



**CFATF-2012-CHMR
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CARIBBEAN FINANCIAL ACTION TASK FORCE

CHAIRMAN'S WORK PROGRAMME: 2012-2013

CFATF Secretariat
Sackville House
35-37 Sackville Street
Port-of-Spain
Trinidad

Tel: (868) 623-9667
Email cfatf@cfatf.org

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1. In this the twentieth year in the life of the Caribbean Financial Action Task Force, (CFATF), the Government and people of the Virgin Islands are indeed honored at the confidence of our fellow CFATF Members in entrusting us with the stewardship of the organization for the coming year. We take the entrustment seriously and, at the same time, view it as a challenge to ably represent the interests of all our Members and continue to strengthen our organisation while fostering cooperation with our global partners in the fight against money laundering, terrorist financing and proliferation financing.

REFORM PROCESS

2. The Virgin Islands are privileged to assume the leadership role at this stage and we are, as is the entire CFATF family, deeply indebted to the invaluable work of former Chairs Honourable Mrs. Ersilia de Lannooy, Minister of Finance, Netherlands Antilles as it then was, Honorable Samuel Bulgin, Attorney General, Cayman Islands and Mr. Manuel Gonzalez, Venezuela, for the courage to embark on the reform agenda, the tenacity and dedication to navigate the difficult period of self examination and change management and the conviction and determination to bring the journey to a successful conclusion.
3. At this juncture, it is our solemn duty to honour the extraordinary achievements of our former Chairs by building on the solid foundation of their legacy. They have dedicated their time and energy to the cause of the CFATF with the primary objective of developing the organisation and strengthening its various organs for the good of the CFATF membership and regional and global cohesiveness in effectively tackling the scourge of money laundering and terrorist financing.
4. It is also incumbent upon all of us to further honour the direction provided by the Special Ministerial III Meeting in August 2012 that the process of introspection, reflection and reform of the CFATF must be an ongoing exercise. We must build on the considerable accomplishments of

the past two years and the enhanced reputation of the CFATF that is being widely recognized. We must continue to strive for excellence in all aspects of the organization's operations. This is not a time for us to be complacent as there will be storms ahead and we must ensure that we are prepared at all times to deal with those storms and enhance our integrity in the fight against money laundering, terrorist financing and proliferation financing.

ANNUAL CONTRIBUTIONS

5. In this regard, it is important to recognize that the success and reputation of the CFATF rests on the shoulders of all its Members. In particular, it is worth recognising that the business of the CFATF cannot be efficiently and effectively undertaken without the full financial support of all Members. Whilst the ongoing contributions of the Group of Cooperating and Supporting Nations (COSUNs) have been and will continue to be a critical signal of friendship and support, the responsibility for the continued survival and effective functioning of the CFATF lies primarily with its Members. We must individually and collectively renew our pledge to build and develop the CFATF, enhance the reputation of the organisation to better serve the interests of its Members and promote the Caribbean Basin region as one that not only shuns money laundering, terrorist financing and other forms of financial crime, but also as a region that remains ever determined to take all necessary steps to stop criminals from turning the region into a safe haven for their unlawful activities.
6. We are indeed mindful of the ongoing impact of the global economic and financial crisis, yet we must strive to avoid compromising the integrity and reputation of the CFATF as a whole. The timely payment of Members' dues is critical to the long term viability of the CFATF. In this context therefore, the Virgin Islands calls upon the three Members that are yet to pay their annual contributions for 2012 to take the necessary measures to ensure that the funds are remitted to the CFATF Secretariat immediately and, hopefully, before the end of this year. Additionally, it is critical that the annual contributions of Members should at the very latest be paid by April 30th of each year. This will ensure the smooth functioning of the CFATF Secretariat and better delivery with respect to the activities of the CFATF.
7. The Virgin Islands fully supports the initiative of Outgoing Chair Manuel Gonzalez in tightening the sanctions procedure for non payment of the annual contributions so that they become

operational during the course of the 2012/2013 financial year. Endorsement of an amendment to the CFATF Memorandum of Understanding (MOU) to achieve this important goal would be a priority for the next year.

MEMBERSHIP PARTICIPATION

8. Another area of focus over the next twelve months will be a thorough examination of membership participation in the business of the organization. During the period of reflection and reform, a small number of Members along with the COSUN representative within the Steering Group provided critical and effective guidance to the Secretariat and the membership in the face of considerable organizational challenges. However, it was recognized that the burden of leadership and guidance within this constituency had to be shared more equitably, through the active involvement of all Steering Group Members.
9. Realization of the promise of the institutional changes in the operation and functioning of the Steering Group as approved by Ministers in November 2011, must be achieved, and the Virgin Islands will call for expedited responsiveness, full participation and more effective performance by regional representatives so that national and sub regional experiences could form part of the overall dialogue in shaping the destiny of the CFATF now and in the future.
10. This call for enhanced and active participation must also be extended to the general membership. The CFATF is a Members' organisation and Members need to take ownership and stewardship of the organisation by doing all that is necessary to sustain the organisation in the long term. We must all strive to conquer the apparent inertia; and lethargy towards the work of the organization. The Steering Group has formulated proposals in the hope of engendering positive change in this area and we intend to pursue those proposals robustly and vigorously in the coming months. Our goal will be to engender a sense of belonging and to empower all Members to embrace the organization and participate in its activities.

