

CARIBBEAN FINANCIAL ACTION TASK FORCE



CFATF ANNUAL REPORT 2017-2018

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CFATF Profile

The Caribbean Financial Action Task Force (CFATF) is an organisation of twenty-five (25) states of the Caribbean Basin, Central and South America, which have agreed to implement common countermeasures to address money laundering (ML), terrorist financing (TF) and proliferation financing (PF). It was established as a result of meetings convened in Aruba in May 1990 and Jamaica in November 1992.

In Aruba, representatives of Western Hemisphere countries, in particular from the Caribbean and Central America, convened to develop a common approach to the phenomenon of the laundering of the proceeds of crime. Nineteen recommendations constituting this common approach were formulated. These recommendations, which have specific relevance to the Region, were complementary to the original forty recommendations of the Financial Action Task Force (FATF) established by the Group of Seven at the 1989 Paris Summit.

The Jamaica Ministerial Meeting was held in Kingston in November 1992. Ministers issued the Kingston Declaration in which they endorsed and affirmed their governments' commitment to implement the FATF and CFATF Recommendations¹, the OAS Model Regulations and the 1988 UN Convention. They also mandated the establishment of the Secretariat to co-ordinate the implementation of these objectives by CFATF Member countries.

The main objective of the CFATF is to achieve effective implementation of, and compliance with, the [FATF Recommendations](#) to prevent and eliminate ML/FT/PF.

The CFATF Secretariat has been established as a mechanism to monitor and encourage progress to ensure full implementation of the [Kingston Declaration](#) and has been hosted by the Government of Trinidad and Tobago since its establishment. The CFATF Membership includes the following:

1. Antigua and Barbuda
2. Anguilla
3. Aruba
4. Bahamas, The
5. Barbados
6. Belize
7. Bermuda
8. Cayman Islands
9. Curacao
10. Dominica
11. El Salvador
12. Grenada
13. Guyana
14. Republic of Haiti
15. Jamaica
16. Montserrat
17. St. Kitts and Nevis
18. St. Lucia
19. St. Maarten
20. St. Vincent and the Grenadines
21. Suriname
22. Turks and Caicos Islands
23. Trinidad and Tobago
24. Venezuela
25. Virgin Islands

The Co-operating and Supporting Nations (COSUNs) are countries or territories that are not Members or observers of the CFATF and who have expressed their support for the objectives of the CFATF and have been approved by the Council of Ministers.

COSUNs are committed to the mutual evaluation process for implementing the FATF Recommendations and make contributions to the work and/or resources of

¹ The CFATF Recommendations were subsequently retired by the Council of Ministers.



the CFATF as are permitted by their respective national laws and policies.

COSUN countries include:

1. Canada
2. France
3. Mexico
4. Kingdom of the Netherlands
5. Spain
6. United Kingdom and
7. The United States of America.

These nations recognise the relationship between the work and objectives of both the FATF and the CFATF.

The CFATF Secretariat undertakes the following activities on behalf of the CFATF Membership:

- An ongoing programme of the Mutual Evaluation of Members.
- Co-ordination of, and participation in, training and technical assistance programmes.
- Bi-annual plenary meetings for technical representatives.
- Annual Ministerial Meeting.

Additionally, since February 1996, the CFATF has been conducting a number of ML typology exercises in collaboration with the FATF and other FATF Style Regional Bodies (FSRBs) with a view to increasing awareness of the attendant risks to the Region. These exercises allow for the sharing of information collated by various bodies involved in combating ML/TF.

The CFATF Secretariat also works closely with many international organisations and entities, some of which include:

- CARICOM/ CARIFORUM
- The World Bank (WB)
- CARICOM IMPACS
- The International Monetary Fund (IMF)
- The Caribbean Development Bank (CDB)
- The Commonwealth Secretariat
- The Eastern Caribbean Central Bank (ECCB)
- The Inter-American Development Bank (IDB)
- Organization of American States (OAS) and
- The United Nations Office on Drugs and Crime (UNODC).

The CFATF Secretariat has Observer Status with several organisations, a comprehensive list of which is at **Annex 3**.

The CFATF Chair for the November 2017- November 2018 period was held by Guyana and represented by the Honourable Basil Williams, SC, MP, Attorney General and Minister of Legal Affairs of the Co-operative Republic of Guyana.

The CFATF Deputy Chair for the November 2017- November 2018 period was held by Barbados and represented by the Honourable Adriel Brathwaite, QC, Attorney General of Barbados (November 2017- May 2018) and the Honourable Dale Marshall Q.C., M.P., Attorney General and Minister of Legal Affairs of Barbados (May 2018 - November 2018).

The Executive Director (ED) of the CFATF for the period is Ms. Dawne Spicer.

For more information, please visit our website at: <https://www.cfatf-gafic.org/>



CFATF Mission, Vision and Values

MISSION

To develop and implement effective anti-money laundering, counter-terrorist financing and counter-proliferation of weapons of mass destruction financing systems and to contribute to the setting of global standards.

VISION

To be an efficient and responsive organisation that plays a leading role, within the region and the global community, in the prevention and suppression of money laundering, terrorism financing and financing the proliferation of weapons of mass destruction through the effective implementation of the international standards.

VALUES

- Leadership
- Effectiveness
- Integrity
- Cohesiveness

Chairman's Remarks



**Chairman Basil Williams SC, MP,
Hon. Attorney General and Minister of Legal Affairs of the Co-operative Republic of Guyana
(Guyana)**

It is my pleasure to introduce the Annual Report of the CFATF for the period November 2017 - November 2018 under the Chairmanship of Guyana.

It has been an honour and privilege to represent the CFATF during this critical time of transition in improving our counter-terrorism measures to match the legislative and other positive strides achieved within the realm of money laundering. Coupled with the challenges of the Fourth Round of Mutual Evaluations, the economies of our small Member States continue to grapple with low levels of financial growth, recovery from hurricanes and the threat of de-risking. Resources are being stretched as we all use our best efforts to legislatively strengthen our Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) frameworks, establish measures to deal with PF and implement the AML/CFT laws and processes to a level that can be considered as 'High' or 'Substantial' levels of effectiveness.

Over the past year, I engaged in several activities, all aimed at fulfilling the mandate

of the CFATF, forging strong relationships with our stakeholders and boosting our public profile.

In November 2017, as incoming Chairman, one of my primary tasks was to preside over the CFATF's XLVI's Plenary and Working Groups Meetings hosted by Guyana. At that meeting, we welcomed approximately one hundred and fifty (150) participants from our twenty-five (25) Member jurisdictions, COSUNs and Observer organisations, with the dialogue centered around discussion of the Mutual Evaluation Report of Barbados. Other matters of the CFATF were also discussed including the ICRG Procedures for the Fourth Round, outcomes of the Financial Action Task Force (FATF) June and October 2017 Plenaries and the Action Plan of Trinidad and Tobago.

