TO THE PLENARY

Core Recommendations:

6. ***Recommendation 1:*** At the time of the onsite the full gamut of designated categories of offences were not criminalized. However, Suriname addressed this by criminalizing terrorism and TF, through the enactment of O.G. 2011 no 96, and insider trading and market manipulation, through the enacting of the Act on Capital Markets (O.G. 2014 no 53). Now that all designated categories of offences have been designated as predicates in Suriname R. 1 has been implemented to a level comparable to LC.

7. ***Recommendation 5:*** At the time of the onsite the WID Act did not provide for an adequate and solid framework that imposes the required obligations on FIs. The scope of the WID Act was limited to basic customer identification requirements and did not contain the broad range of customer due diligence (CDD) measures anticipated by the FATF Recommendations. Additionally, the need for the establishment of the identity of the ultimate beneficial owner(s) was not elaborated in the WID Act. The enactment and bringing into force of the amended WID Act and the MOT Act in 2012 have addressed those deficiencies so that R. 5 has been brought to the level that is comparable to an LC.

8. ***Recommendation 10:*** Amendments to the WID and specifically art 8 sub 1-2 now ensures that service providers are bound to maintain records in an accessible manner, even after the statutory retention period of seven (7) years. There is also now a general requirement for these records to be maintained in an accessible manner. This action has had the effect of bringing the level of R. 10 to a level comparable to C.

9. ***Recommendation 13:*** The criminalization of all designated categories of offences, including terrorism and TF; properly particularizing the information which is to be submitted to the FIUS when FIs report STRs; ensuring that there is a clear timeline within which STRs are to be submitted to the FIUS, following the determination of a suspicion; and through the ongoing raising of awareness by the reporting entities. This action has had the effect of raising the level of compliance with R. 13 to a level comparable to an LC.

10. ***Special Recommendation II:*** SR. II was deficient owing to the non-criminalization of TF. Now that TF has been criminalized, SR. II has been implemented to a level comparable to an LC.

11. ***Special Recommendation IV:*** Owing to art. 12 sub 1 of the MOT and the SDIUT there is now a direct reporting requirement, which includes the reporting of attempted transactions irrespective of the amount of funds. This ensures that the level of compliance with SR. IV is equivalent to an LC.

Key Recommendations:

12. ***Recommendation 3:*** Suriname now has the legal basis upon which to confiscate TF related assets. Therefore, the level of compliance is brought up to that equivalent to an LC.

13. ***Recommendation 4:*** R. 4 continues to be deficient because the MOT Act is silent on the Gaming Supervision and Control Institute, as supervisory authority, in Suriname, ability to share information.

14. ***Recommendation 23:*** The deficiencies for R. 23 were all addressed through legislation. A**rt 22** of the **MOT Act** was enacted to specifically entrust the CBS as the Supervisory Authority for service providers; Chapter 2 of the MTOSA, **art 3.1** has empowered the CBS with exclusive authority to grant licences to legal entities wishing to carry on the business of a money transaction office; and art. 10 of the Capital markets Act places all market participants within the capital market under the supervision of the CBS. R. 23 is now implemented to a level equivalent to an LC.

15. ***Recommendation 26:*** Six of the nine deficiencies were addressed whilst the remaining three are subject to ongoing implementation. The FIUS has increased manpower and is now an independent institute within the Ministry of Justice and Police. The unit was moved to secured premises in the business district of Suriname and acquired computer hardware to store its information. The FIUS has also issued guidance to reporting entities and began publishing its annual reports on its website. R. 26 is now implemented to a level which is equivalent to a LC.

16. ***Recommendation 35:*** **The deficiencies for R.35 were based on the Vienna and Palermo Conventions not being fully implemented. Suriname** acceded to the UN's International Convention for the Suppression of the Financing of Terrorism on July 18, 2013 and on May 21, 2004, enacted the International Sanctions Act to address the aspects of freezing of funds related to UN resolution 1267 and 1373. R.35 is now implemented to a level which is equivalent to a LC.

17. ***Recommendation 40:*** All six deficiencies for R. 40 have been addressed through: amendments to the MOT, the enactment of art. 46 of the BCSSA; amendments to the Act on Disclosure of Unusual Transactions to give the FIUS jurisdiction over the processing of TF related disclosures. R.40 is now implemented to a level which is equivalent to a LC.

18. ***Special Recommendation I:*** Because the deficiencies for SR. I and R. 35 were identical the noted action which addressed the gaps for R. 35 are relevant here. SR. I is now implemented to a level which is equivalent to a LC.

19. ***Special Recommendation III:*** The mechanisms necessary to implement all the essential criteria with the exception of III.5 have been put in place. The freezing of assets in accordance with S/RES/1267(1999) and S/RES/1373(2001) is enabled through **Art. 2** of the International Sanction Act; The State Decree (O.G. 2016 no 131) has been enacted to

give effect to, the actions initiated under the freezing mechanism of other jurisdictions; A Council on International Sanctions has also been established as a legal entity with responsibility for, among other things, executing 'decisions' sent to it by the Minister; procedures have been put in place for considering delisting requests and unfreezing of funds; procedures have also been put in place for unfreezing the funds or other assets of persons or entities inadvertently affected by a Suriname's freezing mechanism; The Council is authorized to provide access to frozen funds for: payments of necessary living expenses, medical treatment, the fulfillment of long-term financial obligations. SR. III is now implemented to a level which is equivalent to an LC.

20. ***Special Recommendation V:*** The lone deficiency relating to the **criminalisation of all designated predicate offences and terrorism financing** was addressed. SR. V is implemented to a level which is equivalent to an LC.

Other Recommendations:

21. Suriname has made significant progress in addressing the deficiencies in its non-core and key Recommendations that were rated PC/NC. The Jurisdiction's application for removal from the third-round follow-up process is based on its compliance with the Core and Key Recommendations that were rated PC/NC. Accordingly, this report will only provide a limited analysis the 'Other' Recommendations which is detailed at section VI of this report.

Conclusion

22. This detailed analysis of Suriname's action to close the deficiencies noted in its 3rd MER provides an overview of the progress relating to all Core and Key Recommendations that were rated PC/NC in the 2009 MER. This analysis indicates that Suriname has addressed all Core and Key Recommendations rated PC/NC (R. 1, 3, 5, 10, 13, 23, 26, 35, 40, SR. I, II, III, IV & V) to a level comparable to at least an LC. Following the presentation of this report, the Plenary agreed that Suriname had sufficiently met the criteria to exit the CFATF third-round follow-up process. The Jurisdiction therefore exited the follow-up process.

III. OVERVIEW OF PROGRESS MADE BY SURINAME

Overview of the main changes since the adoption of the Mutual Evaluation Report (MER)

23. Suriname began its legislative reform by enacting two Acts namely: the O.G. 2011 no 96, which is an Act amending the Criminal Code; the Firearms Act; and the Act on the Disclosure of Unusual Transactions, in connection with the criminalization of terrorist crimes and their financing. This Act was published in the State Gazette of 29th July, 2011, and came into force on 30th July, 2011; and O.G. 2011 no 155 which is a new Banking and Credit System Supervision Act ("BCSSA") that came into force on 23rd November, 2011.

24. Suriname also amended the Wet Melding Ongebruikelijke Transacties (SB 2002, 65), MOT (Act on the Reporting of Unusual Transactions) and the Wet Identificatieplicht Dienstverleners (SB 2002, 66), WID (Act on the identification requirements for Service Providers). Both amendments were adopted by the Jurisdiction's Parliament on July 17, 2012 and entered into force on August 9, 2012.

25. On October 29, 2012, Suriname brought the Money Transaction Offices Supervision Act 2012 (MTOSA) into force. The main objective of the MTOSA is to guarantee the integrity of the Surinamese financial system, as well as to prevent money laundering and the financing of crimes of terrorism. It provides that the business of a money transaction office (MTO) must be linked to a licence issued by the Central Bank of Suriname (CBS). The MTOSA also assigned supervisory duties for MTOs to the CBS.

26. On August 15, 2013, the State Decree on Indicators of Unusual Transactions (SDIUT) was brought into force as (O.G.2013 no.148). Provisions of this law positively affected: Recs. 13, 26 and SR. IV, by including a requirement for attempted unusual transactions to be reported.

27. On May 21, 2014, the Act on Capital markets came into force as (O.G. 2014, no 53). Provisions of this law positively affected Recs. 1, 13, 23, 37, 38 and SRIV. Also on May 21, 2014 the International Sanction Act came into force (O.G. 2014 no 54). This law was intended to lay down the general framework to comply with the international obligation, specifically the resolutions established by the United Nations Security Council relating to threats or disruption to international peace and security (UN resolution 1267 and 1373). The measures to be implemented, based on this law, included the freezing of terrorist funds.

28. On April 1, 2015, the CBS amended the AML/CFT regulations. Provisions of this amendment positively affected Recs. 15, 21, 23 and SRVII. On February 29, 2016, Act (O.G. 2016 no. 31) was enacted, and brought into force on March 3, 2016, to amend the International Sanctions Act, (O.G. 2014 no. 54). This law established a Council, as a legal entity, on International Sanctions, with responsibility of supervising all service providers for compliance with the International Sanctions Act. This amendment positively affected SR.III.

29. On February 29, 2016, Act (O.G. 2016 no. 32) was enacted, and brought into force on March 3, 2016, to amend the WID Act. This law is directly related to the CDD obligations applicable in higher risk situations and was intended to make enhanced customer due diligence mandatory for Suriname's non- profit organizations. This law did not have any positively effect on SR. VIII.

30. On February 29, 2016, State Decree (O.G. 2016 no 34) was enacted with the overarching intent to implement article 2 section 1 of the International Sanctions Act (O.G. 2014 no. 54) and in complying with the international obligations as contained in the Resolutions 1267, 1333, 1373, 1452, 1735, 1988, 1989, 2160, 2161 and 2170 of the Security Council of the United Nations. This amendment positively affected SR. III.

31. On July 29, 2016, Suriname amended the Surinamese Commercial Code (O.G. 2016 No. 103) to abolish the issuance of new bearer shares and create an opportunity for existing bearer shares to be converted to registered shares. This action positively affected Recommendation 33.

32. On October 13, 2016, the president of the Central Bank of Suriname (CBS) issued new AML/CFT Directives to replace the April 2015 AML/CFT Directives. This action positively affected Recommendation 9.

33. On October 17, 2016, the President of Suriname issued a State Decree (O.G. 2016 no 131), which is inherently concerned with providing further details on the rules for implementing the jurisdiction's freezing mechanism. These mechanisms were established through the International Sanctions Act S.B. 2014 no. 54, as amended by S.B. 2016 no. 31. The State Decree introduces procedures for the de-listing and freezing and unfreezing of funds of natural and legal persons. On October 25, 2016, procedures were laid down by the Minister of Foreign Affairs. This action positively affected Recommendation 35, and Special Recommendations I and III.

34. On October 25, 2016, Suriname enacted legislation (the WOTS Act) as O/g/ 2016 no 132, containing rules concerning the take-over of the execution of foreign criminal court decisions and the transference of the execution of the Surinamese criminal court decisions to the foreign country. This action positively affected Recommendation 35 and Special Recommendation I.

IV. DETAILED ANALYSIS OF COMPLIANCE WITH THE CORE RECOMMENDATIONS

Recommendation 1 – PC

R. 1 (Deficiency 1): 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.

35. Suriname criminalized terrorism by enacting O.G. 2011 no 96, (**art.1A. Art.1C (2))** and the financing of terrorism by adding the paragraph **k** with the following definition:

Financing of terrorism:

i. the intentional acquisition or possession of monetary instruments or objects with monetary value for purposes of committing a terrorist crime;

ii. the intentional acquisition of monetary resources for the commission of a terrorist crime; or

iii. the provision of monetary or material support for the acquisition of money or objects for an organization that intends to commit a terrorist crime.

36. Insider trading and market manipulation have been criminalized through the enactment of the Act on Capital Markets (O.G. 2014 no 53). At **art 1** (General Provisions), of the said Act, insider trading is defined **(art 1 sub (m))** whilst market manipulation is defined at **art 1 sub (n)**. Insider trading is defined 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 significantly on the price of the securities or on the price of securities deriving therefrom*." Even though this definition for insider trading appears to refer to a definition for insider information, at **art 19** (Market Abuse), it is prohibited for any person to make use of inside information for their own benefit or for the benefit of a third person where such a person acquired the inside information in his capacity either as: a member of the issuer's board of executive directors, management or supervisory bodies; through his participation in the issuer's capital; through his access to the information owing to his work, profession or position or for other reasons; or through criminal activity. Based on the definition of insider trading at **art 1 sub (m)** it appears that the mere knowledge of insider information would constitute insider trading once a person who has such knowledge engages in the conduct prohibited by **art 19**.

37. As for market manipulation, **art 1 sub (n)** defines a situation where there is deliberate interference in the supply or demand for securities through the dissemination of incorrect or misleading information or through transactions or trade orders which give misleading or incorrect signals or even where one or more persons act in concert to maintain the price of a security at an artificial or incorrect level. **Art 21** prohibits any person from engaging in market manipulation. Under **art 34** (Penalty Provisions), both insider trading and market manipulation are deemed to be criminal offenses and a person committing either is liable to be sentenced to a maximum term of imprisonment of two years and to a maximum fine of SRD 5 million. R1 deficiency 1 is sufficiently addressed.

R. 1 (Deficiency 2): 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.

38. The maintenance and availability of comprehensive statistics are addressed at Recommendation 32. (click here to read the text of Recommendation 32).

R. 1 (Deficiency 3): Evidentiary requirements for autonomous ML still untested (effectiveness issue).

39. The text of the ML provision adequately covers all elements required by the international standards and all the designated categories of offences are now criminalised in Suriname. This deficiency refers to the implementation of these elements which can only be assessed through an analysis of data and other information on prosecutions, convictions, penalties,

freezing/seizing and confiscation etc. Suriname has not as yet produced such data or other information therefore such an analysis cannot be conducted.

Recommendation 1- overall conclusion

40. There were three deficiencies noted by the Assessors, two of which were hinged on the Jurisdiction's ability to show that the ML provisions were being implemented. The other deficiency was related to the non-criminalization of some designated categories of offences. Now that the missing offences have been criminalized, the full scope of ML and its predicates have been addressed, therefore the compliance with this Recommendation is up to a level comparable at minimum to an LC.

Recommendation 5 – NC

41. The Assessors made thirteen recommendations aimed at closing the gaps they discerned in Suriname's AML/CFT infrastructure. Suriname has responded by amending the WID Act and the MOT Act to specifically close these gaps. The analysis of these amendments and the effect they have had towards closing those gaps are detailed below:

R.5 (Deficiency 1) 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.

