

CARIBBEAN FINANCIAL ACTION TASK FORCE
PLENARY XXXVIII
FREEPORT, THE BAHAMAS
21st November, 2013

ADDRESS BY MR. CHERNO S. JALLOW, QC
Chairman, CFATF

Thank you Mr. Chairman ... and good morning all.

I would like to begin by recognizing in our midst this morning the presence of:

His Excellency Sir Arthur Foulkes and Lady Foulkes, Governor General of the Commonwealth of the Bahamas;

Acting Prime Minister and Minister of Works and Urban Development, The Honourable Phillip Davis and Mrs. Davis;

Honourable Members of the Cabinet;

Other Honourable Ministers of Government;

Honourable Attorneys General and Ministers of Government of the Caribbean Financial Action Task Force and Heads of Delegations;

Senators and Members of Parliament;

Members of the Diplomatic Corps;

Mr. Vladimir Nechaev, President of the Financial Action Task Force;

Executive Director of the Caribbean Financial Action Task Force;

Chairs and Co-Chairs of the Working Groups of the Caribbean Financial Action Task Force;

Distinguished Delegates from Member Countries of the Caribbean Financial Action Task Force; and

Senior Government Officials.

I also recognise all other Distinguished Guests.

Ladies and Gentlemen.

Permit me Mr. Chairman, to express, on behalf of the entire CFATF family gathered here, our most profound thanks and appreciation for the warm welcome that the Government and people of the Bahamas have accorded us since our arrival to beautiful Freeport. We not only feel truly welcomed here, but we also feel at home. The organizing team, along with the protocol and security personnel, have been splendid in making sure we're not lost anywhere or wanting for anything and that we feel safe at all times. For all the resources and facilities you have afforded us during our stay here in the Bahamas, I say a big thank you on behalf of my CFATF colleagues.

The CFATF has truly matured into a responsible and recognized partner in the global effort to tackle the scourges of money laundering and terrorist financing. We recognize that, as a region, we are not immune to the activities relative to money laundering and terrorist financing. Often times our critics accuse the Caribbean Basin region of being a haven for drug trafficking and money laundering without acknowledging the efforts and resources that regional governments put into fighting these scourges. Money laundering is not a national problem only, nor is it a regional problem only; it is a global problem. And no single government can tackle the problem alone and claim to succeed.

As a region, we must look beyond the criticisms leveled against us; we must forge ahead, for the drug traffickers and money launderers have a field day when we bicker amongst ourselves or point accusing fingers at each other. We must recognize our shortcomings and undertake to remedy those shortcomings. We must move forward and resolve that under no circumstance shall we allow those who make it their business to abuse and misuse our systems and the privileges we offer to have the upper hand. However, to win we must work together.

This is where the CFATF becomes pivotal. As a regional institution that rallies 29 countries and territories together under a single umbrella to continually discuss and encourage each other to put systems and legal and administrative mechanisms in place to the appropriate international standards, the CFATF continues to hold the Caribbean Basin region together to fight in unison against all activities concerning money laundering and terrorist financing. And with the revised FATF 40 Recommendations, we expand that to include proliferation financing. The CFATF

is effectively the regional bank for AML/CFT knowledge and the governments of the region are encouraged to continue their support for the organisation.

It should be pleasing to note that the CFATF, which has in the last three years been undergoing a period of reflection, introspection and reform, today stands boldly as having successfully completed its action plan and is therefore no longer required to provide any update reports to the FATF. In October this year, we presented our last update report to the FATF during the FATF Paris Plenary which expressed satisfaction with the progress we have made as an organisation and therefore agreed that the CFATF's reporting obligations must be brought to an end. We all have been instrumental in this endeavour and I acknowledge, in particular, the sterling and relentless efforts of the CFATF Steering Group which stayed the course and persisted right to the end to make the reforms possible. I also acknowledge the patience and resilience of the CFATF Secretariat for not only supporting the reforms, but also for bearing with us on the difficult decisions we have had to take.

We now move on, bearing in mind that as an institution ... and a pivotal regional institution for that matter, we must continually self-assess and reform. We cannot allow the shortcomings of the past to repeat themselves, and that obligation falls squarely on our shoulders as Members, but particularly to the CFATF leadership – the Chair, the Ministerial Council, the Steering Group, the various Working Groups and the Secretariat.

The Fourth Round of Mutual Evaluations is now upon us. The years ahead will, no doubt, be very challenging as we prepare our Members to undergo assessments of their technical and effectiveness compliance levels. We have begun the process, working in partnership with our Cooperating and Supporting Nations and the International Financial Institutions, to commence the process of training our Members through a series of National Risk Assessment Workshops so as to enable our Members to undertake their individual national risk assessments. We encourage all of our Members to participate in these Workshops; a Member that fails to attend will be losing out on a lot and we do not want to see any Member left behind.

Mr. Chairman, I cannot conclude without mentioning something that has always bothered me and, I hope, I can be forgiven for speaking frankly on the matter. Our regional institutions – namely, CARICOM, OECS, CDB, ECCB, CARTAC, and there are others – are all Observers in the CFATF. This is in recognition of the fact that it is their member countries that constitute the CFATF and they all have a

stake in the CFATF. The most significant stake they have in the CFATF that clearly stands out relates to the importance of ensuring the good reputation of their members and the region in matters concerning money laundering and terrorist financing. The Inter-American Development Bank, for instance, is closely involved in the AML/CFT reforms of their Members as we have seen in the case of Nicaragua's reform process. The Caribbean regional institutions sadly lag behind and for many years have been absent from CFATF Plenary meetings. As Chairman of the CFATF, I specifically instructed that formal invitations be extended to them to attend this Plenary meeting and also specifically invited them to attend a special meeting of Observers with the Chair that was convened for last Monday, 18th November. None of them acknowledged the invitation and certainly none attended that meeting and, I am advised, that none of them is present at this Plenary. This kind of apathy needs to come to an end. At a time when we are seeking support from, and making extensive outreach to, international financial institutions and foreign governments which almost always respond positively, there is a lesson for the regional institutions. My hope therefore, is that, from the next Plenary onwards, we will begin to see a comeback of our regional Observers and for them to lend maximum support to their organisation to discuss issues of importance to our membership and to learn how CFATF activities and Members' AML/CFT obligations and reforms relate to them.

In conclusion,

Let me once again, thank the Government and people of the Bahamas for hosting this XXXVIII Plenary of the CFATF. We appreciate everything you continue to do for the CFATF and, considering the beauty of this country and her people and the resources you are endowed with, I can do no better than to encourage our Members to take time off, after the meetings of course, to enjoy the wonderful Bahamian hospitality.

I thank you Mr. Chairman and ladies and gentlemen.