During the period of January 22-26, 2018, Guyana then hosted the CFATF Assessors' training which resulted in thirty-eight (38) new assessors being added to the CFATF pool of Assessors.

On April 19, 2018 ED Spicer and I represented the CFATF at the Compliance Aid Anti-Money Laundering & Financial Crimes Conference 2018 in Miami, Florida where we delivered presentations on the topics '*FinTech Effects on the Changing Role of the Compliance Officer*' and '*the current Round of Mutual Evaluations-Regional Outlook*'. Both presentations were well received.

In May 2018, Guyana then hosted the *AML/CFT/CVE (Anti-Money Laundering/ Countering the Financing of Terrorism/ Countering Violent Extremism) Workshop* for Judges and Prosecutors, which was undertaken as part of the global series of workshops for Judges and Prosecutors initiated by the then FATF President, Mr. Santiago Otamendi. This initiative of President Otamendi commenced in September 2017 and concluded in May 2018 in Busan, Korea. The workshop was funded by the Commonwealth Secretariat, the Cooperative Republic of Guyana and the Caribbean Development Bank. The Secretary General of the Commonwealth, the Right Honourable Baroness Patricia Scotland, QC attended and presented at the Workshop. There were opening speeches by His Excellency, the President of the Cooperative Republic of Guyana, Brigadier David Arthur Granger, the Secretary General and myself. Forty (40) participants from Member countries comprising a Chief Justice and fourteen (14) other Puisne Judges, one (1) Chief Magistrate and twenty-four (24) Prosecutors, including: Directors of Public Prosecution, Deputy and Assistant Directors of Public Prosecution, Senior Crown Counsel, Principal Crown Counsel and Crown Counsel attended and participated in the Workshop. A report was prepared by the Workshop's facilitators and sent to the FATF Secretariat for inclusion in their review and analysis of the global Workshops for Judges and Prosecutors.

The hosting and shared funding of this Workshop was a significant way to support our Members with the opportunity to understand the need to effectively implement their AML/CFT laws, the legal challenges

involved in confiscation matters, the importance of countering violent extremism and taking a positive role as an FSRB in an FATF initiative. (*See page 14 for further details on the outcomes of this meeting*).

On August 24, 2018, I led the team in conducting the High-Level Mission to St. Maarten. Following this meeting, I stressed that the CFATF has made progress in its Mutual Evaluation programme, as only St. Maarten remained in the Third Round, with a clear commitment to exiting promptly.

Under my tenure as Chairman of the CFATF, these important advances were attained and my Work Programme was executed with tangible success in many areas. I further advocated the work being undertaken by the CFATF by my attendance at the FATF Plenary meetings. These meetings are ultimately aimed at improving our level of AML/CFT compliance with the FATF Standards and increasing our levels of effective implementation. My strategic objectives were aimed at ensuring that the CFATF could undertake its monitoring responsibilities in the manner expected of us as guardians of the best interests of each and every CFATF Member.

In addition, the review and enhancement of the IT functionality of the CFATF Secretariat as well as the hiring of new staff and the proposals for Ministers to enhance governance, efficiency and effectiveness are all in keeping with the CFATF Strategy. Our strategy which has been executed through the Chairman's Work Programme set a solid platform for the further growth and success of the organisation into the future.

In this regard, we have seen capacity building at the Secretariat in terms of new staff appointments. We welcomed Ms. Dawne Spicer who was appointed as the new Executive Director effective February 1, 2018. Ms. Spicer is a national of Trinidad and Tobago and an Attorney at Law by profession, with twenty-six years of experience in the area of AML/CFT. Her expertise and length of tenure with the CFATF, brings a wealth of knowledge and

dedication to the organisation which she has served with distinction.

Mrs. Joanne Daniel was appointed Deputy Executive Director with effect from September 1, 2018 and this was followed by the revision of the Secretariat's Organisational Chart and the appointment of Ms. Magdalene Walcott as the Director of Finance and Administration.

In addition to these senior management positions, the CFATF appointed a new Translator, Ms. Ayana Jack, and also re-designated and appointed Ms. Elisha George as an Administrative Officer specifically dedicated to the Secretariat's Mutual Evaluation Team.

The successful strengthening of the CFATF's financial position through the Grant Agreement for the 11th European Development Fund (EDF) European Union/CARIFORUM funding for the Fourth Round of Mutual Evaluations was another significant success attained during the period.

I was extremely pleased that the 11th EDF Grant agreement was successfully negotiated and signed and began implementation during my tenure. To this end, Project Manager Andrew Frection and Senior Project Officer Beverley Perez also became part of the CFATF team. This project will provide the crucial funding for the Fourth Round of Mutual Evaluations' related programmes for CFATF beneficiary Members and also provide opportunities for participation for all CFATF Members.

I was also pleased to accept the offer of funding from two Cooperating and Supporting Nations (COSUNs), Canada and the United Kingdom for the funding of a Supervision Advisor who will work with Members and a range of stakeholders to develop the AML/CFT effectiveness of financial sector regulators and the entities they supervise.

Under my Chairmanship, we saw the presentations of the Mutual Evaluation Reports (MERs) of Antigua and Barbuda (May 2018 Plenary) and the Cayman Islands

(November 2018 Plenary), which allowed us to focus on our primary function as a FATF-Style Regional Body (FSRB).

I urge Members to continue to actively participate in the Mutual Evaluation process as this is crucial to the work of the organisation. Members should have full engagement on the issues discussed at Plenary meetings, in the Heads of FIU, CFATF Risk Trends and Methods (CRTMG) Working Group, CFATF International Cooperation Review Group (CFATF ICRG), and the Working Group on FATF Issues (WGFI). Participation at the Global Network level is also encouraged through involvement in FATF Plenary meetings.

The COSUNs, the FATF Secretariat and all Observers, have all been longstanding colleagues who continue to place tremendous investments of human and financial resources over the years to assist our jurisdictions in building critical AML/CFT capacity. We value their generosity and technical input and remain committed to partnering with them throughout the Fourth Round of Mutual Evaluations and beyond.

The CFATF must continue to strike the balance between perfecting all processes necessary to ensure high quality Mutual Evaluations and completing the Fourth Round of mutual evaluations with an overall improved level of success. I thank you all for this opportunity to serve as Chairman and I pledge my utmost support and that of the government and people of the Co-operative Republic of Guyana to all Members of the CFATF in the years to come. I wish all the best to my successor, Mr. Dale Marshall, QC, MP Hon. Attorney General and Minister of Legal Affairs, Barbados and trust that under his leadership, the CFATF will continue to positively address and overcome our challenges.