42. The preface to the CBS' 2012 Directives has noted that the bank, in its capacity as supervisor of financial institutions, has decided to issue the new directives to support Suriname's AML/CFT legislation.

CBS Directives as Other Enforceable means (OEM)

43. Under art 16.1 of the **Banking and Credit System Supervision Act 2011**(BCSSA) the CBS is authorised to issue guidelines with regard to the administrative and management organization of credit institutions, including financial administration and internal control, to their business operations to combating of money laundering and the financing of terrorism. At art 17 of the BCSSA, if the CBS discovers that a credit institution is not following the guidelines, it may instruct the relevant credit institution, by registered letter, to take the necessary measures or to follow a particular line of conduct in accordance with CBS' instructions. If no satisfactory response is forthcoming from the credit institution within a period determined by the CBS, or if the CBS determines that its instructions has not been satisfactorily complied with, then it may place the defaulting credit institution under undisclosed custody requiring it to carry out its activities only subject to approval by the CBS, through persons appointed by the CBS. At art 56 of the BCSSA, the CBS is authorized to impose a financial penalty on the credit institution for non-compliance, including non-compliance with article 16. The amount of all such penalties is set by order or decree, on the understanding that the penalty payable per infringement may not exceed SRD 1,000,000 and under no circumstances can such penalty exceed 25 percent of the

annual profit, as evidenced by the most recent certified financial statements issued by the external auditor in respect of the credit institution that was penalized. Ultimately, art 11 of the BCSSA gives the CBS the authority to revoke the license of a credit institution if that credit institution fails to observe the guidelines issued in accordance with the said BCSSA. *R.5 deficiency 1 is sufficiently addressed.*

R.5 (Deficiency 2) The definition of "financial activities" should be updated in accordance with the definition of "financial activities" in the FATF Methodology.

44. According to **art. 1 c** of the **WID** and **art.1 c** of the **MOT** financial services has the meaning of the professional or commercial performance of one or more of the following activities:

a. **C. 10 -** accepting deposits and other withdrawable funds from the public;
b. **C.11 –** granting of loans;
c. **C.12 -** financial leasing, with the exception of consumer-relating leasing;
d. **C.8 -** performing national or international financial transfers;
e. **C.13 -** issuing and managing of payment instruments other than cash, which in any case includes credit cards, debit cards, cheques, travelers cheques, payment orders, electronic and non-electronic money orders and electronic money;
f. **C.14 -** furnishing of financial guarantees and sureties;
g. **C.16 -** trading in the following:
b. money market instruments, such as cheques, bills of exchange and derivatives;
c. transferable securities;
d. futures market commodities;
a. **C.17 -** participating in securities dealing and related financial services;
b. **C.18 -** receiving in safekeeping and managing of cash or liquid securities for third parties;
c. **C.19 -** other forms of investment, administration or management of funds or cash for third parties;
d. **C.5 -** taking out, surrendering and payment, as well as acting as a broker in taking out, surrendering and payment of a life insurance agreement and other investment-linked insurance products;
e. **C.7 -** buying or selling Suriname dollars (SRDs) or foreign currency;

45. Whilst the inclusion of the financial activities listed above now bring Suriname closer to fully implementing the Assessors recommendation, it must be noted that the activity of '*Individual and collective portfolio management'* has not been included and Suriname has not indicated whether the exclusion of this activity was predicated on the limited occurrence of that activity in the jurisdiction, or whether there was, based on analyses, little risk of money laundering activity occurring through the provision of this service.

R.5 (Deficiency 3): 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.

46. At **art. 2 sub B** of the **WID** Act (O.G. 2016 no 33) there is the Duty to provide proof of identity when carrying out non-recurring transactions (including wire transfers) of a joint value as established in the SDIUT. The SDUIT is however silent on a specific threshold. This deficiency is not sufficiently addressed.

R.5 (Deficiency 4): 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.

47. This deficiency has been closed by virtue **art. 2 sub 2d** and **2e** of the WID. Article 2 sub 2 d addresses doubts surrounding the reliability of previously obtained client information whilst article 2 sub 2 e is concerned with clients who are at risk of being involved in terrorist financing. ***R.5 deficiency 4 is sufficiently addressed.***

R.5 (Deficiency 5): The 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.

48. It is noted at paragraph 610 of the MER that Suriname *"Does not know trusts or other legal arrangements"* ***R.5 deficiency 5 is sufficiently addressed.***

R.5 (Deficiency 6): 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.

49. **Art 1of the WID** has defined ultimate beneficial owner as the natural person who owns, has control over or exercises control over a legal entity. At **art 2 sub 1 b of the WID** there is the requirement for service providers to perform client screening, which in the case of ultimate beneficial owners includes identifying the beneficial owner and verifying his identity to such an extent that the service provider is convinced of the identity of the beneficial owner. ***R.5 deficiency 6 is sufficiently addressed.***

R.5 (Deficiency 7): The obligation to obtain information on the purpose and intended nature of the business relationship.

50. This deficiency has been addressed because the client screening obligations under the WID's amendment "Duty to provide Proof of Identity" includes, at **art. 2.1c**, an obligation to determine the object and intended nature of the business relationship. ***R.5 deficiency 7 is sufficiently addressed.***

R.5 (Deficiency 8): No specific requirement to perform ongoing due diligence on business relationships.

51. This gap has been specifically closed due to the WID's amendment "Duty to provide Proof of Identity" where at **art. 2.1d** service providers are mandated to perform on-going checks of the business relationship to ensure that the transactions correspond with the knowledge that the service provider has of the client and the ultimate beneficial owner. ***R.5 deficiency 8 is sufficiently addressed.***

R.5 (Deficiency 9): Performing enhanced due diligence on higher risk categories of customers, business relationships or transactions.

52. At **art 4** of the **WID** amendment, service providers are required to carry out a more stringent client screening process if the nature of a business relationship or transaction entails a higher risk of money laundering or terrorist financing. This more stringent client screening is required to be performed both prior to the establishment of, and during the business relationship in the specific situations noted at **art 4 sub a - h.** ***R.5 deficiency 9 is sufficiently addressed.***

R.5 (Deficiency 10): 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.

53. **Art 3 sub 1** of the **WID** requires service providers to tailor their client screening based on the risk sensitivity for ML and TF and the type of customer, business relationship, product or transaction. ***R.5 deficiency 10 is sufficiently addressed.***

R.5 (Deficiency 11): There are no general requirements to apply CDD measures to existing customers on the basis of materiality and risk.

54. The analysis for R.5 deficiency ix above is also applicable here. ***R.5 deficiency 11 is sufficiently addressed.***

R.5 (Deficiency 12): 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 beneficial owner satisfactorily.

55. At **art 2a sub 3** and **4** there is the provision preventing a service provider from entering into a business relationship or executing a transaction if that service provider is either unable to perform client screening or if client screening does not result in the objectives set out at **art 2 sub 1** of the said **WID** Act, which includes the identification of the ultimate beneficial owner. ***R.5 deficiency 12 is sufficiently addressed.***

R.5 (Deficiency 13): 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.

56. At **art 2a sub 4** if a service provider is no longer able to conduct client screening to the satisfaction of **art 2** of the WID after entering a business relationship, that service provider is mandated to terminate that business relationship without delay. At **art 2a sub 5** there is the requirement for the making of a disclosure in these circumstances. ***R.5 deficiency 13 is sufficiently addressed.***

Recommendation 5 overall conclusion

57. Legislative action has resulted in Suriname significantly addressing 10 of the 13 deficiencies that were identified in the MER. Of the three outstanding deficiencies one (deficiencies 2) is a minor deficiency, deficiency 3 is not sufficiently addressed and the other, relating to statistics is addressed at R.32. The compliance with R. 5 up to a level comparable at minimum to an LC.

Recommendation 10 – PC

R.10 (Deficiency 1): 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 a competent authority). R.10 (Deficiency 2): There should be a requirement for financial institutions to ensure availability of records to competent authorities in a timely manner.

58. Suriname has addressed both deficiencies through **art 8 sub 1-2** of the **WID.** At **sub 2**, service providers must maintain records in an accessible manner even after the statutory retention period of seven (7) years, prescribed at sub 1, has expired. At **sub 1** there is the general requirement or the maintenance of records in an accessible manner for seven (7) years after termination of the agreed business relationship. ***R.10 deficiency 1 and 2 are sufficiently addressed.***

Recommendation 10 overall conclusion

59. Legislative action by Suriname has resulted in the two deficiencies being closed. The compliance with R. 10 is up to a level comparable to C.

Recommendation 13 – PC

60. For Recommendation 13 the assessors had made seven (7) recommendations intended to close the gaps they discerned in the MER. The deficiencies and related action, taken by Suriname to address them are detailed below:

R.13 (Deficiency 1): The reporting obligation does not cover transactions related to insider trading and market manipulation as these are not predicate offences for ML

61. As noted in the analysis of Suriname's action taken to close Recommendation 1, insider trading and market manipulation have been criminalized as predicates through the enactment of the Act on Capital Markets (O.G. 2014 no 53). At **art 1** (General Provisions), of the said Act, insider trading is defined **(art 1 sub (m))** whilst market manipulation is defined at **art 1 sub (n)**. Under **art 34** (Penalty Provisions), both insider trading and market manipulation are deemed to be criminal offenses and a person committing either is liable to be sentenced to a maximum term of imprisonment of two years and to a maximum fine of SRD 5 million. R1 deficiency 1 is sufficiently addressed. (The full analysis of Recommendation 1 can be found here) ***R.13 deficiency 1 is sufficiently addressed.***

R.13 (Deficiency 2): There is no requirement to report suspicious transactions related to terrorist financing because the legislation on TF is not yet in place.

62. As noted in the analysis of Recommendation 1, Suriname criminalized terrorism by enacting O.G. 2011 no 96, **(art.1A. Art.1C (2)** and the financing of terrorism by adding paragraph **k. Art 12** of the **MOT ACT** mandates any service provider that discover facts indicating ML or TF, during the performance of their duties, to report such facts to the FIU. (The full analysis of Recommendation 1 can be found here) ***R.13 deficiency 2 is sufficiently addressed.***

R.13 (Deficiency 3): Include in the State Decree on Unusual Transaction, the requirement to also report "attempted unusual transactions"

63. In the SDUIT (S.B. 2003 No. 45), **art 1** has been amended to mandate that a service provider determine whether transactions, which are actually carried out or intended to be carried out, are unusual in the context of the specific indicators annexed in the said State Decree. Once such a determination is made the service provider is bound to report that transaction or intended transaction in accordance with **art. 12** of the **MOT Act**. Article 12 of the MOT Act is concerned with the reporting duty of service providers, to disclose (report) to the FIU any facts they uncover which are indicative of ML of TF, whether or not the related transaction was executed or *intended* to be executed. The combination effect of the amended SDUIT and the amended MOT Act has the effect of completely addressing the gap discerned by the Assessors. ***R.13 deficiency 3 is sufficiently addressed.***

R.13 (Deficiency 4): 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.

64. This deficiency has been addressed through **art 12 sub 2** of the MOT, which is concerned with the 'Duty of Disclosure'. In this regard **art. 12 sub 2 a –g** has itemized the details which service providers must provide when reporting suspicious transactions. ***R.13 deficiency 4 is sufficiently addressed.***

R.13 (Deficiency 5): Consider whether the obligation to report unusual transactions "without delay" is sustainable.

65. It has already been noted in the preceding paragraph that **art. 12** of the MOT is concerned with a Duty of Disclosure. At **art. 12 sub 1** service providers are required to report UTRs, to the FIU, '*immediately'* following the discovery of facts which point to money laundering or terrorist financing. At **art 22** of the MOT, which is concerned with 'Supervision', **sub 1 a - c** has entrusted several bodies with the responsibility of ensuring compliance with the said MOT Act. In this regard, the CBS has been entrusted as the Supervisory Authority for service providers; the Gaming Supervision and Control Institute as Supervisory Authority in so far as gaming providers are concerned and the FIUS in so far as other non-financial service providers are concerned. The Gaming Supervision and Control Institute was created by article 2 of the act of July 2nd 2009 (O.G. 2009 no. 78). At **art. 22 sub 2** the supervisory authorities above can give directives to their respective supervisees for facilitating compliance with the MOT Act. At **art. 22 sub 3**, where a service provider either fails to comply with a directive by its supervisor or does not comply in a timely manner that supervisor can impose a fine of up to 1 million Surinamese dollars for each contravention. These provisions, once effectively implemented, can have the effect of ensuring a high level of compliance by the supervisee stakeholders. ***R.13 deficiency 5 is sufficiently addressed.***

R.13 (Deficiency 6): 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.

66. On November 7, 2012 Suriname forwarded a list of non-service providers in the Jurisdiction to show that it already has an inventory in accordance with the Assessors' recommendation. This listing is regularly used by the FIUS in communicating with its constituent supervisees. It is unclear whether the CBS and the Gaming Supervision and Control Institute have done a similar inventory and whether all financial institutions and DNFBPs in the Jurisdiction have now been identified. ***R.13 deficiency 6 is not as yet sufficiently addressed.***

R.13 (Deficiency 7): The FIU and other competent authorities should raise awareness and enhance the sensitivity of all financial institutions and DNFBPs regarding ML and TF.

67. This deficiency requires ongoing action to address it. Based on this, Suriname reported having started conducting bi-monthly meetings between the FIUS and financial institutions and DNFBPs.

Recommendation 13 overall conclusion

68. Of the seven deficiencies, Suriname has sufficiently addressed 5, one has been significantly addressed whilst the other is the subject of ongoing implementation. The compliance with R. 13 is up to a level comparable at minimum to an LC.

Special Recommendation II - NC

SR. II (Deficiency 1): 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.

69. This deficiency is identical to the 2nd deficiency 2 for Recommendation 1. Suriname criminalized terrorism by enacting O.G. 2011 no 96, (**art.1A. Art.1C (2))** and the financing of terrorism by adding the paragraph **k.** The analysis of Recommendation 1 has already detailed the legislative action which resulted in that deficiency being closed. (The full analysis of Recommendation 1 can be found here) ***SR. II deficiency 1 is sufficiently addressed.***

Special Recommendation II overall conclusion

70. The lone deficiency has been sufficiently addressed through legislative action. The compliance with SR. II is up to a level comparable at LC.