THE MUTUAL EVALUATION PROGRAMME

- 11.** As the global AML/CFT network focuses its attention on preparations for the Fourth Round of Assessments, the CFATF must be fully engaged in this process, building on the level of CFATF participation in the development of the revised FATF 40 Recommendations.
- 12.** The highest levels of compliance with these international standards must be the aspiration of each and every CFATF Member. We will encourage full and active engagement by all Members which, hopefully, will facilitate a greater understanding and appreciation of the requirements of the standards and the speed and efficacy with which resources are directed to reforming the national AML/CFT agenda.
- 13.** Full and active engagement will also ensure that the training initiatives on the Revised FATF 40 Recommendations, the Revised AML/CFT Methodology, the Revised Mutual Evaluation Process and Procedures and for Mutual Evaluation Examiners will be fully and constructively embraced by both individual Members and the organization as a whole.
- 14.** However, it will be critical that all Members and particularly those that have met the FATF International Cooperation Review Group criteria and are under the scrutiny of both the FATF and the CFATF should engage equally actively. We will place a lot of emphasis on the work of the CFATF ICRG with a view to bringing up all our members, in particular those currently being reviewed, to the desired compliance level with respect to their AML/CFT reform agenda.
- 15.** It is critical therefore that all Members should endeavor with requisite expedition to rectify the outstanding deficiencies identified in their respective Third Round Mutual Evaluation and Follow up Reports.
- 16.** Given that such action as described above is in the best interests of all Members and the image and reputation of the CFATF, the policy of robust and intrusive action by the Plenary and Ministers in addressing continuing shortcomings will be pursued with greater urgency.
- 17.** It is essential that we all recommit and adhere to the CFATF Process and Procedures for both the CFATF Mutual Evaluation Programme and the CFATF International Cooperation Review Group.

- 18.** In pursuit of the laudable goal of attaining the highest levels of compliance with the international standards, the Virgin Islands will seek to work with Members and the Secretariat to prepare a document covering both the outstanding deficiencies of the Third Round and the requirements for the Fourth Round of Assessments.

TECHNICAL ASSISTANCE AND TRAINING MASTER PLAN

- 19.** In recognition that the global economic and financial crisis continues to affect the small and developing economies in our region as well as those of our traditional donor partners, the Technical Assistance and Training Master Plan will also incorporate considerable avenues for self help amongst the membership and will call upon regional institutions to provide assistance. We will therefore encourage and promote more internal dialogue and technical assistance between Members as they carry out their necessary AML/CFT reforms. A strong technical assistance scheme between Members can only breed a stronger organisation.
- 20.** It is essential also to draw on support from key regional institutions like the Caribbean Development Bank, Eastern Caribbean Central Bank, etc. for financial support in carrying forward the training agenda of the CFATF. We will seek appropriate partnership with these institutions to foster the regional AML/CFT reform agenda in order to better serve our Members.
- 21.** In aspiring to higher levels of compliance regionally, the involvement of the private sector will be vital and, in this regard, training on the requirements of the Fourth Round of Assessments should figure significantly in the agenda for the AML/CFT Compliance Conferences that the Secretariat would be organizing across the region. This should serve as a good platform for ensuring a regional outreach on AML/CFT issues.

- 22.** Members are encouraged to work with the Secretariat to ensure that their jurisdictions benefits from this initiative by proposing firm dates for hosting these Conferences as well as pledging to assist with the organization and marketing thereof.

OUTREACH PROGRAMME

- 23.** Members belong to other regional bodies that are critical to their country reform processes and it is essential that AML/CFT reform is brought within that fold. There needs to be an active outreach to regional bodies – CARICOM, OECS, CDB, ECCB, etc. – to play a more active role in CFATF affairs. This must be demonstrated by regular attendance of and participation at CFATF meetings and providing necessary financial support to the organisation. The Virgin Islands, along with the Steering Group and the Secretariat, hopes to engage these regional bodies through dialogue to establish a formal/informal arrangement of active participation in and support to the CFATF.
- 24.** There is also a need to strengthen Members' AML/CFT regimes through appropriate outreach programmes to educate the public on AML/CFT matters. The Fourth Round of Mutual Evaluations will concentrate mainly on the effectiveness of AML/CFT regimes and there is no better way of ensuring this than by educating the public so that everyone becomes a partner in the reform and implementation process. We will encourage all Members to undertake regular dialogue with their financial institutions and the general public on issues relative to AML/CFT matters.
- 25.** We will monitor very closely current work ongoing within the FATF on issues of AML/CFT and corruption. It is always a good idea that our members should be properly notified and involved in ongoing work in order to create an appropriate awareness and thus prepare them when the time comes for effecting necessary reforms relative to their AML/CFT obligations.
- 26.** The CFATF will continue to actively participate in and strengthen relationships with the FATF and we will encourage our Members to volunteer their services by participating in