Hon. Basil Williams SC, MP
Chairman of the CFATF
November 2017- November 2018

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Foreword by the Executive Director



Ms. Dawne J. Spicer

We at the CFATF recognise that success is founded on partnership. During the past year, under my leadership, the Secretariat's management and staff have taken every opportunity to encourage participation both at the Secretariat level and at the Membership level in collaboration with Members through the Steering Group and its sub-committees along with Plenary and the Council of Ministers. The process of collective participation had led to improvements in our primary work product; Mutual Evaluation Reports; training and providing a high level of technical assistance in an intense programme of effectively mobilising our limited resources.

Ultimately, all our work is directed towards ensuring Members are compliant with the FATF Recommendations and effectively implementing their AML/CFT frameworks.

In that regard, the Secretariat remains committed to assisting Members in preparing for the rigours of the Fourth Round of MEVALs through continued assistance at the pre-assessment, assessment and post-assessment phases of the process. The Secretariat's expert staff is provided

guidance, training, research papers and advice on AML/CFT matters.

All of this requires increased and renewed investments, a strong commitment to improve data collection and analysis, accountability frameworks for leaders, and established responsibilities for all stakeholders, including the private sector.

We have made important advances as an organisation over the past year regarding the implementation of governance and policy measures aimed at enhancing the effectiveness of the Secretariat and of the CFATF as a whole.

We have worked diligently towards improving our profile and image to the CFATF Members and the Global Network through direct involvement in the discussions on relevant Regional issues through conference, seminar and workshop presentations.

The Secretariat looks forward to working with all Members in the coming years; together we can usher in a new era of resilience against global financial crimes.

.....
Ms. Dawne J. Spicer
Executive Director

Execution of the Chair's Work Programme

A key component of the Work Programme during the term of Chairman Williams was AML/CFT capacity building for CFATF Members. This objective was successfully accomplished through the execution of CFATF Assessors training (January 22-26, 2018), the AML/CFT/CVE Workshop for Judges (May 3-4, 2018) [See page 13 for further details on the outcomes of this meeting] and Chairman Williams' and ED Spicer's participation in the Compliance Aid Anti-Money Laundering & Financial Crimes Conference held on April 19, 2018 in Miami, Florida.



Chairman Williams at ComplianceAid in Miami- April 2018

The conduct of training by Secretariat staff was another means of effective execution of the Chair's Work Programme with staff conduct of the following activities:

- Standards Training, St. Vincent and the Grenadines (December 10-14, 2017).
- National Risk Assessment (NRA) Workshop, Suriname (January 29-31, 2018).
- Standards Training, Equatorial New Guinea, Malabo - A collaboration by CFATF and GAFILAT to assist the Task Force on Money Laundering in Central Africa (*Groupe d'Action contre le blanchiment d'Argent en Afrique Centrale* (GABAC's) Spanish Member Equatorial New Guinea (February 12-16, 2018).
- Tech AML Seminar, Trinidad and Tobago 'The Fourth Round of Mutual Evaluations - Challenges and Opportunities in the Caribbean Basin Region' (March 21, 2018).
- CFT Conference, France (April 25-26, 2018).
- Compliance for Massy Board of Directors, Trinidad and Tobago (May 11, 2018).
- Nevis Compliance Conference – 'FATF Recommendations and Methodology for Assessing Effectiveness' and 'An Effective Compliance Programme'. (May 14-15, 2018).
- 9th Biennial Central Bank Seminar 'De-risking by Correspondent Banks' and 'AML/CFT Standards and Expectations for MERs', Trinidad and Tobago (June 12, 2018).
- Judicial Workshop on Money Laundering and Asset Forfeiture, Trinidad and Tobago – 'CFATF's Role and Status of Trinidad and Tobago's AML/CFT Efforts' (July 24, 2018).
- Countering the Financing of Terrorism Workshop, Trinidad and Tobago 'International Cooperation' and 'FATF Terrorism and Terrorism Financing Requirements' (August 14, 2018).
- FTS Virtual Currency Workshop, Cayman Islands 'Overview of AML Best Practices on Payment Systems and Cryptocurrencies – Existing Compliance and Risk Based Systems (August 29, 2018).

CFATF's Financial Strengthening

This aspect of the Chairman's work programme was executed through the successful granting of funding for the Fourth Round of Mutual Evaluations by the European Union (EU). The preparation of the application for the Grant involved the

extensive review, amendment and consultation on the draft between the Secretariat, Steering Group and the Caribbean Forum of the African, Caribbean and Pacific Group of States (CARIFORUM). The Grant Agreement for the 11th EDF European Union/CARIFORUM funding for the Fourth Round of Mutual Evaluations was signed on September 3, 2018.

In addition to the CFATF's component of the 11th EDF, Component B of the EU's funding will be executed by the World Bank (WB) which will involve collaboration with the CFATF and focuses on NRAs and other types of technical assistance. In that regard, the WB provided training on CFT through a two-day training on the margins of the November 2018 Plenary in Barbados. The training was funded for all CFATF Member countries.

CFATF Membership

To date, there has been no dedicated approach to increasing the Membership of the CFATF. However, the Secretariat seeks sources of funding from countries that may be interested in partnering with the CFATF on technical assistance and training issues so that the benefit of expanded resources will still be afforded to Members.

Image of the CFATF

The application by Guatemala for Observer status in the CFATF was the primary matter under this item of the Chair's work programme. At the September 2018 meeting of the Council of Ministers the application by Guatemala was approved and the country is now in the process of formalising its processes and systems to execute their Observer status. In addition to this application, the application for Observer status submitted by CARICOM IMPACS was also approved by the Council of Ministers. Further, the many representations (see above at 'Training Workshops and Conferences') by the Chair and the Secretariat have positively enhanced the image of the CFATF during the Chairman's term. The image of the CFATF is also being addressed through the efforts to increase the

quality and consistency of CFATF MERs. While all our Members who have completed their Fourth Round of Mutual Evaluations have been placed in Enhanced follow-up (*See Annex 2*) and effectiveness continues to present a challenge to our Members, there have been noticeable improvements in the level of technical compliance.

Fourth Round of Mutual Evaluations-Building Staff Capacity

The internal training of staff on AML/CFT issues has been consistent with focus on areas that have provided some challenges in Fourth Round MERs. These areas include the use of financial intelligence by competent authorities (Immediate Outcome 6), confiscation including civil forfeiture, and emerging issues such as cryptocurrency and data privacy. External staff training occurs through attendance at FATF Working Group and Plenary meetings.