Special Recommendation IV - NC

71. **SR. IV (Deficiency 1): There are no direct requirements for financial 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.**

72. **Art. 12** of the **MOT** is concerned with a Duty of Disclosure. At **art. 12 sub 1** there is the direct requirement whereby service providers are obligated to report UTRs, to the FIU, immediately following the discovery of facts, with due observance of the indicators laid down in the SDIUT, which point to money laundering or terrorist financing. This obligation is applicable to transactions performed or those intended and thus incorporates attempted transactions. ***SR. IV deficiency 1 is sufficiently addressed.***

Special Recommendation IV overall conclusion

73. The lone deficiency for SR. IV has been sufficiently addressed through legislation which mandates the reporting of UTRs whenever there is a suspicion that the facts surrounding the transaction point to the financing of terrorism. The compliance with SR. IV is up to a level comparable at minimum to an LC.

V. DETAILED ANALYSIS OF COMPLIANCE WITH THE KEY RECOMMENDATIONS

Recommendation 3 - PC

74. The two shortcomings are the fact that the FT is not an offence under Surinamese laws, and there are no statistics available to see how effective the legislation is in practice.

R. 3 (Deficiency 1): No legal basis for the confiscation of TF related assets, in the absence of a TF offence.

75. In Suriname TF is now criminalised by virtue of **art.1C (2) of O.G. 2011 no 96.** Provisional and confiscation measures 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** thereby creating the legal basis for the confiscation of TF related assets. ***R. 3 deficiency 1 is sufficiently addressed.***

76. **R. 3 (Deficiency 2): 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.**

77. The maintenance and availability of comprehensive statistics are addressed at Recommendation 32. (click here to read the text of Recommendation 32).

Recommendation 3 overall conclusion

78. Of the two deficiencies noted for Recommendation 3, one has been sufficiently addressed whilst the other which is related to the maintenance of statistics. The maintenance of statistics is addressed at Recommendation 32. The compliance with R. 3 up to a level comparable at minimum to an LC.

Recommendation 4 - PC

R.4 (Deficiency 1): the relevant competent authorities in Suriname be given the ability to share locally and internationally, information they require to properly perform their functions.

79. **Art 9** of the **MOT Act** permits the FIUS to exchange data, held in its Register of disclosures, with other FIUs which have similar functions as the said FIUS. Whilst the Register of disclosures contains only information on UTRs, any exchange of this information must be predicated on the establishment of a treaty, convention or MOU. Within Suriname the data from the Register of disclosures can only be shared through the

Procurator General, and even so, only to investigation and prosecution authorities. At **art 46** of the **BCSSA,** which came into force on 23rd November, 2011 the CBS has the authority to provide data or information it obtained in the execution of its duties as a supervisor, to a supervisory authority or any overseas authority charged with the supervision of other financial markets, following the establishment of information exchange agreement between the two (2) parties. There are several provisions before such information can be shared. They include:

1. the provision of such information is not or is not expected within reason to be in conflict with the interests purported to be protected under the BCSSA;
2. the CBS has ascertained the purpose for which the data or information is to be used;
3. there are sufficient guarantees that the data or information will be used for no purpose other than that for which they were intended, except where the CBS's prior consent has been obtained for such use;
4. the confidentiality of the data or information is satisfactorily guaranteed;
5. the information and data provided by the CBS contain no names of individual depositors of the relevant credit institution;
6. the data and information can be exchanged on the basis of reciprocity.

80. The provision at 5 above appears to be wholly restrictive and could have the effect of limiting the sharing of specifics by the CBS. Suriname is required to demonstrate that the implementation of that provision would not create an inhibition on the part of a competent authority's access to specific information it requires to properly carry out its AML/CFT obligations.

81. The MOT Act is silent on the Gaming Supervision and Control Institute, as the other supervisory authority in Suriname, ability to share information. However, Suriname has reported that the necessary legislation to address this deficiency will be prepared. ***R.4 deficiency 1 is not sufficiently addressed*.**

Recommendation 4 overall conclusion

82. The lone deficiency has not yet been sufficiently addressed.

Recommendation 23 - NC

R. 23 (Deficiency 1): Relevant supervisory authority has not been designated as responsible for ensuring the compliance of their supervised financial institutions and DNFBPs with AML/CFT requirements.

83. **Art 22** of the **MOT Act** was enacted to specifically address this deficiency. In this regard, the CBS has been entrusted as the Supervisory Authority for service providers; the Gaming

Supervision and Control Institute as Supervisory Authority in so far as gaming providers are concerned and the FIUS in so far as other non-financial service providers are concerned. In furtherance of this action and to demonstrate the implementation of these supervisory measures by the CBS, Suriname reported that the CBS, in January of 2013, conducted AML/CFT training for its Supervision Department, Financial Market Department and Legal Department, in collaboration with the US Treasury department. In January 2013 as well, the CBS created a manual for off-site and on-site examinations, to provide guidance for guidance and direction to financial institutions examiners in conducting an AML/CFT examination. That manual was designed to serve the user as a reference source describing the fundamental procedures used to perform an AML/CFT off-site and on-site examination. ***R.23 deficiency 1 is sufficiently addressed.***

R. 23 (Deficiency 2): The money & value transfer companies, money exchange offices and stock exchange are not subject to AML/CFT supervision and money transfer offices and money exchange offices are not registered or licensed and appropriately regulated.

84. At Chapter 2 of the MTOSA, **art 3.1** has empowered the CBS with exclusive authority to grant licences to legal entities wishing to carry on the business of a money transaction office. Based on the definition ascribed to MTOs at **art 1.b,** a licence granted by the CBS would allow a MTO to engage in either the exchange of currency or the transfer of currency. However, Chapter 1 **art 2** prohibits a licensee from engaging in both types of transactions simultaneously. Chapter 2 **art 5** details a number of requirements that a legal entity must satisfy before a licence can be granted. At **art 5.3** the CBS can refuse to grant a licence if the Board of executive directors or board of supervisory directors or persons holding a controlling interest was found guilty or is guilty of money laundering or is or was involved in financial crimes. In similar circumstances, pursuant to **art 10,** the CBS can also revoke a licence already granted. ***R. 23 deficiency is sufficiently addressed.***

85. **R. 23 (Deficiency 3): Surinamese authorities should consider regulating and supervising the Stock exchange for AML/CFT purposes.**

86. On May 21, 2014, Suriname enacted the Act on Capital markets as (O.G. 2014, no 53). **Art. 7** of this law places all market participants within the capital market under the supervision of the CBS. At **art. 10** the CBS is empowered to issue guidelines, for the operational management of a stock brokerage firm or stock exchange, which includes regulations regarding the combating of MF and TF. ***R. 23 deficiency 3 is sufficiently addressed.***

<u>Recommendation 23 overall conclusion</u>

87. All three deficiencies have been sufficiently addressed through legislative action. The compliance with R. 23 up to a level comparable at minimum to an LC.

Recommendation 26 - PC

R. 26 (Deficiency 1): That the missing implementing legal instruments be drafted without further delay, so to consolidate the legal framework of the organisation and functioning of the FIU

88. In May 2011, the Minister of Justice and Police issued a Ministerial Decree causing the organisational chart of the Ministry of Justice to be changed to identify the FIUS as an independent institute within the said ministry. Additionally, **art 2 sub 1** of the MOT Act has confirmed this action by establishing an office for disclosure of unusual transactions, known as the Financial Intelligence Unit Suriname (FIUS) as an independent unit of the Ministry of Justice and Police. ***R.26 deficiency 1 is sufficiently addressed.***

R. 26 (Deficiency 2): To substantially increase the human and financial resourcing of the FIU.

89. Suriname increased the strength of the FIUS by adding an additional eight (8) persons, including four analysts and two lawyers, to the unit. Additionally, for fiscal year 2012, the budget for the FIUS has been incorporated into the budget of the Ministry of Justice and police. It is not clear how, incorporating the FIUS' budget into the budget of the Ministry of Justice and police, has redound to an increase in the financial resourcing of the FIUS. Therefore, whilst the increase of the strength of the FIUS has demonstrably closed part of this deficiency the other gap appears not to have been addressed. ***R. 26 deficiency 2 is not sufficiently addressed.***

R.26 (Deficiency 3): To move MOT to a location that ensures a secure conservation and management of the sensitive information and the safety of the staff.

90. The FIUS was moved to a new location, situated in the business area of Paramaribo, in September 2011. There the unit has been provided with additional office space and 24/7 security. ***R. 26 deficiency 3 is sufficiently addressed.***

R. 26 (Deficiency 4): To improve the IT security measures to protect the sensitive and confidential information.

91. In 2009, the FIUS reportedly acquired a server to store its information. Weekly backups of the said information are also made. ***R. 26 deficiency 4 is sufficiently addressed.***

R. 26 (Deficiency 5): That the sensitization 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.

92. Suriname reported that in 2009 the FIUS started conducting awareness seminars for financial institutions and DNFBPs. Suriname has reported that part of these seminars address issues regarding typologies which are reported by service providers and documented in their UTR. By doing so the FIUS is providing typology feedback to service providers with the aim to increase their perception of suspicious activities.

93. In June 2014, the FIUS launched its website (http://www.mot.sr) where the FIUS' annual reports for the period 2003-2008; 2009; 2010; 2011; 2012; and 2013 are published and are

available for downloading. These reports include methods techniques and trends used in ML, as identified by the FATF. The 2013 annual report is the last report available online. A partially translated version of the 2012 report was sent to the Secretariat on April 29, 2014. That document showed detailed statistics on unusual transactions, covering the period 2003 to 2010, with breakdowns on the value of such transactions particularized by categories of reporting institutions. The translated document noted that typologies showing the methods and techniques used for ML/TF and also related trends are included. Suriname has also indicated that copies of the annual report are sent to the Ministers of Justice and Police, Finance, the Attorney General, the Governor of the Central Bank, Embassies and to all service provider. The annual report is made available to the general public and students upon request. This additional information provided by Suriname shows that the Jurisdiction's FIU has been largely complying with the necessary elements of E.C. 26.8. ***The closure of R.26 deficiency 5 is ongoing***.

R. 26 (Deficiency 6): To issue the necessary guidance to the sector stressing the importance of timely reporting, particularly of suspicious activity.

94. The FIUS issued guidelines, in October 2012, regarding reporting unusual transactions and the identification obligations of service providers. At paragraph 3.2 of these guidelines a reporting period of maximum 14 days for unusual transactions is prescribed for transactions which fall under the scope of objective indicators whilst transactions falling under the scope of a subjective indicator must be reported within five days. By prescribing clear reporting timelines to be followed by reporting entities for the filing of UTRs, Suriname has clearly demonstrated the importance for UTRs to be filed in a timely manner. ***R.26 deficiency 6 is sufficiently addressed.***

R. 26 (Deficiency 7): To increase the quality of the analytical process by systematically querying all accessible sources, particularly the law enforcement and administrative data (including tax information).

95. **Art 7 sub 1** of the **Mot Act** authorises the FIUS to request information from government, financial and non-financial institutions, if such information becomes necessary when analysing UTRs. At **art 7 sub 2** any government, financial and non-financial institutions from whom the FIUS has requested information is obliged to comply. This legislative action has created the basis upon which the FIUS can, on a case-by-case basis, access the necessary information required to add value to its analytical process. ***R.26 deficiency 7 is sufficiently addressed.***

R.26 (Deficiency 8): To fully exploit all possibilities of information collection, particularly by having the supervisory and State authorities report as provided by the Law.

96. Based on the provisions of **art 13** of the **MOT,** whereby government agencies must, notwithstanding any confidentiality provisions that apply to them, inform the FIUS if they discover, whilst carrying out their functions, any facts that point to ML of TF or the suspicion thereof, the FIUS was expected to institutionalize a forum of supervisory authorities and government agencies for collecting information on ML and FT. Suriname has not conclusively reported this action. ***R.26 deficiency 8 is the subject of ongoing implementation.***

R. 26 (Deficiency 9): To intensify the efforts for the analysts to acquire better knowledge and insight in money laundering techniques and schemes.

97. This deficiency is essentially related to the training and development of the staff of the FIUS. Suriname has reported that this an ongoing effort which to date has seen orientation visits to Belgium and participation in the Egmont Tactical Analysis Course in November 2009; a visit to the Netherlands Antilles in March 2010 and training in conjunction with the USA's Treasury Department, in October 2012. ***R.26 deficiency 9 is the subject of ongoing implementation.***

Recommendation 26 overall conclusion

98. Of the nine deficiencies identified by the Assessors, five have been sufficiently addressed whilst the other three, which have been significantly addressed, are the subject of ongoing implementation. The compliance with R. 26 is up to a level comparable at minimum to an LC.

Recommendation 35 – PC

R. 35 (Deficiency 1): Suriname should take the necessary steps to fully and effectively implement the Vienna and Palermo Conventions.

99. The Genesis of the Assessors' comments can be found at paragraphs 620, 621 and 622 of the MER. There are four issues articulated here, two of which are related to the Vienna Convention and the other two (2) are related to the Palermo Convention. The resolution of these issues are detailed below:

i. Issue#1 – For Art 5 of the Vienna Convention and specifically related to R.28.2 (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".* Suriname enacted the WOTS Act on October 25, 2016 and **art 11** provides for the confiscation of objects, at the request of a foreign state, pursuant to a treaty with Suriname. ***This sub-deficiency is sufficiently addressed.***

ii. Issue#2 - For Arts 15, 17 and 19 of the Vienna Convention is in relation to cross-border cash transportation the WOTS Act is expected to address this issue. ***This sub-deficiency is not yet addressed.***

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.27.3 is an additional element whilst the action taken by Suriname to close the deficiencies noted for R. 29 and SR. IX are detailed in this report. ***This sub-deficiency is sufficiently addressed.***

R. 35 (Deficiency 2): Suriname should forthwith initiate the accession procedure to the CFT Convention and take the necessary implementation steps.

100. Per 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. ***R.35 deficiency 2 is sufficiently addressed.***

R. 35 (Deficiency 3): UN Res. 1267 and 1373 should be implemented fully and without delay.

101. Suriname enacted the International Sanctions Act on May 21, 2014, (O.G.2014 no.54) addressing the aspects of freezing of funds related to UN resolution 1267 and 1373. On February 29, 2016, Suriname issued State Decree O.G. 2016 no 34, in order to implement **art 2 section 1** of the International Sanctions Act. Per art 2 of State Decree O.G. 2016 no 34, "All balances and any other *'means'* belonging to Al-Qaeda, the Taliban and other organizations associated natural persons or legal bodies, entities or bodies as referred to in the Resolutions 1267, 1333, 1373, 1452, 1735, 1988, 1989, 2160, 2161 and 2170 have been frozen". (The full analysis of the implementation of SR. III can be found here.) ***R. 35 deficiency 3 is sufficiently addressed***.