the various working groups of the FATF. In addition, it is our hope to engage with the other FSRBs to learn from each other and, where possible, we will endeavour to attend their meetings and hopefully encourage them to attend CFATF meetings so we can meaningfully exchange ideas and reform issues relevant to the efficient and effective functioning of our respective organisations.

CFATF WEBSITE

- 27.** The strengthening of the CFATF Website is pivotal as a community centre for showcasing the progress being made in implementing the AML/CFT agenda nationally in Member countries and across the region as a whole. The Virgin Islands will support current efforts at enhancing the Website and making it more user-friendly.
- 28.** With the reforms already being effected in relation to the Website, we have witnessed the institution of several applications which allow the distribution of, consultation on and finalization of, important documents to be undertaken more efficiently. The improvements also allow for Members and our international partners to learn of important AML/CFT developments and news in a more timely fashion.
- 29.** In the coming months we expect additional applications to be incorporated on the Website which will revolutionize the CFATF by allowing the organization to operate in a fashion which will be more meaningful and beneficial to Members and our global partners.
- 30.** For this we owe a debt of gratitude for the continued support of our long standing partner, the United States, whose vision for the potential of the Website as an effective communication tool dovetails with that of the CFATF and whose financial support will certainly assist in transforming the vision and desires into reality.

SECRETARIAT SUPPORT

- 31.** The continued efficient and effective functioning of the CFATF is largely dependent on an effective Secretariat led by efficient and effective staff. It is often the case that this important aspect of effectiveness of an organisation is taken for granted. The CFATF has been served well since its inception twenty years ago by a staff that is well-trained, dedicated and committed to the values and objectives of the organisation. The institutional knowledge possessed by the current staff of the CFATF is invaluable and often called upon by Members in times of uncertainty. In recognition of their invaluable contributions to the work of the CFATF, the Virgin Islands calls on the entire CFATF membership, including our partners, to pay tribute to the staff of the Secretariat. We appreciate the work they have been doing on our behalf, sometimes with limited resources and not up-to-date facilities. We trust that the Executive Director and his able team will continue the good work and continue to enhance the reputation of the CFATF.
- 32.** The Virgin Islands will work with the Executive Director and his staff to establish the needs of the Secretariat and how best the Steering Group can better facilitate the functioning of the Secretariat. Emphasis will be placed on boosting staff morale to ensure continued productivity.
- 33.** As we encourage technical assistance between our Members, we also would encourage Members that can afford it to provide such necessary facilities to the Secretariat as would help in promoting the efficient and effective functioning of the Secretariat. Some may point to our annual contributions to obtain such facilities; however, the reality is that the annual contributions are never going to be enough to cover everything that is needed. We hope therefore that Members will step up to provide necessary facilities whenever requested.
- 34.** We also register our thanks and appreciation to the Government of Trinidad and Tobago which continues to support the CFATF by hosting the Secretariat.
- 35.** We will work with the Steering Group to establish an appropriate structure for the secondment of experts to the Secretariat in order to enhance capacity. All Members would therefore be

encouraged to consider ahead identifying AML/CFT experts in their respective jurisdictions that they can second to work at the Secretariat for limited periods.

CONCLUSION

- 36.** The CFATF is at an exciting juncture. There is much to be done and much to be accomplished. So let us all assiduously and collectively rise to the occasion overcoming whatever obstacles may be present along the way.
- 37.** The Virgin Islands assumes the mantle of leadership when it can rightly state that the CFATF has matured through trials and tribulations and has remained resilient. We must not relent; rather we must continue to aspire for the best always, both for ourselves as Members and collectively for the region we represent. We do acknowledge that there are areas where additional work is required, but these are neither unduly burdensome nor insurmountable and therefore can be easily accomplished. To ensure that, however, the full cooperation and active participation of Members is essential. The Virgin Islands therefore calls on the entire CFATF membership, including our invaluable partners, to work with us as we continue the good work of the CFATF.
- 38.** It is the intention of the Virgin Islands to cement the sustainability of the CFATF reform process and share our achievements on an ongoing basis with our international partners in an open and transparent fashion. We call for the maximum support of, and cooperation with, the FATF (including the COSUNs), other FSRBs, donor agencies and other regional and international institutions as we collectively aim to strengthen the global fight against money laundering, terrorist financing, proliferation financing and other forms of financial crime.