Information Technology and Automation

The Secretariat's website was updated by the introduction of flowcharts on the Fourth Round Mutual Evaluation Process, outreach by the CFATF to other FSRBs (Training in Equatorial Guinea – GABAC), a Calendar of Events and other topics of interest. Additional improvements to the content and presentation of the website will continue.

Recognising the need to assess the Secretariat's Information Technology (IT) functions, the Secretariat graciously received the support of Trinidad and Tobago via a review by Trinidad and Tobago's Ministry of National Security of the Secretariat's IT systems and functions. The review identified the need for the immediate purchase of a Firewall for the Network server. Additionally, in an effort to ascertain the gaps in the IT functions at the Secretariat, Trinidad and Tobago once again offered its services through the Ministry of the Attorney General and Legal Affairs' Information and Communications Technology Department (AGLA ICT). A six-month Action Plan was developed, and the recommendations made by the AGLA ICT team were presented to the

Steering Group for discussion on the way forward.

During the period, the USA, agreed to assist with the purchase of any software or hardware that has been determined to be necessary to improve the Secretariat's IT

situation. The support offered in this area is a testament of the strength and redounding benefits of both Member and COSUN collaboration with and support of the CFATF.

The CFATF AML/CFT/CVE Workshop for Judges and Prosecutors

The CFATF Workshop for Judges and Prosecutors was held during the period May 3-4, 2018 in Georgetown, Guyana. The Workshop was funded by the Commonwealth Secretariat, the Caribbean Development Bank (CDB) and the Cooperative Republic of Guyana. The Honourable Basil Williams, SC, MP, Attorney General and Minister of Legal Affairs, Guyana and Chairman of CFATF hosted the Workshop in furtherance of the FATF President's work programme for the period 2017-2018 to engage in outreach to the Prosecutorial Services and the Criminal Justice System.

Forty (40) participants from Member countries comprising a Chief Justice and fourteen (14) other Puisne Judges, one Chief Magistrate and twenty-four (24) Prosecutors, including; Directors of Public Prosecution, Deputy and Assistant Directors of Public Prosecution, Senior Crown Counsel, Principal Crown Counsel and Crown Counsel attended the workshop. The workshop facilitators possessed a wealth of experience in the field of prosecution and adjudicating on cases relative to ML, confiscation and countering terrorism and violent extremism. These individuals included: His Honour Judge Michael Hopmeier, (United Kingdom); Mr. Justice David Fraser, (Jamaica); Andrew Mitchell, QC (United Kingdom); Dominic Barry, Specialist Prosecutor, Crown Prosecution Service (United Kingdom); Giovanni James, Legal Advisor (Regional Security System-Asset Recovery Unit - (RSS-ARU); Shadrach Haruna, Legal Advisor, Commonwealth Secretariat; Mark Albon, Head of the Countering Violent Extremism Unit Commonwealth Secretariat; Alexander Mills and Judge Hopmeier who drafted the case scenarios. Presentations were also made by ED Spicer, and Mr. Pedro Harry, Law Enforcement Advisor, CFATF.

The Workshop received a high level of commitment and visibility from the Cooperative Republic of Guyana with speeches from the CFATF Chairman,

Honourable Basil Williams, SC, MP, the Right Honourable Baroness Patricia Scotland, QC Secretary-General of the Commonwealth, and His Excellency, the President of the Cooperative Republic of Guyana, Brigadier David Arthur Granger.

Some of the presentations, sessions and exercises that were covered during the two-day session were as follows:

Day 1

Session I - Mutual Evaluation Reports (MERs) – CFATF Members level of compliance During the Fourth Round – Recommendations 3 and 31 and Immediate Outcomes (IOs) 6 and 7.

Objective:

The presentation sought to provide delegates with a very brief overview of the relevant IOs and main Recommendations that cover the overall concept of the Fourth Round of Mutual Evaluations i.e. technical compliance and effectiveness, ML, financial intelligence usage by competent authorities, and the powers of law enforcement and investigative authorities.

Session II – Investigative Orders

Objective:

Brief overview of Orders that are essential to the investigative process and Judges and prosecutors' perspectives regarding the Orders.

Session III – Prosecution and Management of Money Laundering Cases.

Objective:

To explore pertinent issues regarding the prosecution of money laundering cases.

Content:

An overview of ML prosecutions and how they impact on the prosecutorial function generally.

Session IV – International Cooperation.

Objective:

To highlight and underline the importance of international cooperation.

Content:

The Presentation highlighted the best practices and underscored the importance of effective cooperation through informal liaison, preceding formal requests for assistance.

Money Laundering Exercise – Reviewing practical examples.

Objective:

The objective of this session was to bring to fore the challenges faced by jurisdictions, including justice officials, in identifying appropriate cases of money laundering vis-à-vis the extant legislation of their respective jurisdiction and the best practice approach to addressing those challenges.

Day 2

Session I – Terrorism, Terrorist Financing and Violent Extremism.

Objective:

The session explored the interconnection between proceeds of crime and the fostering of conditions conducive to terrorism, such as violent extremism, and the role of the justice officials to ensure that the ‘life blood’ of such activity is severed.

Mutual Evaluation Reports – Level of CFATF Members’ compliance during the 4th Round – Recommendation 4 and Immediate Outcome (IO) 8.

Objective:

The presentation sought to provide the delegates with a brief overview of the relevant FATF Standards, particularly Recommendation 4 and IO8 that cover the overall concept of the 4th Round of Mutual Evaluations i.e. technical compliance and effectiveness relative to confiscation and other provisional measures. Further, an

overview was provided to the participants on the performance of Member countries assessed thus far during the CFATF 4th round relative to Recommendation 4 and IO 8 and the deficiencies identified by the assessment teams.

Session II - Panel discussion on Civil Recovery and Non-Conviction Based Confiscation.

Objective:

To highlight the processes involved in civil recovery and non-conviction-based confiscation.

Session III - Confiscation Exercise.

Objective:

By the use a case scenario, prosecutors were to discuss, prepare and present a restraint order application and the Judges were to consider the legal issues in relation to *ex parte* applications.

Following discussions with Presenters, Facilitators and participants, the following Recommendations were developed:

1. Ongoing training for Judges and Prosecutors.
2. Creation of an AML/CFT implementation tool kit by the Commonwealth Secretariat.
3. Focus on confiscation/asset recovery in all criminal matters.
4. Steps should be taken by prosecutors in the region to ensure that they consider in every case whether a restraint order or confiscation order should be applied for. Further in deciding whether or not to use asset recovery powers that are available to them, they should make a file stating reasons why the powers were or were not being used.
5. The Judges were encouraged to consider their own domestic legislation and to consider whether or not there was power for them to apply the confiscation scheme.
6. Consideration should be given to extending an invitation to local Bar Associations for future training.