Recommendation 35 overall conclusion

102. Two of the three deficiencies for R.35 have been sufficiently addressed whilst the other (deficiency 1) has been significantly improved through legislation. The compliance with R. 35 is up from PC to a level comparable at minimum to an LC.

Recommendation 40 – PC

R.40 (Deficiency 1): 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.

103. As noted at the analysis for R.26 in this report, **art 9** of the **MOT Act** permits the FIUS to exchange data, held in its Register of disclosures, with other FIUs, which have similar functions as Suriname's FIU. Such exchange must be predicated by the establishment of a treaty, convention or MOU. ***R.40 deficiency is sufficiently addressed.***

R.40 (Deficiency 2): 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 par with a disclosure, which would automatically bring them under the regime of art. 5 and 7 of the MOT Act.

104. Addressed through an amendment to **art. 9** of the **MOT Act**. Specifically, through **O.G.2016 no.33** the FIU may now, apart from its own register, obtain information from

governmental, financial, and non-financial institutions, and also utilize other public sources of information. ***R.40 deficiency 2 is not sufficiently addressed.***

R. 40 (Deficiency 3): The confidentiality status of the exchanged information should be expressly provided for to protect it from undue access or dissemination.

105. Suriname has reported that the conditions regarding the confidentiality status of the exchanged information was included in the model MOU which has been prepared by the FIUS. This model MOU was produced and at **art 3** there is a restriction on the use of information and documents being disseminated or to be used for administrative, judicial, or prosecution purposes, without prior written consent. ***R. 40 deficiency 3 is sufficiently addressed.***

R.40 (Deficiency 4): The (physical) protection of the MOT data-base and its offices be upgraded.

106. It has already been noted under the analysis of Suriname's action relating to R. 26 that the FIUS has been relocated to new secure accommodation within the business district of Paramaribo and has reportedly acquired new server for securing its information. ***R.40 deficiency 4 is sufficiently addressed.***

R.40 (Deficiency 5): 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.

107. **Article III sub C** and **D** of **O.G. 2011 no 96** has amended the Act on the Disclosure of Unusual Transactions (S.B. 2001 No. 65) giving effect to the assessor's recommendation. Consequently, the main task of the FIUS has been amended to include the compilation, registration, processing and analysis of data "important for the prevention and investigation of money laundering, the financing of terrorism and other crimes". ***R. 40 deficiency 5 is sufficiently addressed.***

R.40 (Deficiency 6): A legal basis should be provided for information exchange between the CBS and counterpart supervisors, by way of MOUs or otherwise.

108. As noted in the assessment of Suriname's action relating to the deficiencies noted for R. 4, the enactment of **art 46** of the **BCSSA** has specifically closed this deficiency. ***R. 40 deficiency 6 is sufficiently addressed.***

Recommendation 40 overall conclusion

109. The six deficiencies for R. 40 have been addressed through legislative action bringing the compliance with R. 40 up to a level comparable at minimum to an LC.

Special Recommendation I - NC

110. The deficiencies identified for SR. I and the recommended actions, made by the Assessors, to close those deficiencies were identical to the deficiencies and recommended actions for R. 35. Consequently, the analysis of the legislative action and other measures, taken by Suriname, and detailed at R. 35 are also applicable here. (The full analysis of the R. 35 can be found here).

Special Recommendation I overall conclusion

111. Two of the three deficiencies for SR.1 have been sufficiently addressed whilst the other (deficiency 1) has been significantly improved through legislation. The compliance with SR. 1is up from PC to a level comparable at minimum to an LC.

Special Recommendation III - NC

SR. III (Deficiency 1): No system in place complying with the relevant UN Resolution and providing for an adequate freezing regime.

112. There are 15 essential criteria for SR. III, two of which are additional elements. Suriname's actions to close the deficiency are detailed below:

Freezing and where appropriate, seizing under the relevant U.N. Resolutions

113. **III.1, III.2 & III.3 -** The freezing of assets in accordance with S/RES/1267(1999) and S/RES/1373(2001) is enabled through **Art. 2** of the International Sanction Act **(O.G. 2014 no 54)** and State Decree **O.G. 2016 no 34,** which was enacted on February 29, 2016. According to article 2 of State Decree O.G. 2016 no 34, "All balances and any other *'means'* belonging to Al-Qaeda, the Taliban and other organizations associated natural persons or legal bodies, entities or bodies as referred to in the Resolutions 1267, 1333, 1373, 1452, 1735, 1988, 1989, 2160, 2161 and 2170 have been frozen". 'Means' is defined under article 1 of State Decree O.G. 2016 no 34 and encompasses funds as articulated in the Terrorist Financing Convention.

114. The State Decree (O.G. 2016 no 131) has been enacted to give effect to, the actions initiated under the freezing mechanism of other jurisdictions. A Council on International Sanctions has also been established as a legal entity with responsibility for, among other things, executing 'decisions' sent to it by the Minister. Such 'decisions' relate to conventions or binding resolutions of international law organizations. According to art **4a 2 of State Decree O.G. 2016 no. 31**, the Minister can also send such decisions to the other entity(ies) responsible executing them. Whilst the Ministers of Justice and Police, Foreign Affairs and Finance are responsible for the implementation of O.G. 2016 no. 31, the Minister of Foreign Affairs is the recipient of the decisions related to Conventions, pursuant to article 1 sub A 2 of the said O.G. 31.

115. **III.4 (a) -** 'Means' referred to at article 2 of State Decree O.G. 2016 no 34, include 'means' which belong to the members or representatives of named organisations and also other organisations which are associated with either natural or legal persons referred to in article 2. The reference at article 2 is to "All" balances and means and thus those means which are wholly or jointly owned or controlled directly or indirectly by a third party or parties is captured.

116. **III.4 (b) -** The definition of 'means' clearly include *interests, dividends or other income of or value originating from or generated by assets.*

117. **III.5 –** Suriname's communication strategy includes the publication, by the Council, within five working days, in a digital way, of the freezing lists and of any amendments to these lists and an announcement on the Council's website. This essential criterion however requires Suriname's financial sector and the general public to be informed *immediately* upon Suriname such action.

118. **III.6 -** The Council has the responsibility for issuing guidelines to all service providers, and supervising their compliance with the International Sanctions Act and its Amendments.

119. **III.7 -** The procedures for considering delisting requests and unfreezing of funds were laid down by Ministerial Decree on October 25, 2016, as O.G. 2016 no. 133. Specifically, these procedures can be found at parts I and J. At part I, any natural person or legal entity, entity or body which appears on the sanction list of the UN, may submit a request for de-listing. This request must include the reasons why the natural person or legal entity, entity or body no longer meets the criteria for inclusion on the Sanctions List. A request for de-listing can be addressed by the relevant natural or legal person, entity or body directly to the Office of the Ombudsman, established by the UN Sanctions Committee or through the State in which he resides, to be forwarded the Sanctions Committee of the UN. Regarding the timeliness of delisting, the Council must notify the affected person or group, about the decision to delist, within five working days, after the decision of the Minister of Foreign Affairs. At part J, the Council is empowered to evaluate whether the grounds upon which the freezing was based are still in force. All freezing measures are to be lifted by the Minister of Foreign Affairs after having heard he Council. Regarding the timeliness of unfreezing action, a copy of the Minister's decision is required to be forwarded to the Council immediately following the Minister's decision and the Council in turn must inform the affected party within five working days of that decision.

120. **III.8 –** The procedures for unfreezing the funds or other assets of persons or entities inadvertently affected by a Suriname's freezing mechanism was laid down by Ministerial Decree on October 25, 2016, as O.G. 2016 no. 133. Specifically, these procedures can be found at part H, which is concerned with 'Mistaken Identity'. Here, the Council has a responsibility to investigate the identity and background of the affected person or entity and inform the Minister of Foreign Affairs within two days of the completion of that investigation. If the outcome of the investigation is for the freezing order to be lifted then the Minister must make that order immediately.

121. **III.9**–The Council is authorized to provide access to frozen funds for: payments of necessary living expenses, medical treatment, the fulfillment of long-term financial obligations or the payment of rent, utilities and insurance premiums; the payment of reasonable professional fees and fees for receiving legal aid; and the payment of fees for the preservation or maintenance of frozen funds or other resources. These noted expenses are in accordance with S/RES/1452(2002). Access to frozen funds or resources is only granted following the approval of the Minister for the performance of extraordinary expenditure. If the Minister intends to grant such approval, he is required to make it known to the UN sanctions committee. The Minister approves only with the expressed consent of the UN sanctions committee.

122. **III.10 -** Any person who objects to a decision taken against him by the Council may object in writing to the Council within 30 days after the decision is made known to that person.

Freezing, seizing and confiscation in other circumstances

123. **III.11 –** Regarding whether 'means' in the circumstances of art 2 of the International Sanctions Act (O.G. 2014 no 54) and State Decree O.G. 2016 no 34 are subject to the confiscations provisions relating to Recommendations 3.1 – 3.4, Suriname has advised that whilst both the International Sanction act (O.G.2014 no 54), and the State Decree to implement art 2 of the International Sanction act are aimed to create a legal freezing regime procedures which will result in confiscation can only follow on the basis of evidence presented during Penal Court hearings, resulting in confiscation orders according to art.54 E of the Penal Code (O.G. 2015 no.44). Suriname has promised to provide the Secretariat with a translated copy of the O.G. 2015 no.44 as soon as it is available.

General provisions

124. **III.12 –** Regarding whether there are laws and other measures which provide protection for the rights of bona fide third parties, Suriname has stated that "As general provision to appeal against a seizing or confiscation order is laid down in article 460 of the Criminal Preceding Code (O.G. 1977 no 94). Interested parties including bona fide third parties may complain through a Court proceeding to withdraw a seizing or confiscation order. The English translation of this provision was promised to the Secretariat.

125. **III.13** – The Minister has responsibility for supervising the activities of the Council which is obligated to report its activities to the Minister. As for sanctions, the Council may impose a penalty, not exceeding one million SRD per day, on any service provide which fails to comply in a timely manner to the guidelines issued by the Council relating to freezing decisions of the Minister.

Special Recommendation III overall conclusion

126. The mechanisms necessary to implement all the essential criteria, with the exception of III. 5, have been put in place by Suriname. The minor weakness here relate to the timeliness with which the Council is required to inform the financial sector and the general public of

action taken under the Jurisdiction's freezing regime. SR. III has been addressed to a level of compliance comparable to a LC.

Special Recommendation V - NC

SR. V (Deficiency 1): 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.

127. The Criminalization of all designated categories of offences was addressed at Recommendation 1 (The full analysis of the R. 1 can be found here) 1 whilst the deficiencies relating to extraditions will be fully addressed at Recommendation 37. (The full analysis of R.37 can be found here).

Special Recommendation V – overall conclusion

128. The lone deficiency has been addressed through legislative action. SR. V is assessed to have been addressed to a level of compliance comparable to a LC.

VI. ANALYSIS OF MEASURES TAKEN IN RELATION TO OTHER RECOMMENDATIONS RATED NC OR PC

129. Suriname has taken the following measures to address the other Recommendations that were rated PC/NC. The information in this section is presented for information purposes only and is not to be taken into consideration for Suriname's application to exit the follow-up process.

PREVENTIVE MEASURES - FINANCIAL INSTITUTIONS

Recommendations 14, 18 and 25 were all rated PC whilst Recommendations 6, 7, 8-11, & 17, 15, 19, 21, 22, 29, SR. VI and SR. VII were all rated NC.

130. For **R. 14** the deficiency was related to tipping-off not being enforced through sanctions. This gap was fully closed through the enactment of **art 21** of the **MOT**, which is concerned with Criminal Provisions. According to that article, violations of the rules laid down by the MOT are criminal offences and punishable by a maximum prison sentence of ten years and a maximum fine of SRD 5 million. Tipping-off is actually covered at **art 25** of the **MOT**.

131. For **R. 18** the Assessors had recommended that the Jurisdiction implement a specific requirement that covers prohibition on the establishment or continued operation with shell banks. **Art 14 sub 1** of the **MOT** has specifically prohibited Suriname banks from entering into or maintaining a correspondent banking relationship with a shell bank. Another Assessors recommendation was for there to be specific enforceable obligations on financial institution to reassure themselves that a respondent financial institution in a foreign country does not permit its accounts to be used by shell banks. In this regard **art 14 sub 2** of the **MOT** has mandated that Suriname banks shall satisfy themselves that the financial service providers that have their registered office outside of Suriname with which such Suriname banks has either entered into or maintains a correspondent banking relationship, do not permit their accounts to be used by shell banks. In addition to the above, **directive II** of the CBS 2012 directives specifically prohibits financial institutions from entering into correspondent relationships with "so-called shell banks".

132. **R. 25** deficiencies were related to the non-issuance of guidelines, and the provision of appropriate feedback, by the FIU, to DNFBPs and FIs and DNFBPs respectively. These deficiencies are identical to deficiency 5 and deficiency 6 at R. 26. The analysis of the action taken by Suriname in this regard have been detailed under R. 26. Suriname has sufficiently closed the noted gaps. (The full analysis of R.26 can be viewed here).

133. For **R.6,** Suriname achieved compliance with the PEP requirements through an amendment to the WID Act which now has specific PEP-related AML/CDD provisions. At **art 1** PEP is defined as "*a person who occupies or has occupied an important public function abroad, as well as his/her immediate family members and close associates*". At **art 4 sub b** PEPs are listed as one of the categories of customers for whom service providers are required to perform more stringent client screening measures. At **art 9sub 1** service providers are

required to establish policies and implement procedures which are aimed at determining whether a client, potential client or beneficial owner is a PEP, and the source of assets of any such clients. At **art 9sub 2** any decision to enter a business relationship or perform an individual transaction for a PEP can only be done or approved by the persons who has overall management responsibility of the service provider. At **art 9sub 3** if a client or ultimate beneficial owner is determined to be a PEP subsequent to the establishment of the business relationship then the business relationship can only be continued following the receipt of approval to do so from the persons who has overall management responsibility of the service provider. All of these obligations must be observed up to one year after the client ceases to be a PEP.

134. Regarding **R. 7,** has Suriname has addressed the deficiency through **art 13** of the **WID. Art 13 sub 1 a-c** details the responsibilities of a banking institution in Suriname that is planning to enter into a correspondent banking relationship. "Payable-through accounts" and the need for financial institutions to be satisfied that the respondent has performed all normal CDD obligations is specifically addressed at **art 13 sub 1 c** of the **WID.** Here "payable-through accounts" are referred to as 'transit accounts' and where a correspondent banking relationship entails the use of such accounts, the Surinamese bank must satisfy itself that the bank with which it has the correspondent banking relationship has identified its clients that have direct access to those accounts. The CDD obligations for identification and verification here must be in line with international standards and the Surinamese bank must be certain that it is able to retrieve all relevant client identity data, from its respondent, upon request. **Art 13 sub 2** of the WID Act a banking institution is only permitted to enter into a new correspondent banking relationship after receiving permission from the persons charged with the overall management of the bank.

135. **R. 8** deficiencies have been closed. **Art 11** of the **WID** has addressed the recommendation that financial institutions have adequate policies and procedures aimed at preventing the use of new technologies to facilitate money laundering and terrorist financing particularly with regards to business relationships and transactions involving clients who are not physically present. **Directive III** of the CBS 2012 directives, which is concerned with "non-face to face" business relationships or transactions has mandated that financial institutions have policies and procedures in place to address any specific risks associated with business relationships or transactions that do not involve personal contact.

136. As for **R. 9,** Suriname has addressed the deficiency through **art. 2** of the **WID.** This article permits service providers to rely on the client screening performed by a financial service provider ***having its registered office in Suriname***. Additionally, the CBS' 2014 directives have mandated that financial institutions satisfy themselves that the third party is regulated and supervised for AML/CFT and has measures in place to comply with Suriname's CDD requirements. Finally, at Section IV of the 2016 AML/CFT Directives financial institutions in these circumstances now have an obligation to "immediately obtain from the third party the necessary information concerning certain elements of the CDD.

137. **R. 11** deficiencies have been addressed through **art 10 sub 1 a & b** of the **WID.** However, though the WID is silent on the obligations with regards to large transactions, this is covered at **Directive VI** of the CBS's 2012 directives.

138. For **R.17** Suriname has closed the deficiencies through **art 21** and **22** of the **MOT.** Art. 21 has created criminal offences punishable by a maximum prison sentence of ten years and a maximum fine of SRD 5 million for violations of the rules laid down by the MOT. Art. 22 authorises the supervisors to impose a maximum fine of SRD 1 million for each contravention by a service provider that does not comply, or does not comply on time, with the obligations laid down in the directives which the said supervisor has issued. At **art 56** of the BCSSA, the CBS is authorized to impose a financial penalty on a credit institution for non-compliance, including non-compliance with guidelines issued under art 16. The amount of all such penalties are set by order or decree, on the understanding that the penalty payable per infringement may not exceed SRD 1,000,000 and under no circumstances can such penalty exceed 25 percent of the annual profit. Finally, at art. 1B of the Act Penalization of Legal Entities of September 5, 2002, provision is made for penalizing criminal acts perpetrated by legal persons. Here punishments and other measures may be imposed on the legal person itself or against those persons who ordered the crime, as well as against those persons who were actually in charge of the prohibited act.

139. Regarding **R.15,** directive X paragraphs a-e of the 2012 directives has subsumed all of the deficiencies *with the exception of the requirement that the internal audit function be adequately resourced.* On April 1, 2015, the CBS issued amended directives. 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.

140. For **R. 19,** no action has been taken by Suriname.

141. **R.21** is partially addressed. The Assessors had recommended that Suriname should issue a law or regulation to implement the requirements of this Recommendation. At **art 4 f** of the **MOT** service providers are mandated to perform a more stringent client screening prior to the business relationship or transaction and during the business relationship if the natural persons or legal entities originate in countries or jurisdictions that do not meet at all or sufficiently the internationally accepted standards in the field of AML/CFT. At **art 10 sub 2** of the **WID** transactions involving jurisdictions which do not sufficiently meet all the internationally accepted standards in AML/CFT are required to be the subject of an investigation into the background and object of that transaction and the findings are to be recorded and kept for seven years. In the action taken by Suriname the legislation appears 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.

142. **R. 22** three deficiencies have been addressed through CBS' 2012 Directives. At directive XI, FIs are required to ensure that the provisions of the said directives are applied in their branches and subsidiaries in Suriname and abroad and where there are differences in the standard of supervision between the home country and the host country, FIs are required to apply the higher of the two (2) but subject to the provisions of the local regulations. Additionally, if a foreign country's regulations make it impossible for a FI to comply with the CBS' directives that FI must report this to the CBS.

143. **R. 29** has been addressed owing to the CBS being given the general power to compel production or to obtain access to all records, documents or information relevant to monitoring compliance. According to **art 29 sub 1 a** of the **BCSSA,** in order to carry out its supervision functions, the CBS is entitled, at all times, to have unrestricted access to all accounts, records, documents and other data of a credit institution. This entitlement exists irrespective of who has possession of the information noted above. In the new art 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.

144. Regarding **SR. VI,** all the deficiencies were addressed by Suriname. As noted for the analysis of deficiency #2, at R.23 of this report, **art 3.1** has empowered the CBS with exclusive authority to grant licences to legal entities wishing to carry on the business of a MTO. The 2012 directives covered MTOs and Suriname reported having already conducted two (2) onsite inspections for MTOs, which were done in collaboration with the OTA. Suriname reported on April 29, 2014, that the Financial Markets Division of the CBS maintains a list of MTC agents and Sub-agents. A copy of this list was provided to the Secretariat on May 14, 2014. The CBS can impose sanctions against credit institutions for failure to comply with the AML/CFT guidelines issued pursuant to art. 16 of the BCSSA.

145. Regarding **SR. VII,** there was one recommended action aimed at covering several deficiencies. The 2016 directives has addressed many of the deficiencies however weaknesses still exists. Specifically, under "Electronic Transfer of Funds", at page 9 of the 2016 AML/CFT Directives, the FI which will execute any cross-border wire transfer higher than USD/EUR 1,000 has a responsibility to request and record the originator's name; account number; and address or national identity number, or customer identification number, or date and place of birth. There is no obligation for the ordering financial institution to identify and verify the identity of the originator per the standards anticipated at Recommendation 5. Also, Suriname has not provided any information regarding the record keeping requirements where technical limitations prevent the full originator information accompanying a cross-border wire transfer from being transmitted with a related domestic wire transfer.

PREVENTIVE MEASURES – DESIGNATED NON-FINANCIAL BUSINESSES AND PROFESSIONS

Recommendations 20 was rated PC whilst Recommendations 12, 16 and 24 were all rated NC.

146. All the deficiencies noted for **R.20** are now closed. Real estate agents and car dealers have been brought under the scope of the ID law. Likewise, pursuant to the art. 1, paragraph d, and 12 of the MOT Act real estate agents and car dealers are subject to the reporting obligation of the MOT Act. The CBS has launched a modernization project which will result in electronic clearing and settlement. There is also the Banking Network Suriname (BNETS), which was founded in 2005, and which aims to promote electronic payment and integrating payment between FI. Finally here, the Jurisdiction has reported that both transactions through ATM and POS have increased annually. The BNETS statistics provided on April 29, 2014, shows that since 2007 to 2013, the use of debit cards has doubled while payments via POS increased by almost six times.

147. Suriname has closed all the deficiencies, for **R. 12**, but one, which relates to continuous and effective guidance to DNFBPs, on the purpose of, and compliance with the ID law. It is noted however that the WID makes no distinction between DNFNPs and the other FIs in Suriname therefore the positive influence of the new legislative measures on Recommendations 5, 6, 8-11 have cascaded onto R. 12.

148. For **R.16,** the steps taken by the Jurisdiction towards closing the gaps for R.13-15 have already been noted in this report. It is important to note here as well that even though **art 22** of the **MOT** mandates the Gaming Supervision and Control Institute, in so far as gaming providers are involved, to issue directives (guidance), none have as yet been issued.

149. Regarding **R.24,** at **Art 22 1 b** of the **MOT** the Gaming Supervision and Control Institute has been made the supervisory authority, charged with supervising compliance with the provisions of MOT Act, particularly as they relate to gaming providers. The Gaming Supervision and Control Institute, as supervisory authority, is authorized to give directives to the gaming providers and impose a penalty for non-compliance with such directives. Law on Hazard Games (*Wet op de Hazardspelen)* regulates the licensing of casinos in the Jurisdiction. However, this law was dated and contained no AML/CFT provisions.

LEGAL SYSTEMS & RELATED INSTITUTIONAL MATTERS

Recommendation 27 was rated PC while Special Recommendation IX was rated NC.

150. For **R.27 t**he deficiency noted by the Assessors were inherently related to implementation issues specific to the relation between the financial investigative team (FOT) and the FIUS regarding financial investigations and the use of UTRs. Suriname has reported that in 2012 training has been provided to members of the FOT in Suriname and that same year two members of the FOT attended financial investigations training in France. It is unclear how the action taken by Suriname positively affected the implementation of R. 27.

151. There was one deficiency for **SR. IX** and the Assessors had recommended that 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. Suriname has reported introducing a border management system ("BMS") in July 2012. This BMS reportedly will register incoming and outgoing passengers and address threats in the area of terrorism, illegal trade, drugs trafficking and illegal trafficking of immigrants. To complement the BMS, on January 22, 2015, the Minister of Finance decided that a declaration system be commenced from January 30, 2015. A copy of the declaration form actually being used was forwarded to the Secretariat on April 21, 2016.

LEGAL PERSONS AND ARRANGEMENTS & NON-PROFIT ORGANISATIONS

Recommendation 33 and Special Recommendation VIII were rated NC.

152. Suriname closed the deficiencies for **R. 33** by amending the Surinamese Commercial Code (O.G. 2016 No. 103) to abolish the issuance of new bearer shares and create an opportunity for existing bearer shares to be converted to registered shares. This addresses the Assessors recommendation for measures to be taken to prevent bearer shares from misuse for ML.

153. **SR. VIII** was rated **NC** and the Assessors noted a *"Complete absence of an adequate legislative and regulatory system for the prevention of misuse of the non-profit sector by terrorists or for terrorism purposes"* The MER at paragraph 611 (Suriname_3rd_Round_MER) had noted that *"There were no specific laws and regulations with regards to NPO*s" To cure this deficiency, the Assessors had recommended that Suriname "*Should see to it that laws are passed and other targeted measures taken to avoid the misuse of NPOs for FT".* On February 29, 2016, **Act (O.G. 2016 no. 32)** was enacted, and brought into force on March 3, 2016, to amend the WID Act. This law is directly related to the CDD obligations applicable in higher risk situations and was intended to make enhanced customer due diligence mandatory for Suriname's non- profit organizations. In essence however, **O.G. 2016 no. 32** has added transactions done by non-profit organizations prior to the business relationship or transaction done during the business relationship, to the list of situations, found at article 4 of the said WID Act, for which service providers in Suriname are bound to conduct more stringent client screening (enhanced due diligence) measures. These obligations are burdens placed on service providers and are in no way applicable to the non-profit organizations themselves.

154. Inherently, none of the essential criteria for this SR has been met. SR. VIII is bounded by the principles that countries would review their domestic non-profit sector with a view to: ensuring that the existing laws are adequate; that pertinent information relating to the make-up of the sector is available. There should also be an outreach to the sector and an oversight regime put in place to raise awareness on TF risks and promote transparency. Here targeted record keeping to ensure certain types of records are available to the public and the ability to impose sanctions are required, as is the need to ensure that Surinamese NPOs are either licensed or registered. These are just some of the obligations noted in the Interpretive Notes

and Best Practices Paper for SR. VIII. Suriname's approach would not redound to any of these measures being implemented because the stringent measures prescribed at article 4 of the WID are limited to customer due diligence to be carried out by the service providers. This Special Recommendation is ***open*.**

NATIONAL AND INTERNATIONAL COOPERATION

Recommendation 37 and 38 were rated PC.

155. The two deficiencies for **R. 37 and R. 38** were identical. Suriname has addressed the first deficiency by criminalizing the missing designated categories of offences. (See R.1). Regarding the other deficiency, for a person to be extradited from Suriname there must first be the presumption that the person to be extradited is guilty and the offence upon which guilt is presumed must carry a term of imprisonment of one year or longer in both Suriname and the requesting State. A person can also be extradited where they have served at least four months imprisonment for a similar offence to which his extradition is being requested. Finally, there must be a similar offence in Suriname and the person to be extradited must have also breached that offence in Suriname. Suriname has provided information, which shows statistics on requests for persons to be extradited from Suriname. All such requests were granted based on court decisions. Suriname further advised the Secretariat, on November 3, 2014, that the comments by the Assessors were made without looking into the extradition law and since in practice no problems occur with the execution of foreign MLAT's requests, there is no need to change the law.

OTHER ISSUES

Recommendation 30 was rated PC while Recommendation 32 was rated PC.

156. Regarding **R. 30**, the staff of the FIU was increased to twelve persons and the budget for 2012 has been incorporated into the budget of the Ministry of Justice and Police. There was the appointment of a senior prosecutor, within the Office of the Attorney General, to provide instructions and guidance in the investigation of ML/TF cases; on October 1, 2012 the CBS recruited 40 trainees from the University to be employed within various departments of the said CBS, including the supervisions department. After an initial six (6) months orientation period (ending in March 2013) these employees were expected to be assigned to the different supervisory sections of the CBS and trained accordingly. Suriname, with the assistance of the U.S. Treasury Department Office of Technical Assistance, has conducted two (2) onsite inspections of the credit institutions in April and July of 2013. The inspection itself involved five (5) staff members from the CBS and covered five (5) days onsite plus several days in preparation and post examination analysis of gathered information and preparation of a report. This process has had the effect of improving Suriname's technical capacity to conduct future onsite inspections.

157. For **R. 32,** Suriname has reported having completed and distributed a template designed to keep comprehensive statistics on the number of investigations, prosecutions, convictions

and mutual legal assistance. This template has been distributed to the FIU, FOT, Gaming Board Prosecutors Office and the CBS.