Photos from the Workshop



Presenters and Participants: from left to right: **His Honour Judge Michael Hopmeier** (United Kingdom), **Valston Graham** (DPP- St. Kitts-Nevis) and **Andrew Mitchell, QC** (United Kingdom).



Chairman Basil Williams SC, MP, Hon. Attorney General and Minister of Legal Affairs of Guyana gives his opening remarks at the CFATF Workshop for Judges and Prosecutors was held during the period May 3-4, 2018 in Georgetown, Guyana.



Members of the Head table with a cross-section of participants.



The Right Honorable, Baroness Patricia Scotland, QC, Secretary General of the Commonwealth delivering her opening remarks.

Visit of Chairman Williams to the CFATF Secretariat Office in Port-of-Spain, Trinidad and Tobago



The Honourable Basil Williams, SC, MP Chairman-in-office of the Caribbean Financial Action Task Force (CFATF) and Attorney General and Minister of Legal Affairs with the Members of Staff of the CFATF Secretariat

Chairman Williams visited the office of the CFATF Secretariat on March 13, 2018 where he met with the Executive Director, Ms. Dawne Spicer, Deputy Executive Director, Carlos Acosta and staff of the Secretariat.

During the visit he engaged the Secretariat staff on the vision of the CFATF and commended the hard work of the Secretariat in fostering regional implementation of

countermeasures to address ML/TF and PF.

Chairman Williams noted that ‘many of our regional economies have been deflected by the underground economy through the proceeds of crime from the five wars of globalisation - trafficking in persons, trafficking in narcotics, trafficking in weapons, money laundering and terrorist financing’.



Chairman Williams addressing the Secretariat staff where he noted their efficient work and urged them to redouble efforts to assist CFATF Members.

Financial Overview

At the close of the Plenary year November 2018, the current staff at the CFATF Secretariat totaled fifteen (15) and comprised: the Executive Director, Ms. Dawne Spicer; two Deputy Executive Directors, Mr. Carlos Acosta and Mrs. Joanne Daniel; one Director Finance & Administration, Ms. Magdalene Walcott; two Legal Advisors, Ms. Ana Folgar and Mr. Rommel St. Hill; two Law Enforcement Advisors, Mr. Jefferson Clarke and Mr. Pedro Harry; one Financial Advisor, Mr. Roger Hernandez; one Administrative Manager, Ms. Julia James; one Research Officer, Mrs. Risha Pragg-Jaggernaut; one Administrative Officer, Ms. Ellisha George; two Translators, Mrs. Michele Le Blanc-Morales and Ms. Ayana Jack and one Accounting Assistant, Ms. Allysha Gibson.

In addition, Mrs. Joanne Hamid from the Central Bank of Trinidad and Tobago was seconded for a period of three (3) years with effect from November 2016 - November 2019 as a Financial Advisor.

The CFATF Secretariat provides support to the member jurisdictions of the CFATF, including:

- Organising Plenary and working groups meetings,
- Providing support to the CFATF Chairman, the Steering Group and CFATF delegations,
- Preparing and producing policy papers to be discussed in working groups and/or the Plenary,
- Co-ordinating of and participating in mutual evaluation missions and drafting the related assessment reports.

The CFATF Secretariat also liaises on an ongoing basis with the numerous CFATF partners, undertakes a representational role at professional events and provides information to the public and the media. Funding for the CFATF Secretariat is provided by the CFATF members on an annual basis.

Financial Overview²

Management of the organisation's financial resources continues to be key to ensuring that the goals and objectives of the organisation are met. The Secretariat's operational and administrative expenses are budgeted and approved annually by the Council of Ministers and membership annual contributions are set based on these expenditure levels. The donor community is also engaged and provides funding either on a project basis or for specific types of activities.

Operating Income and expenditure for 2018

The annual contribution for the financial year 2018 was approved at US\$57,400 per Member. This was supplemented by the Reserve Fund to cover an approved expenditure for 2018 of US\$1,489,298. All Members paid their annual contribution before the end of the Chair's term with minimal small balances to be cleared due to bank charges. Savings experienced for 2018 were mainly due to several staff changes as well as vacancies that arose during the period.

² It should be noted that the fiscal year for the CFATF is January-December. The Annual Report period is different and covers the term of each Chair i.e. November to November each year.

Donor Funded Projects

The donor community supported and funded several activities during the period under review. See below for a list of activities which occurred:

Activity	Donor Country/ Organisation	Type of relationship
Attendance of CFATF Staff to various meetings (e.g. GELAVEX meeting; GAFILAT Plenaries; ARIN CARIB Steering Group and annual meetings; FATF Plenaries)	United States	COSUN
CFATF Assessors training	United States	COSUN
Standards training for Dominica	Canada	COSUN
GAFILAT/CFATF Assessors training (participants and facilitator travel costs)	Mexico and Spain	COSUN
Workshops for Spanish Members inclusive of: <ul style="list-style-type: none"> • GAFILAT/CFATF Workshop on Beneficial Ownership • Régimen General y supervisión de APNFDs 	Spain	COSUN
Jornada de Puertas Abiertas (Training for El Salvador participants)	Mexico	COSUN
CFATF Judges and Prosecutors Workshop	Commonwealth Secretariat (COMSEC) and the Caribbean Development Bank (CDB) and the Cooperative Republic of Guyana	Observer Organisations and CFATF Member

The Secretariat also manages the grants of the two (2) projects funded by the EU through the 10th and 11th EDF financing agreements with CARIFORUM. *See pages 20 and 21 for further information.*

Donor support

The COSUNs have made very valuable contributions to the successes of the CFATF over the years by their critical role in the growth and development of the CFATF, contributing both human and financial resources to all CFATF endeavours.

CFATF Member countries have been encouraged to provide detailed matrices on their Technical Assistance and Training Needs. Based on these submissions, discussions would continue with the COSUNs and other partners in the donor community for the delivery of relevant assistance to Members in support of the Fourth Round of Mutual Evaluations using available funds and those to be provided within the framework for delivery and reporting as agreed by the Parties. Twenty-one (21) member countries of the CFATF submitted their technical assistance and training needs in May 2018 and on Tuesday May 29, 2018 at the Donors Forum of the CFATF XLVII plenary held in Port-of-Spain, Trinidad and Tobago, the following presentations were made:

- i. Presentation highlighting details of a Seminar to be held in November 2018 based on the submission of Members' needs by the World Bank's Representative Ms. Tanjit Sandhu, Financial Sector Specialist, Finance and Markets, World Bank Group.
- ii. Presentation on Technical Assistance available from Inter-American Development Bank – Roberto de

Michele, Principal Specialist, Innovation for Citizen services (ICS), Institutions for Development (IFD). Mr. de Michele outlined the IDB's Technical Assistance Program and the work of the IDB with the WB in Guyana on its NRA and with the Financial Services Commission in Jamaica was highlighted, in addition to two publications relevant to the region on De-risking and Beneficial Ownership.