ANNEX 1 – SUSPICIOUS TRANSACTION REPORTS AND OTHER REPORTS

Table 2: STRs received by the FIUS

REPORTING INSTITUTIONS	2015	2016
Banking Institution	286162	146530
Life Insurance Companies	1	
Exchange Offices	1427	3826
Money Transfer Companies	306	2319
Notaries	356	1395
Dealers in Motor Vehicles	89	16
TOTAL	**288341**	**154086**

Table 3: ML/TF Cases Analyzed and Reported by the FIUS

		2015	2016
1a	NUMBER OF ML/TF CASES ANALYZED	9	13
1b	NUMBER OF ML/TF CASES REPORTED	3	1

ANNEX II – ML & FT INVESTIGATIONS; PROSECUTIONS AND CONVICTIONS

Law enforcement

		2016
1. a.	Number of ML/TF cases investigated	10
b.	Number of perpetrators in investigated ML/TF cases	23

Prosecution

		2016
2. a.	Number of ML/TF cases prosecuted	3
b.	Number of perpetrators prosecuted ML/TF cases	5

Penal court decision - 2016

3. a.	Number of ML/TF cases prosecuted ending in a conviction	1
b.	Number of perpetrators prosecuted in ML/TF cases ending with a conviction	2
4.	What was the total amount of confiscated funds by court order	± $34.000
5.	How many suspicious transaction reports resulted in investigation, prosecution or convictions for ML, FT or an underlying predicate offence	0

ANNEX III – MUTUAL LEGAL ASSISTANCE OR OTHER INTERNATIONAL REQUESTS FOR CO-OPERATION

a. Requests received from the FOT

		2016
7 a.	Number of mutual legal assistance and extradition requests (including requests relating to freezing, seizing and confiscation) that are made or received, relating to ML, the predicate offences and FT	12
		2016
b.	The nature of the requests for legal assistance	ML
		2016
c.	Number of granted requests	12
		2016
d.	Number of refused requests	0
e.	Reasons for refusing	N/A
f.	The time required to respond on, or execute a request for legal assistance	3 months

b. Requests relating to the Prosecutor General

Incoming requests

Requesting State	MLA	Commission Rogatory	Extradition	Total
Netherlands	68	20	7	**95**
Brazil	2	-	-	**2**
Curacao	1	-	-	**1**
Belgium	1	-	-	**1**
Poland	1	-	-	**1**
Sweden	1	-	-	**1**
Venezuela	2	-	-	**2**
French Guyana	1	-	-	**1**
Total	**77**	**20**	**7**	**104**

Outgoing Requests

Requested state	MLA	Commission Rogatory	Extradition	Total
Netherlands	6	-	-	6
Guyana	2	-	-	2
French – Guyana	1	-	-	1
The Bahamas	1	-	-	1
Total	**10**	**-**	**-**	**10**

ANNEX IV – OTHER ACTION

AML/CFT on-site and off-site inspections conducted by the supervision department of **FIU** Suriname.

		2014	2015	2016
1	Number of on-site inspections	2	6	4
2	Number of off-site inspections	0	0	2

AML/CFT on-site off-site inspections conducted by the Bank Supervision department of the **Central Bank** of Suriname.

		2013	2014	2015	2016
1	Number of on-site inspections	3	6	6	6

In 2014 the Financial Market Department conducted 9 on-site inspections at money transfer offices.

ANNEX V – TRAINING

CBS

Since 2013 several staff of the Central Bank has participated in AML/CFT training e.g.

- In 2014 Technical Assistance from US Treasury Department
- Anti- Money Laundering Examination Seminar, Federal Reserve System, British Virgin Islands
- Caribbean Financial Action Task Force Assessor's Training, CFATF, Trinidad and Tobago

Matrix

Report and Submission to CFATF for Removal from Follow-up Process
Suriname (May 2017)

Forty Recommendations	Rating	Recommended Action	Action Undertaken	Remaining Action to be taken
Legal systems				
1. ML offence	PC	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.	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. i Central Bank working group is discussing draft legislation with stakeholders. The draft was prepared in collaboration with CARTAC. The stakeholder for this	Closed 6th FuR

		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	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. 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. The Act on Capital markets came into effect on May21th2014 (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 significantly on the price of the securities or on the price of securities deriving therefrom. Market manipulation is defined in art 1 sub n as follows: - 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, - transactions or trade orders which rely on the use of improper schemes or any other form of fraud or deception; - 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 information was incorrect or misleading. According to art 19 of this Act it is prohibited for any person who has inside in formation 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 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. Both Market Manipulation and Insider Trading are deemed to be	

			criminal offences under the Capital Market Act and punishable with jail sentences and fines. 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 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. ii. 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. ii. 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.	
2. ML offence – mental element and corporate liability	LC	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	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.	Closed 4th FuR

			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.	
3. Confiscation and provisional measures	PC	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.	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. Provisional and confiscation measures also related to TF are addressed, respectively in art. 82	Closed 4th FuR

			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. 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. 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.	

Preventive measures				
4. Secrecy laws consistent with the Recommendations	PC	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.	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 17th of July 2012 and entered into force on the 9th of August 2012. 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 supervisory authorities i.e. the Central Bank and the Gaming Board The draft MOT Act with amendments regarding sharing of information has been sent to the Council of Ministers for advice	Legislation to be prepared with regard to the sharing of information by the FIU and the Gaming Board with other supervisory authorities.

			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. 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). Based on the Banking and Credit System Supervision Act of 2011, the CBS entered into an information exchange agreement (MOU) with the Caribbean Group of Banking Supervisors in July 2012. Legislation amending art.13 of the MOT Act (O.G. 2016 no 33), allowing MOT to share information with other supervisory	

			authorities i.e. the Central Bank and the Gaming Board, was adopted by Parliament on the 29th of February 2016 and entered into force on the 3rd of March 2016. See attachment: Disclosure of Unusual Transactions Act (MOT Act), under D. art.13 section 2. Art. 13 section 1 of the MOT Act (O.G.2012 no.133) already states that authorities that are entrusted with the supervision of financial and non-financial institutions as well as government agencies must, notwithstanding any confidentiality provisions that apply to them, inform the FIUS if they discover facts during the performance of their duties that point to money laundering, financing of terrorism or that give rise to a reasonable suspicion thereof.	

			Legislation amending art.I of the WID Act (O.G. 2016 no. 32), requires non – profit organizations to perform enhanced customer due diligence when receiving, supplying, subsidizing, collecting and transferring financial means, was adopted by Parliament on the 29th of February 2016 and entered into force on the 3rd of March 2016. See attachment: Act on the Identification Requirements for Service Providers (WID Act), art.I)	
5. Customer due diligence	NC	Suriname should implement the following elements from Recommendation 5 which have not been fully addressed:	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 17th of July 2012 and entered into force on the 9th of August 2012.	Closed 4th FuR

		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; ii. The definition of "financial activities" should be updated in accordance with the definition of "financial activities" in the FATF Methodology;	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. ii. Legislation amending the MOT Act and the WID Act, art. 1, in order to bring the definition of financial activities in accordance with the FATF Methodology was adopted by Parliament. iii. In legislation amending the WID Act, ART. I sub B amendments are made to art. 2, requiring CDD measures when carrying out wire	

		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; 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; v. The requirement to verify the legal status of legal arrangements like trusts	transfers for occasional transactions. iv. 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. v. 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. vi. In legislation amending the WID Act, ART. I sub G provisions has been included regarding the	

		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; 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; vii. The obligation to obtain information on the purpose and intended nature of the business relationship;	identification requirements of the beneficial owner for legal persons. 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. 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. 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 of customers, business relations and transactions. x.	

		viii. No specific requirement to perform ongoing due diligence on business relationships;	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.	
		ix. Performing enhanced due diligence on higher risk categories of customers, business relationships or transactions;	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.	
		x. There should be some consideration/assessment made based on which there is a satisfaction about compliance with the Recommendations by countries which are	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	

		currently seen as compliant without any doubt; xi. There are no general requirements to apply CDD measures to existing customers on the basis of materiality and risk; xii. 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 beneficial owner satisfactorily.	difficulties and as a last resort the business relation can be terminated. 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.	

		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.		
6. Politically exposed persons	NC	i. Suriname should implement the necessary requirements pertaining to PEPs.	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 17th of July 2012 and entered into force on the 9th of August 2012. 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.	Closed 3th FuR

			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.	
7. Correspondent banking	NC	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	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 17th of July 2012 and entered into force on the 9th of August 2012.	Closed 3th FuR

		accounts, to be satisfied that the respondent has performed all normal CDD obligations.	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 related to cross border correspondent banking.	
8. New technologies & non face-to-face business	NC	Suriname should also implement the necessary requirements pertaining non-face to face business relationships or (ongoing) transactions. 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.	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 17th of July 2012 and entered into force on the 9th of August 2012. 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.	Closed 3th FuR

9. Third parties and introducers	NC	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	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 17th of July 2012 and entered into force on the 9th of August 2012. According to this new legislation the ultimate responsibility for customer identification and verification remains with the financial institution which relies on the introducer. 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. According to the CBS AML/CFT Directive of April 2012 financial	Closed 10th FuR

			service providers established in Suriname may act as intermediaries as long as they meet the applicable conditions. The ultimate responsibility for customer identification and verification remains with the institution. 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. The amended CBS AML/CFT Directive came into force as of April 1, 2015. Section IV states that financial institutions are permitted to make use of an intermediary for the implementation of CDD-procedures or in order to introduce new customers. A financial service provider established in Suriname may act as an intermediary, so long	

			as they meet the applicable conditions. The ultimate responsibility for customer identification and verification remains with the financial institution. No reference is made since the 6th follow up report. We are of the opinion that this recommendation is closed. The CBS AML/CFT Directive has been amended on October 13, 2016. Under Section IV of amended directive it is included that if financial institutions rely on intermediaries or other third parties to perform some of the elements of the CDD process, then the following criteria should be met. - Financial institutions relying upon a third party should be required to immediately obtain from the third party the necessary information concerning certain elements of the CDD process (transaction based);	

			- Financial institutions should be required to take adequate steps to satisfy themselves that copies of identification data and other relevant documentation relating to CDD requirements will be made available from the intermediary upon request without delay (relationship based); - Financial institutions should be required to satisfy themselves that the third party is regulated and supervised, and has measures in place to comply with the CDD requirements; - The intermediary should be originated from countries that adequately apply the FATF Recommendations.	
10. Record keeping	PC	i. There should be a requirement to keep all documents, which record details of transactions carried out by the client in	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	Closed 4th FuR

		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). ii. There should be a requirement for financial institutions to ensure availability of records to competent authorities in a timely manner.	by the client in the course of an established business relationship, longer than 7 years (if requested to do by an competent authority). ii. Legislation amendingarticle 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 17th of July 2012 and entered into force on the 9th of August 2012.	
11. Unusual transactions	NC	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	i. 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	Closed 3th FuR

		apparent or visible economic or lawful purpose. 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	no apparent economic or feasible lawful purpose. The background and purpose of such transactions should be 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. In line with the Suriname ICRG/CFATF Action Plan for 2012, this new legislation was adopted by Parliament on the 17th of July 2012 and entered into force on the 9th of August 2012. 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.	

		findings available for competent authorities and auditors for at least five years.		
12. DNFBP – R.5, 6, 8-11	NC	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	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 17th of July 2012 and entered into force on the 9th of August 2012. In this regard, the following elements are implemented in the ID law.	Closed 3th FuR
		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	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.	

		supervisory instruments and powers, and designate a public entity or government agency tasked with the actual supervision of DNFBPs. 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 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.	The new art. 22 of the MOT Act enables the supervisory authorities to impose administrative sanctions once a service provider does not comply with the obligations pursuant to the law. The supervisory authorities will deposit the collected fines and collection costs in the treasury. FIU has started awareness raising sessions for all service providers since 2009, and will continue doing this. On the 28th 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. Awareness raising sessions for 7 Categories of DNFBP's including casinos, real estate agencies, notaries public, jewelers, car dealers, administration offices and	

		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. 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.	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. FIU will continue its awareness raising sessions for the non-financial service providers during 2013. 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. 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.	

		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 financial 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. 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	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. Legislation to require 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 was adopted by Parliament. 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. The ID law, art. 4, was modified, so as to require identity establishment of a natural person acting on behalf of another for all	

		as part of the identification requirements pursuant to article 7 and 3 of the ID law. 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. 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	services provided, financial and non-financial.	

		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. 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 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.		
13. Suspicious transaction reporting	NC	The reporting obligation under the MOT Act should cover transactions related to insider	Criminalization of insider trading and market manipulation in the capital Market Act will qualify	Closed 6th FuR

		trading and market manipulation. 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. The assessment team advises to include in the State Decree on Unusual Transactions the requirement to also report	these offenses as predicate offences with the obligation to report these offences to the FIU. 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. 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.	

		"attempted unusual transactions" 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. The authorities should consider whether the obligation to report unusual transactions "without delay" is sustainable.	Based on art. III sub C of the CFT legislation (OG 2011 no. 96) UTR's are filed with the FIU regarding transactions, which are suspected to be related to terrorism, terrorist acts of terrorist organizations. Art 12 MOT Act already incorporates attempted unusual transactions. 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). Art. 12 of the MOT Act, explicitly requires reporting of all unusual transactions or attempted unusual transactions. Sub 2 of art. 12, where the reporting requirements are stipulated was amended, obligating	

		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. 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.	financial institutions to improve the quality of the UTRs. Enforcement of the obligation to report transactions without delay is supervised by the authorities mentioned in art. 22 of the MOT Act. 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 17th of July 2012 and entered into force on the 9th of August 2012. 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.	
14. Protection & no tipping-off	PC	Violation of the prohibition against tipping-off should be enforced by sanctions.	Art 22 and 23 of the Mot Act include sanctions in case of tipping-off. Legislation amending art. 25 of the MOT Act, which prohibits 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 17th of July 2012 and entered into force on the 9th of August 2012. Violation of this prohibition is sanctioned in art. 21 of the MOT Act The new AML/CTF regulations of the CBS also address the aspects of protection and no tipping off.	Closed 3th FuR

15. Internal controls, compliance &audit	NC	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.	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. 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. Amended CBS AML/CFT regulations have been discussed with the Bankers Association and will come in effect on April 1st 2015. Under the amended regulations (paragraph 11 sub e) financial service providers will be required	Closed 8th FuR

			to have an adequately resourced internal audit department. The regulation sets minimum requirements for the department. The amended CBS AML/CFT Directive came into force as of April 1, 2015. 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. See attached "AML/CFT Directive, April 1, 2015"	
16. DNFBP – R.13-15 & 21	NC	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	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). Reporting by DNFBP's of ML/TF is based on art. 12 sub 1 of the MOT Act.	The Gaming Board has presented its action plan which includes matters related to their operations of which supervision is part of.

		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. More specifically, Suriname should provide adequate and continuous guidance to the DNFBPs in order to reach and maintain satisfactory compliance with the MOT Act and the Decree Indicators Unusual Transactions. This guidance should have as one of	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. Art. 22 sub 3 and sub 4 introduces administrative sanctions. Art. 1 sub d of the MOT Act has been amended in order to include a wide range of services performed by DNFBP's. In line with the Suriname ICRG/CFATF Action Plan for 2012, this legislation was adopted by Parliament on the 17th of July 2012 and entered into force on the 9th of August 2012.	

		its primary objectives the prompt and continuous reporting of transactions based on the subjective indicators as well as transactions based on the objective indicators. 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. Suriname should consider lowering the threshold amounts mentioned in the relevant objective indicators in order to better reflect the current realities of the	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.	