- iii. Presentation on Training available from the Interdepartmental Anti-Drug Training Centre, Martinique—Deputy Director, The Inter-ministerial Center for Anti-Drug Training (CIFAD), Bruno Francerie concerning the role and objectives of CIFAD and that their contact information was shared with the Forum.
- iv. Presentation on Development of an AML/CFT Strategy: Cayman Islands by Francis Arana Head, Anti-Money Laundering Unit Portfolio of Legal Affairs, Cayman Islands Government relating to addressing the challenges of developing national AML/CFT strategies from a completed NRA perspective.

The EU, through the 10th and 11th EDF also provides valuable technical assistance and training to the CFATF Members. *See pages 20 and 21 for further information.*

European Development Fund (EDF)

10th EDF Accreditation and Training Project

The Accreditation and Training project is a three-year project which is fully funded by the EU through the 10th EDF. This programme commenced on September 1, 2016, following the signing of the Grant Contract on June 13, 2016 and the receipt of the first tranche of funding in August 2016.

Thus far, the project team has hired the project administration staff; engaged with service providers to develop training material; developed and launched a web portal for the registration of trainees; identified potential regional trainers and conducted training workshops for training analysts, investigators and regional trainers.

A project website (<https://cfatf-gafic.org/index.php/accreditation>) with an e-learning platform through which the pre-training course material and online assessment of participants are administered was also developed. This project website facilitates the online registration of all persons wishing to be trained under the project and includes an Alumnus of the trainers, accredited analysts and investigators.

Of the ten (10) training workshops conducted since its commencement in 2016, during the reporting period, November 2017- November 2018, eight (8) training workshops for analysts and financial investigators on Financial Analysis and Open Source Internet Investigations were conducted with a total of one hundred and twenty-seven (127) persons being trained.³

During the period April 30 to May 8, 2018, three two-day training sessions of Open

Source Internet Investigations were conducted by Mr. Jon Blake, the Managing Director of Online Operations Limited of Congleton, Cheshire, United Kingdom with a total of 52 individuals from 15 countries being trained.

Session 1: held at Halcyon Cove, St Johns, Antigua on April 30- May 1, 2018.

Session 2: held at Halcyon Cove, St Johns, Antigua on May 3-4, 2018.

Session 3: held at Knutsford Court Hotel, Kingston Jamaica on May 7- 8 2018.

The broad learning outcomes for this training were:

- Finding information, you would expect to be confidential;
- The use of social networks and media as an investigative tool;
- Diving deep for business information;
- Protecting your identity while searching covertly;
- The use of online privacy and anonymity tools;
- Use of online database systems;
- Exploiting Internet search engines and tools;
- Archiving methodology and tools and methods for obtaining archived webpages and hidden information;
- Understanding geolocation methods;
- Investigation of digital images and
- Analysing, organising and preparing for written reports.

The 10th EDF Programme will conclude on August 31, 2019.

³ This figure is subject to review and will be amended as necessary in subsequent draft of the Annual Report.

11th EDF – EU/CARIFORUM Assists CFATF Implementation of the Mutual Evaluation Programme



Ms. Daniela Tramacere, EU Ambassador to Barbados, Ms. Dawne Spicer, Executive Director, CFATF and Mr. Andrew Frection, Project Manager, CFATF meet at the CFATF XLVIII Plenary in Barbados.

The EU and the CFATF signed a Grant Agreement to enhance the Region's capacity to comply with standards relating to AML/CFT. This will be undertaken via the implementation of the Mutual Evaluation Programme which will evaluate compliance in the financial and related sectors in CFATF member countries, to ensure that international standards are adhered to.

One of the main actions under the 11th EDF will be assisting countries in improving their

levels of compliance with the FATF 40 Recommendations.

The Project is also expected to undertake a series of workshops and seminars to build technical capacity, carry out public education and awareness activities, and develop an Information Communication Technology platform called Vision 2022 which will allow CFATF Members to access resource databases.

Year in Pictures



Members of the head table at the CFATF'S XLVI Plenary and Working Groups Meeting held in Guyana November 2017.

From left to right, Hon. Attorney General of Trinidad and Tobago, Hon. Faris Al-Rawi, Immediate Past Chair 2016-2017, former Executive Director of the CFATF, Mr. Calvin Wilson, the Honourable Attorney General, of the Turks and Caicos Islands and Chairman of the CFATF 2016-2017, Rhondalee Braithwaite-Knowles and the Honourable Basil Williams, SC, MP, Attorney General and Minister of Legal Affairs, of Guyana and Deputy Chairman of the CFATF 2016-2017.



Entertainment provided by Guyana during the CFATF'S XLVI Plenary and Working Groups Meetings held in the jurisdiction in November 2017.



Chairman Basil Williams SC, MP, Hon. Attorney General of Guyana chairs the Council of Ministers Meeting in Miami, Florida on September 12, 2018. From left to right also pictured are: Ms. Magdalene Walcott, Director of Finance and Administration, Ms. Cheryl Greenidge, Director (Ag.) Bank Supervision Department, Central Bank of Barbados, the Honourable Dale Marshall Q.C., M.P., Attorney General and Minister of Legal Affairs of Barbados and Executive Director of the CFATF, Ms. Dawne Spicer.



Mr. Pedro Harry, Law Enforcement Advisor, delivering his presentation on "The Importance of International Cooperation to combat ML, associated predicate offences and TF- Application of the FATF Recommendations and achieving effectiveness" at the ARIN-CARIB's 4th Steering Group Meeting and 2nd Annual General Meeting held in Saint Vincent and the Grenadines during the period 14- 16 November 2018.



Entertainment provided by Guyana during the CFATF'S XLVI Plenary and Working Groups Meetings held in the jurisdiction in November 2017.



Entertainment provided by Guyana during the CFATF'S XLVI Plenary and Working Groups Meetings held in the jurisdiction in November 2017.



From left to right: Juan Cruz Ponce, Technical Expert GAFILAT; Ana Folgar, Legal Advisor CFATF and Zenon Obiang, ANIF G.E. Director.

The National Financial Investigation Agency of Equatorial Guinea (ANIFGE), in coordination with the Caribbean Financial Action Task Force (CFATF) and the Financial Action Task Force of Latin America (GAFILAT), held the training seminar: International standards to combat money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction from February 12-16, 2018, in Malabo, Equatorial Guinea.