		Surinamese financial-economic situation, thereby increasing the amount of reports to be received pursuant to these indicators. It should be noted that a significant amount of subjective indicators described in the various categories are 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	i. 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. ii. The range of sanctions should be broadened with administrative sanctions for financial institutions, DNFBPs, for directors and senior management of financial institutions,	i. 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. In line with the Suriname ICRG/CFATF Action Plan for 2012, this legislation was adopted by Parliament on the 17th of July 2012 and entered into force on the 9th of August 2012. 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. Art. 56 of the Banking and Credit system Supervision Act, enables	Closed 6th FuR

		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& CFT breaches. In addition, there should be the possibility to restrict or revoke a license for AML and CFT violations.	the CBS to impose fines for breaches of AML/CTF regulations. 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. 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 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. 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. 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 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	i. 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. ii. There should a specific enforceable obligation on financial institutions to reassure themselves that a	i. 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 17th of July 2012 and entered into force on the 9th of August 2012. ii. Based on art. 14 sub.2of the WID Act financial institutions should also ensure that their foreign correspondent relations do not have accounts with, or facilitate shell banks. The CBS has issued in April 2012, new AML/CTF regulations for the	Closed 3th FuR

		respondent financial institution in a foreign country does not permit its accounts to be used by shell banks.	financial sector in line with the recommendations of the MER with regard to prohibiting financial institutions to have correspondent bank relationships with shell banks.	
19. Other forms of reporting	NC	i. Suriname should consider the feasibility and utility of implementing a system where financial institutions report all transactions in currency above a fixed threshold to a national central agency with computerized database.		
20. Other NFBP & secure transaction techniques	PC	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.	i. 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	Closed 6th FuR

		ii. Suriname should require the transaction amounts to be established as well when real estate agents and car dealers establish the identity of a client pursuant to the ID law.	and will be forwarded to the State Advisory Council for advice. 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.	
		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.	The Central Bank has lounged 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.	
		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	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	

		use of modern and secure techniques for conducting financial transactions that are less vulnerable to money laundering	payments with foreign financial institutions. BNETS has the following key activities: - Counseling, support and encourage collective cashless payment services that contribute to an innovative, high-quality, secure and efficient electronic payment system in Suriname; - Integration of payments between financial institutions operating in Suriname and abroad; - Encouraging the awareness regarding the electronic payments in Suriname. *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*	
21. Special attention for higher risk countries	NC	i. Suriname should issue a law or regulation to implement the	Legislation amending the WID Act, art. 4 and 10, introducing legal requirements to pay special attention to transactions with persons and institutions from high	

		requirements of Recommendation 21.	risk countries, was adopted by Parliament, on the 17th of July 2012 and entered into force on the 9th of August 2012. 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. 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. 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 Amended CBS AML/CFT regulations have been discussed with the Bankers Association and will come in effect on April 1st 2015. 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. The amended CBS AML/CFT Directive came into force as of April 1, 2015.	

			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, 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.	

22. Foreign branches &subsidiaries	NC	1) There should be a binding obligation on all financial institutions: i. To pay particular attention to the principle with respect of countries which do not or insufficiently apply FATF Recommendations; 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; iii. To inform the home country supervisor when a foreign branch or subsidiary is unable to observe appropriate AML/CFT measures.	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.	Closed 3th FuR

23. Regulation, supervision and monitoring	NC	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.	I Legislation which introduces a new art 22 of the MOT Act gives supervisory authority to: a. CBS for the financial sector b. The Gaming Board for the gaming industry c. FIU for all other DNFBP's In line with the Suriname ICRG/CFATF Action Plan for 2012, this legislation was adopted by Parliament on the 17th of July 2012 and entered into force on the 9th of August 2012. I 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.	Closed 6th FuR

			The CBS is now working on a AML/CFT onsite examination manual. 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.	
		ii. There should be a general requirement for money transfer offices and money exchange offices to be licensed or registered. In addition,	Ii 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.	

		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.	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. Ii The Act on Money Transaction Offices came into force on October 29th 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.	

		iii. Surinamese authorities should consider regulating and supervising the Stock exchange for AML/CFT purposes.	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. The draft Act on Capital Markets also include the stock exchange and securities firms. The Act on Capital markets came into effect on May 20th 2014.Art 7 places all market participants within the capital market under the supervision of the Bank. Compliance with the provisions of the Act shall be monitored by the Bank in the interest of a properly functioning capital market. 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.	
24. DNFBP - regulation, supervision and monitoring	NC	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,	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. As supervisory authority the Gaming Board can issue AML/CFT guidelines. 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. In line with the Suriname ICRG/CFATF Action Plan for	Regulations related to the supervision of the Gaming Industry will be drafted.

		proportionate and dissuasive 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. iii. 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 out in article 34 of the Law on	2012, this legislation was adopted by Parliament on the 17th of July 2012 and entered into force on the 9th of August 2012.	

		Lawyers to annul a bar decree within a given period as this clearly undermines the independent status of the Bar Association. 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.		
25. Guidelines & Feedback	PC	i. Suriname is strongly urged to introduce guidelines for DNFBPs	For all service providers financial and non-financial guidelines were issued in October 2012 and part of	Closed 6th FuR

		to assist them with the implementation and compliance with their respective AML/CFT requirements. ii. The assessment team recommends the CBS to work together with the FIU and the Anti-Money Laundering Commission in drafting guidelines for financial institutions (and DNFBPs) that give a description of money laundering and terrorist financing techniques and methods.	these guidelines addresses the area of subjective indicators in which typologies for the services are included. According to art. 4 sub 2 of the MOT Act, the FIU will be able to provide feedback to DNFBP's in 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. 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. 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.	

			Based on art. 22 sub 2 of the act, the FIU is authorized to issue AML/CFT guidelines for the DNFBP's. 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 in order to prevent and combat ML/CFT. In line with the Suriname ICRG/CFATF Action Plan for 2012, this legislation was adopted by Parliament on the 17th of July 2012 and entered into force on the 9th of August 2012. 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.	

Institutional and other measures				
26. The FIU	PC	i. That the missing implementing legal instruments be drafted without further delay, so to consolidate the legal framework of the organization and functioning of the FIU; ii. To substantially increase the human and financial resourcing of the FIU;	i. By Ministerial decree of the Minister of Justice and Police, the organization chart of the Ministry of Justice and Police has been changed as of May 2011 and the FIU has been identified as an independent institute. Art 2 sub 1 of the amended MOT Act confirms the independent status of the FIU. ii 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.	Closed 6th FuR

		iii. To move MOT to a location that ensures a secure conservation and management of the sensitive information and the safety of the staff; iv. To improve the IT security measures to protect the sensitive and confidential information; v. That the sensitization and education of all reporting entities should be substantially enhanced by awareness	iii Since September 2011 the FIU is located in a new building situated in the business area of Paramaribo. The office space 170 m2 with a 24/7 electronic security system. iv 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. v The FIU has started with awareness raising session for all service providers since 2009, and will continue. 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	

		raising sessions and typology feedback, aimed at an increased perception of suspicious activity to be reported;	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. As of June 27, 2014 FIU Suriname has launched a website (www.mot.sr) on which the following information is available: MOT legislation, annual reports.	
		vi. To issue the necessary guidance to the sector stressing the importance of timely reporting, particularly of suspicious activity;	vi 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.	
		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);	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.	
		viii. To fully exploit all possibilities of information collection, particularly by having the supervisory and	viii idem viii 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.	

		State authorities report as provided by the Law; ix. Finally, to intensify the efforts for the analysts to acquire better knowledge and insight in money laundering techniques and schemes.	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) In cooperation with the US Treasury Department analysis and supervision training will start in October 2012.	
27. Law enforcement authorities	PC	The performance of the AML/CFT effort should be enhanced by: i. A better interaction between the FIU and the police	Interaction between Police (FOT) and FIU has been improved. Members of the Financial Investigative Team (FOT) have participated in a training course hosted by CIFAD in march 2012 in Paramaribo. In	

		ii. A more efficient use of the information supplied by the FIU iii. A reinforced focus on the financial aspects when investigating (proceeds generating) offences	April 2012 two members of the FOT team have attended a financial investigating training seminar in France. In cooperation with the US Treasury Department financial investigative training will start in October 2012. New dates for the above mentioned training are set for April 2013. There will also be a mixed setting for FOT/MOT trainees.	
28. Powers of competent authorities	C		Closed	
29. Supervisors	NC	i. The CBS should have the general power to compel production or to obtain access to all records, documents or information relevant to monitoring compliance.	I According to Article 29 of the Banking and Credit System Supervision Act CBS is authorized to conduct (on-site) inspections to 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.	Closed 6th FuR

		ii. The CBS should have the authority to conduct inspections of all relevant financial institutions including on-site inspection to ensure compliance. 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	ii 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. ii The Supervision also regards AML/CFT guidelines issued according to art.16 sub 1 of the Bank and Credit System Supervision Act. iii 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. According to article 16, 17 and 19 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. 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. 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 the criminal liability of legal persons, sanctions can applied for AML/CFT violations to directors, senior management and financial institutions. 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. In line with the Suriname ICRG/CFATF Action plan for 2012, this legislation was adopted by Parliament, on the 17th of July	

			2012 and entered into force on the 9th of August 2012.	
30. Resources, integrity and training	PC	i. To substantially increase the human and financial resourcing of the FIU; ii. The CBS should consider creating a team of examiners specializing in AML/CFT measures that check financial institutions compliance with AML/CFT on an ongoing basis for all supervised entities.	FIU personnel have been increased from 4 to 12, including 4 analysts and 2 lawyers. The FIU is looking into increasing the staff. 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. The CBS will increase the number of examiners. All examiners will be trained in conducting AML/CFT examinations by the US Treasury Department. On October 1st 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	Closed 5th FuR

			these trainees were allotted to the Supervision Department. After the initial orientation phase of 6 months ending in March 2013, these 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. On November 5th2012 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. 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 in order to become a junior prosecutor. They also receive training to investigate and prosecute ML/TF cases. 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.	
31. National co-operation	LC	i. Although the legal mandate of the AML Commission does not include the coordination and	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.	Closed

		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 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.	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.	

32. Statistics	NC	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 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. 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	i. 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). i 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. ii. The Central Bank will keep statistics of AML/CFT on-site	Closed 6th FuR

		criminal proceeds. No comprehensive statistics are maintained on the number of cases and the amounts of property seized and confiscated relating to underlying predicate offences. 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. iv. The authorities should endeavour to maintain more detailed statistics allowing them to assess and monitor the performance of the MLA regime.	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.	

33. Legal persons – beneficial owners	NC	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. 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 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.	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. According to art. 6 jo. Art. 4 of the MOT Act, special attention is required for business relationships and transactions regarding the identification of beneficial owners and control of legal persons. In line with the Suriname ICRG/CFATF Action plan for 2012, this legislation was adopted by Parliament, on the 17th of July 2012 and entered into force on the 9th of August 2012. 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	LC 10th FuR

		Measures will have to be taken to prevent the misuse of bearer shares for ML.	subject to permission from the CBS. Furthermore the Code of Commerce has been amended and in Art I sub a art.33 reads as follows" a Limited Liability Company is a legal person with one or more registered shares"(O.G 2016 no.103).	
34. Legal arrangements – beneficial owners	N/A			
International Co-operation				
35. Conventions	PC	i. Suriname should take the necessary steps to fully and effectively implement the Vienna and Palermo Conventions ii. Suriname should forthwith initiate the accession procedure to the CFT Convention	i. Several core principles of the Vienna Convention and the Palermo convention have already been incorporated in domestic law. ii. 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	LC 10th FuR

			and take the necessary implementation steps.	CFT legislation explicitly refer to the UN convention. ii. 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.	
		iii.	UN Res. 1267 and 1373 should be implemented fully and without delay (see comments above on SRIII).	The instrument of accession to the UN/ CTF Convention has been deposited and came into force for Suriname on August 18th, 2013 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. 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.	

			iii. 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 of indirectly with the intention that the funds will be used in order to carry out terrorist acts. Legislation regarding the monitoring of the implementation of international sanctions in the International Sanctions Act (O.G. 2014 no.54) has been amended appointing a Council on International Sanctions with the task of supervising all service providers on compliance with the provisions by or pursuant to this act under art.2. See attachment: International Sanction Act (O.G 2016 no.31).,	

			art.1,4a,5,5a,5b,5c,5d,5e,6a,6b,6c, 7,7a,7b and 7c. A State Decree (O.G.2016 no 34) implementing art.2 section 1 of the International Sanctions Act, complying with the international obligations as contained in Resolution 1267, 1333, 1452, 1735, 1988, 1989, 2160, 2161 and 2170 of the Security Council of the United Nations, has been approved on the 29th of February 2016. See attachment: State Decree on International Sanctions, art. 1 to art.8. The State Decree (O.G. 2016 no 131), further implementing Art 2 sub 1 and sub 8 of the International sanction Act, introduces procedures for the listing, de-listing and freezing and unfreezing of funds of natural and legal persons, entities or bodies.	

			By Ministerial Decree procedures will be laid down for the adoption and the termination of anti-terrorism freezing measures that has been taken against natural and legal persons, entities or bodies including the listing on and de-listing of the sanction list. These procedures are with regard to the list of persons and entities as established and maintained by the UN Sanction Committees as well as the national sanctions list which also includes the persons, bodies and entities designated by request of foreign states. (See attachment) The WOTS Act has passed Parliament on Thursday, 13 th October, 2016 and publication in the Official Gazette is now pending. WOTS Act was published in O.G. 2016 no. 132. See attached copy.	

36. Mutual legal assistance (MLA)	C		Closed	
37. Dual criminality	PC	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.	i. 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. The dual criminality principle is addressed in the Extradition act of June 10th 1983 (O.G.1983no.52) Article 3 1. Extradition can only be granted for the benefit of: a. an investigation by the authorities of the	Closed 6th FuR

		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 criminalized by both countries. Legal certainty on the capability to execute foreign confiscation orders should be	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. b. the execution of a court sentence of four mounts or longer of the person to be extradited for a criminal act as mentioned under a. 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.	

		ensured, if necessary through specific legislation.	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. 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. The Act on Capital markets came into effect on May 21th 2014	

38. MLA on confiscation and freezing	PC	i. In order to enhance the quality and comprehensiveness of its MLA system, the Suriname authorities should endeavor 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.	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. 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. The Act on Capital markets came into effect on May 21th 2014. Art 19 and 21 respectively, criminalize insider trading and market manipulation	Closed 6th FuR

		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 criminalized by both countries. Legal certainty on the capability to execute foreign confiscation orders should be ensured, if necessary through specific legislation.		
39. Extradition	LC	i. The deficiencies established in respect of	Money laundering and terrorist financing are extraditable offences.	Closed

		the criminalization 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.	Nationals who committed ML/TF crimes abroad cannot be extradited. Based on article 466a of the Criminal Proceeding Code, the AG can request the competent judicial authorities of the foreign country to transfer the ML/TF cases for the purpose of prosecution.	

40. Other forms of co-operation	PC	FIU i. 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: ii. 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; iii. The Law should expressly allow MOT to	ii. Legislation amending art. 9 of the MOT Act, regarding the sharing of information, both, locally and internationally was adopted by Parliament, on the 17th of July 2012 and entered into force on the 9th of August 2012. iii. 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 17th of July 2012 and entered into force on the 9th of August 2012. iv. Conditions regarding the confidentiality status of the exchanged information will be included in the MOU.	Closed 9th FuR

		collect information outside its register at the request of a counterpart FIU. One simple and adequate way to realize this is to put such foreign request legally at par with a disclosure, which would automatically bring them under the regime of art. 5 and 7 of the MOT Act; iv. The confidentiality status of the exchanged information should be expressly provided for to protect it from undue access or dissemination; v. The (physical) protection of the MOT data-base and its offices be upgraded;	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. 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. 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 between CBS and counterpart supervisors based on a MMOU.	

		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. <u>Supervisor</u> vii. A legal basis should be provided for information exchange between the CBS and counterpart supervisors, by way of MOUs or otherwise.	The Central Bank entered into an information exchange, co-operation and consultation agreement (MMOU) with the Caribbean Group of Banking Supervisors in July 2012. As stated in the 6th FuR the gap relative to the third assessor recommendation that "The law should expressly allow MOT to collect information outside its register at the request of a counterpart FIU. Art 9 sub 2 of the MOT Act states that maintaining contact with and exchanging data from the FIUS register to agencies outside of Suriname whose duties are comparable to those of the FIUS will only take place on the basis of a treaty/convention or a Memorandum of Understanding. The conditions under which data is provided are laid down in the treaty/convention or in the Memorandum of Understanding.	

			Legislation amending art.9 of the MOT Act (O.G.2016 no.33), which expressly allows MOT to collect information outside its register from governmental, financial- and non - financial institutions and other public sources of information, was adopted by Parliament on the 29th of February 2016 and entered into force on the 3rd of March 2016. See attachment: Disclosure of Unusual Transactions Act (MOT Act), under B, art.9 section 3)	
Nine Special Recommendations	Rating			
SR.I Implement UN instruments	NC	i. Suriname should take the necessary steps to fully and effectively implement the Vienna and Palermo Conventions	i. Several core principles of the Vienna Convention and the Palermo Convention have been incorporated in domestic law.	LC 10th FuR

		ii. Suriname should forthwith initiate the accession procedure to the CFT Convention and take the necessary implementation steps. iii. UN Res. 1267 and 1373 should be implemented fully and without delay (see comments above on SRIII).	ii. 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. 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. ii. 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. The instrument of accession to the UN/ CTF Convention has been deposited and came into force for Suriname on August 18th, 2013	

			iii. 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 of indirectly with the intention that the funds will be used in order to carry out terrorist acts. Legislation regarding the monitoring of the implementation of international sanctions in the International Sanctions Act (O.G. 2014 no.54) has been amended appointing a Council on International Sanctions with the task of supervising all service providers on compliance with the provisions by or pursuant to this act under art.2. See attachment: International Sanction Act (O.G 2016 no.31).,	

			art.1,4a,5,5a,5b,5c,5d,5e,6a,6b,6c, 7,7a,7b and 7c. A State Decree (O.G.2016 no 34) implementing art.2 section 1 of the International Sanctions Act, complying with the international obligations as contained in Resolution 1267, 1333, 1452, 1735, 1988, 1989, 2160, 2161 and 2170 of the Security Council of the United Nations, has been approved on the 29th of February 2016. See attachment: State Decree on International Sanctions, art. 1 to art.8. The State Decree (O.G. 2016 no 131), further implementing Art 2 sub 1 and sub 8 of the International sanction Act, introduces procedures for the listing, de-listing and freezing and unfreezing of funds of natural and legal persons, entities or bodies. By Ministerial Decree procedures will be laid down for the adoption	

			and the termination of anti-terrorism freezing measures that has been taken against natural and legal persons, entities or bodies including the listing on and de-listing of the sanction list. These procedures are with regard to the list of persons and entities as established and maintained by the UN Sanction Committees as well as the national sanctions list which also includes the persons, bodies and entities designated by request of foreign states. (See attachment) The WOTS Act has passed Parliament on Thursday, 13 th October, 2016 and publication in the Official Gazette is now pending. WOTS Act was published in O.G. 2016 no. 132. See attached copy.	
SR.II Criminalize terrorist financing	NC	i. Besides the criminalization of FT, local authorities should see to it, that, as soon as	The CFT legislation (O.G. 2011 no. 96) also amendments were made regarding the Fire arms Act and the act regarding suspicious	Closed 4th FuR

		there is an act criminalizing the FT, comprehensive statistics be kept on the number investigations, prosecutions and convictions for the act of FT	transactions. In general all categories of predicate offences, related to money laundering are applicable to the financing of terrorism. 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) 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.	

SR.III Freeze and confiscate terrorist assets	NC	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. ii. The Suriname authorities should endeavor to introduce the appropriate legislative measures effectively implementing the relevant UN Resolutions and establishing an adequate freezing regime in respect of	i. The CFT legislation (OG 2011 no. 96) in art. I and II, makes confiscation of assets related to the financing of terrorism, possible. 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. Draft legislation addressing the freezing regime related to UN resolution 1373 was approved by the State Advisory Council and will be sent to Parliament.	LC 10th FuR

		assets suspected to be terrorism related.	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. 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. 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. Legislation regarding the freezing regime has been amended, entrusting the Council on International Sanctions with announcement of the updates of the freezing list on its website. See	

			attachment: International Sanction Act (O.G 2016 no.31) art.5b sub 2. State Decree, O.G.2016 no 34)obligates that all balances and other means belonging to Al-Qaeda, the Taliban of Afghanistan, ISIL, ANF, members or representatives of named organizations and also other with said organizations associated natural persons or legal bodies, entities or bodies as referred to in the Resolutions 1267, 1333, 1373, 1452, 1735, 1988, 1989, 2160, 2161 and 2170 of the Security Council and mentioned in the annex pertaining to this decree, shall be frozen, has been approved on the 29th of February 2016. See attachment: State Decree on International Sanctions (O.G. 2016 no. 34), art. 2 sub 1. The State Decree (O.G. 2016 no 131), further implementing Art 2 sub 1 and sub 8 of the International sanction Act, introduces procedures	

			for the listing, de-listing and freezing and unfreezing of funds of natural and legal persons, entities or bodies. By Ministerial Decree procedures will be laid down for the adoption and the termination of anti-terrorism freezing measures that has been taken against natural and legal persons, entities or bodies including the listing on and de-listing of the sanction list. These procedures are with regard to the list of persons and entities as established and maintained by the UN Sanction Committees as well as the national sanctions list which also includes the persons, bodies and entities designated by request of foreign states. (See attachment) The WOTS Act has passed Parliament on Thursday, 13 th October, 2016 and publication in the Official Gazette is now pending.	

			WOTS Act was published in O.G. 2016 no. 132. See attached copy.	

SR.IV Suspicious transaction reporting	NC	i. The reporting obligation under the MOT Act should cover transactions related to insider trading and market manipulation.	i 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. The Act on Capital markets came into effect on May 21th 2014 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	Closed 6th FuR

		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. iii. The assessment team advises to include in the State Decree on Unusual Transactions the requirement to also	writing -digitally or non-digitally- to the FIU. 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). 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	

		report "attempted unusual transactions" 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. v. The authorities should consider whether the obligation to report unusual transactions "without delay" is sustainable. vi. The FIU and other competent authorities should make an	through publication in the State Gazette. 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. 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 17th of July 2012 and entered into force on the 9th of August 2012. v. Sub 2 of art. 12, where the reporting requirements are stipulated was amended, obligating financial institutions to improve the quality of the UTRs. vi. Legislation amending the MOT Act, adding a new art 22, sub 1c,	

		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. 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.	giving the MOT the authority to supervise the DNFBP's, and apply sanctions in case of none compliance as mentioned in art. 22 sub 3, was adopted by Parliament, on the 17th of July 2012 and entered into force on the 9th of August 2012.	
SR.V International cooperation	NC	i. The deficiencies established in respect of the criminalization of all designated predicate offences and terrorism	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)	Closed 7th FuR

		financing should be remedied forthwith. Also the restrictive interpretation of the dual criminality principle should be subject to reconsideration.	Draft legislation addressing the freezing regime related to UN resolution 1373 was approved by the State Advisory Council and will be sent to Parliament. 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.	
SR VI AML requirements for money/value transfer services	NC	i. A competent authority should be designated to register or licence MTCs and be responsible for ensuring compliance with licensing and/or registration requirements.	i 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 29th 2012. (O.G. 2012 no 170).	Closed 6th FuR

		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". iii. MTCs should be required to maintain a current list of its agents and sub-agents, which must be made available	Under the new legislation the CBS is the sole licensing authority for MTOs and MEOs. ii 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 17th of July 2012 and entered into force on the 9th of August 2012. iv The CBS has issued in April 2012, new AML/CTF regulations for the financial sector in line with the recommendations of the MER.	

		to the CBS and the Foreign Exchange Commission. 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.		
SR VII Wire transfer rules	NC	i. Suriname should issue a law or regulation to implement the requirements of Special Recommendation VII.	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.	LC 10th FuR

			Amended CBS AML/CFT regulations have been discussed with the Bankers Association and will come in effect on April 1st 2015. The CDD requirements in paragraph 1 have been expanded with a special section on wire transfer rules. The amended CBS AML/CFT Directive came into force as of April 1, 2015. Under the amended regulations (paragraph I: Electronic Transfers of Funds). Requirements for electronic transfers are: - 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 may be substituted for his address; - 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; - 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; - if the financial institution has no direct relationship with the receiving financial institution and the 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; - 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 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. The CBS AML/CFT Directive has been amended on October 13, 2016. Under the special section on Electronic transfers of Funds in paragraph 1 of the amended directive financial institutions are required to record certain data for both cross border and domestic transactions. Cross border wire transfers below a minimum of USD/EUR 1000,- should include the name of the originator, the name of the beneficiary and an account number for each, or a unique transaction reference number. Cross-border wire transfers higher than USD/EUR 1,000 should always contain the following accompanying information: (a) the name of the originator;	

			(b) the originator account number where such an account is used to process the transaction; (c) the originator's address, or national identity number, or customer identification number , or date and place of birth; (d) the name of the beneficiary; (e) and the beneficiary account number where such an account is used to process the transaction. In the absence of an account, a unique transaction reference number should be included which permits traceability of the transaction. Information accompanying domestic wire transfers should also include originator information as indicated for cross-border wire transfers, unless this information can be made available to	

			financial institution of the beneficiary and appropriate authorities by other means. In this latter case, the ordering financial institution need only include the account number or a unique transaction reference number, provided that this number or identifier will permit the transaction to be traced back to the originator or the beneficiary. The responsibilities of the ordering, intermediary and beneficiary financial institutions are also included in the amended directive. (See Page 11 of the CBS Directive on AML/CFT October 2016). Ordering financial institution: - The ordering financial institution should ensure that qualifying wire transfers contain required and accurate originator information, and required beneficiary information;	

			- The ordering financial institution should ensure that cross-border wire transfers below any applicable threshold contain the name of the originator and the name of the beneficiary and an account number for each, or a unique transaction reference number; - The ordering financial institution should maintain all originator and beneficiary information collected; - The ordering financial institution should not be allowed to execute the wire transfer if it does not comply with the requirements specified above.	

		ii. For cross-border wire transfers of EUR/USD 1000 or more the ordering financial institution should be required to include full originator information.	Closed	
		iii. For domestic wire transfers of EUR/USD 1000 or more the ordering financial institution should be required to include full originator information or only include the originator's account number.	Closed	
		iv. Each intermediary and beneficiary financial institution should be required to ensure that	iv.1 Considered to be CLOSED. See CBS Directive on AML/CFT	

		all originator information is transmitted with the transfer. Where technical limitations prevent full origination information, a record must be kept for five years by the receiving intermediary financial institution of all the information received from the ordering financial institution v. Effective risk-based procedures for identifying and handling wire transfer	October 2016, page 12: Where technical limitations prevent the required originator or beneficiary information accompanying a cross-border wire transfer from remaining with a related domestic wire transfer, a record should be kept, for at least seven years, by the receiving intermediary financial institution of all the information received from the ordering financial institution or another intermediary financial institution. An intermediary financial institution should take reasonable measures to identify cross-border wire transfers that lack required originator information or required beneficiary information. Such measures should be consistent with straight-through processing. Closed	

		vi. Countries should have measures in place to effectively monitor the compliance of financial institutions with rules and regulations. vii.	Considered to be Closed CBS Directive on AML/CFT of October 2016 and also the CBS Manual for Off-site and On-site Examinations, AML and CFT (January 2013), page 37. Closed	
SR.VIII Non-profit organisations	NC	i. Suriname should forthwith initiate the accession procedure to the CFT Convention and take the necessary implementation steps.	i 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	

		ii. UN Res. 1267 and 1373 should be implemented fully and without delay (see comments above on SRIII).	legislation entered into force on November 2nd 2012. The instrument of accession to the UN/ CTF Convention has been deposited and came into force for Suriname on August 18th, 2013 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. Amended CBS AML/CFT regulations have been discussed with the Bankers Association and will come in effect on April 1st 2015. 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. 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 activities. 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. 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. Legislation amending art.I of the WID Act (O.G. 2016 no. 32), requires non – profit organizations to perform enhanced customer due diligence when receiving, supplying, subsidizing, collecting and transferring financial means, was adopted by Parliament on the 29th of February 2016 and entered into force on the 3rd of March 2016. See attachment: Act on the Identification Requirements for Service Providers (WID Act), art.I)	
SR.IX Cross Border Declaration & Disclosure	NC	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	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	Closed 9th FuR

			and put in place such system aimed at discovering criminal or terrorist related assets without delay.	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. On the 19th 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 watch list and the APIS system. The Military police is discussing the issue of embarkation/disembarkation cards with the ministry of Justice and Police and Customs. The order regarding the declaration form came into force on January 22th, 2015. See attachment	

			Custom declaration form has been introduced and this recommendation is considered to be closed.	