Hon. Basil Williams, SC, MP, Attorney General and Minister of Legal Affairs, of Guyana and Deputy Chairman of the CFATF 2016-2017 greets the Hon. Attorney General of Trinidad and Tobago, Hon. Faris Al-Rawi, Immediate Past Chair 2016-2017 ahead of the start of the CFATF'S XLVII Plenary and Working Groups Meeting in Trinidad and Tobago May 2018.



Members of the head table at the CFATF'S XLVI Plenary and Working Groups Meeting held in Guyana November 2017.

From left to right, Ms. Celeste McCalla and Mrs. Vyana Sharma (Co-chairs WGFI), Ms. Dawne Spicer, Deputy Executive Director (2016-2017), Mrs. Joanne Daniel, Financial Advisor (2017).



The FATF TREIN recognised the very valuable assistance from the Secretariat of the CFATF (Deputy Executive Director, Mr. Carlos Acosta, second from left in the front row), the World Bank, the University of Toronto - Munk School of Global Affairs and Public Policy, and the Kingdom of Spain, who provided trainers to support the specialists from the FATF TREIN in delivering the training.

The FATF TREIN delivered its FATF Standards Training course, in Spanish for the first time from 1-5 October 2018. The course was delivered to 39 participants from 20 jurisdictions, which included all Latin American countries, two jurisdictions from Africa as well as a European country (Spain).

Training and Events 2018

During the reporting period, the CFATF continued to engage in training and technical Assistance and capacity building for Members. A number of Assessor and assessed country training courses were also conducted as the quality of the mutual evaluation process relies on the participation of relevant and experienced experts from the Membership in each assessment team. To ensure a consistently high quality of all mutual evaluations, the CFATF organises regular training sessions for future assessors. Only trained assessors with relevant experience in the field can join an assessment team. The assessor training sessions explain the mutual evaluation in great detail. The risk assessment is the foundation block for building a framework that mitigates the risks to which each country is exposed.

During Assessor Training, potential assessors learn how to critically analyse the country's risk and context and assess the

reasonableness of its NRA to determine whether the country has sufficiently understood the ML and TF risks and whether it has taken commensurate mitigating action. They also learn more about the information they should request during a mutual evaluation to determine whether the country has implemented the required legal, regulatory and operational framework. Most importantly, they learn to identify the evidence needed to demonstrate that a country's efforts are effective in tackling ML and TF. The aim of the mutual evaluation is not only to identify where a country's strengths and weaknesses lie but to also provide the assessed country with clear and targeted recommendations that will help it to strengthen its measures swiftly and effectively. Consequently, the training gives potential assessors the necessary tools to successfully undertake a mutual evaluation mission.

Assessor and assessed country training and other AML/ CFT Trainings and workshops delivered and attended for the period are included in the table below.

TRAINING AND EVENTS	DATES	LOCATION
FATF Standards Training	November 29-December 1, 2017	Turks and Caicos Islands
FATF Standards Training	December 11-13, 2017	St. Vincent and the Grenadines
FATF TREIN Standards Training	11-15 December, 2017	Busan, South Korea
CFATF Assessors' Training	22-26 January	Georgetown, Guyana
NRA Workshop	29-31 January	Paramaribo, Suriname
CFATF/GAFILAT - FATF Standards Training	12-16 February	Malabo, Equatorial Guinea
FATF Plenary and Working Groups	17-23 February	Paris, France
TECH AML Seminar – Enforcement and Compliance	21 March	Port of Spain, Trinidad and Tobago
CFATF/GAFILAT – Workshop on the Use of Financial Intelligence	10-12 April	Lima, Peru
Pre- Assessment Training	11-13 April	Hamilton, Bermuda
ComplianceAid - Fourth Caribbean Anti-Money Laundering & Financial Crimes Conference	19-20 April	Miami, Florida
ARIN-CARIB Steering Group Meeting	24-25 April	Miami, Florida
CFT Conference	25-26 April	Paris France
CFATF Judges and Prosecutors Workshop	3-4 May	Georgetown, Guyana
FATF Standards Training	8-10 May	Roseau, Dominica

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TRAINING AND EVENTS	DATES	LOCATION
AML/CFT Awareness Seminar and Training <i>Workshop “Improving Transparency and Accountability – Fostering Confidence in today’s Regulatory Environment”</i> .	14-15 May	Nevis, St. Kitts and Nevis
Pre-Onsite Training for Haiti’s MEVAL	12-13, 18 June	Online
CFATF XLVII Plenary and Working Groups	27-31 May	Port of Spain, Trinidad and Tobago
FATF TREIN Standards Training	4-9 June	Busan, South Korea
FATF/MENAFATF Plenary and Working Groups	24-29 June	Paris, France
Onsite visit – Haiti’s Mutual Evaluation	25 June to 6 July	Haiti
Joint CFATF/FATF/IMF Assessors Training	9-13 July	Port of Spain, Trinidad and Tobago
Régimen General y supervisión de APNFDs	16-20 July	El Salvador
GAFILAT Plenary	23-27 July	Panama City, Panama
Pre-Onsite Training for Turks and Caicos Islands’ MEVAL	14-17 August	Port of Spain, Trinidad and Tobago
Pre-Onsite Training for Bermuda’s MEVAL	11-14 September	Online & Port of Spain, Trinidad and Tobago
GAFILAT/CFATF/FATF Assessors Training	27-31 August	Santiago, Chile
CFATF Steering Group and Ministerial Meeting	3-4 September	Miami, Florida
JG of the Americas Face-to-Face meeting (The Bahamas and Trinidad and Tobago)	5-6 September	Miami, Florida
Onsite visit – Turks and Caicos Islands’ Mutual Evaluation	10-21 September	Turks and Caicos Islands
Onsite visit – Bermuda’s Mutual Evaluation	24 September to 5 October	Bermuda
Face-to-face meeting – Cayman Islands’ Mutual Evaluation Report	27-28 September	Grand Cayman, Cayman Islands
FATF TREIN Standards Training (Spanish)	1-5 October	Busan, South Korea
FATF Plenary and Working Groups	14-19 October	Paris, France
CFATF XLVIII Plenary and Working Groups	18-22 November	Bridgetown, Barbados

Overview of the Mutual Evaluation Programme and the Plenary Process

An effective Mutual Evaluation Programme is the primary objective of the CFATF's work as it is one of the mechanisms by which the Secretariat ensures that each Member State fulfils their obligation undertaken as a signatory of the CFATF Memorandum of Understanding (MOU).

Each mutual evaluation is an in-depth assessment that will take into account the country's unique risk and context and determine whether the country has implemented the technical requirements of each of the 40 FATF Recommendations. At the same time, the assessment team will look at whether, in practice, the assessed country's legal, regulatory and operational framework is delivering the expected results, in other words, measure its effectiveness, so that it can protect financial systems and the broader economy from the threats of money laundering and the financing of terrorism and proliferation.

Thus, the assessment results in two sets of ratings, one set of 40 ratings that indicate how well the assessed country has met the technical compliance requirements of the FATF Recommendations, and one set of 11 ratings that correspond to the level of effectiveness of its efforts to protect the financial system from the threats of ML/TF/PF through implementation.

The CFATF is currently conducting a Fourth Round of Mutual Evaluations for its Members based on the [FATF Recommendations \(2012\)](#), and the [Methodology for Assessing Compliance with the FATF Recommendations and the Effectiveness of AML/CFT Systems \(2013\)](#), as amended from time to time. The [CFATF Procedures](#) for the Fourth Round of Mutual Evaluations form the basis for the conduct of mutual evaluations and follow-up by all assessment bodies.

(See Annex 2 for a detailed illustration of the Mutual Evaluation Process)

Plenary Meetings

The principal responsibility of the CFATF Plenary is oversight of the Mutual Evaluation Programme. The CFATF Plenary discusses the assessment team's findings, including the proposed ratings and recommended priority actions, following which; the report undergoes a quality and consistency review. This review is mandatory for all mutual evaluations, regardless of the assessing body. The review ensures a consistently high standard for all assessments conducted in the FATF Global Network. The assessment process ends when a report has successfully completed the quality and consistency review. If the review reveals inconsistencies, then the report is referred back to the assessing body. After a successful completion, the report is ready for publication.

The CFATF Plenary meets at least twice annually and is the ultimate decision-making body on all technical issues relating to MERs, FURs and adoption of the revised FATF Recommendations.

During the period November 2017-November 2018, the CFATF conducted three plenary meetings.

1. The CFATF'S XLVI Plenary and Working Groups Meetings which was held during the week of November 12-16, 2017 in Guyana where the [Mutual Evaluation Report of Barbados](#) was adopted.
2. The CFATF XLVII Plenary and Working Groups Meetings which was held during the week of May 27-31, 2018 in Trinidad and Tobago where the [Mutual Evaluation Report of Antigua and Barbuda](#) was adopted.
3. The CFATF XLVIII Plenary and Working Groups Meetings which was held during the week of November 19-22, 2018 in Barbados where the Mutual Evaluation Report of the Cayman Islands was adopted.

CFATF XLVI November 2017 Plenary Highlights



Members of the head table at the CFATF'S XLVI Plenary and Working Groups Meeting held in Guyana November 2017. From left to right, the Honourable Attorney General, of the Turks and Caicos Islands and Chairman of the CFATF 2016-2017, Rhondalee Braithwaite-Knowles, OBE; the Honourable Basil Williams, SC, MP, Attorney General and Minister of Legal Affairs of Guyana and Deputy Chairman of the CFATF 2016-2017; Deputy Executive Director of the CFATF 2016-2017 Ms. Dawne Spicer; Ms. Dulcie James, Commissioner, Financial Services Commission, Montserrat; and Ms. Celeste McCalla and Mrs. Vyana Sharma (Co-chairs WGFI).



Participants at the CFATF's XLVI Plenary and Working Groups Meeting held in Guyana November 2017.



The Honourable Basil Williams, SC, MP, Attorney General and Minister of Legal Affairs, of Guyana sits with Members of the Guyanese delegation during the CFATF's XLVI Plenary and Working Groups Meetings held in Guyana, November 2017.

At the CFATF XLVI Plenary and Working Groups meeting held in Guyana, the main issues addressed were:

Discussion of the [MER of Barbados](#)

The CFATF Plenary discussed the MER of Barbados which set out the level of effectiveness of the country's AML/CFT system and their level of compliance with the FATF Recommendations. Plenary approved

the Mutual Evaluation report following discussions at both the CFATF Working Group on FATF Issues (WGFI) and at Plenary.

Updates were also provided regarding the ongoing mutual evaluation status of the countries in the Third-round follow-up process (Haiti, St. Vincent and the Grenadines and St. Maarten). With respect to the Fourth-Round mutual evaluations, the

status of Trinidad and Tobago, Jamaica, The Bahamas, Antigua and Barbuda, Turks and Caicos Islands, Haiti and Bermuda were presented. In addition, the Secretariat also signaled to the Plenary the issue surrounding the impact of hurricanes Irma and Maria on some Members' ability to have their onsite at the scheduled times and on Membership participation in the Fourth Round of mutual evaluations.

There was a presentation on the Technical Compliance Matrix with respect to Recommendations 24 and 25 on Transparency and Beneficial Ownership of Legal Persons/Arrangements by the Secretariat. The purpose of the Matrix was to serve as a reference source for both countries and assessors alike, and its contents are likely to change over time. The information was derived from the findings published in each country's respective MERs and also included the latest legislative developments.

Whilst eight Amendments to the CFATF Fourth Round Mutual Evaluation Procedures were approved by the Plenary, the most critical reduced the reporting time for the First Follow-Up Report (FFUR) for those countries in enhanced follow up (*See Annex 2*) which also meet the FATF one-year observation criteria. Plenary agreed to reduce the reporting of the FFUR from three

(3) plenaries after adoption of the MER to two (2) plenaries after adoption in order to make the FFUR available for consideration at the end of the FATF one-year observation period. This is important since the FFUR is one of the sources used by the FATF Joint Group in its determination as to whether a country will undertake the FATF's ICRG Action plan or be referred to the CFATF for monitoring. The other amendments approved primarily ensured consistency between the narrative of the Procedures and the relevant tables in the appendices.

The Plenary also accepted the proposal to end the work of the CFATF Review Working Group (CRWG). The decision was based upon the Secretariat's response to the recommendations of the CRWG report presented one year prior on methods to strengthen the ME process.

Updates and Outcomes of the FATF June and October 2017 Plenaries were also presented at the following CFATF Working Group Meetings: the CFATF ICRG, the WGFI, which covers the work of the Policy Development Group (PDG), Global Network Coordination Group (GNCG) and Evaluations and Compliance Group (ECG), the CRTMG and the Heads of FIU Forum meetings.

CFATF XLVII May 2018 Plenary Highlights



Participants at the CFATF'S XLVII Plenary and Working Groups Meeting in Trinidad and Tobago May 2018.

The CFATF XLVII Plenary and Working Groups meeting was also held under the Chairmanship of the Honourable Basil Williams, SC, MP, Attorney General and Minister of Legal Affairs, of Guyana.

The main issues dealt with by this Plenary were:

Discussion of the [MER of Antigua and Barbuda](#)

The MER of Antigua and Barbuda was discussed and adopted by the Plenary.



Plenary Discussion of the Mutual Evaluation Report of Antigua and Barbuda at the CFATF'S XLVII Plenary and Working Group Meetings in Trinidad and Tobago May 2018.

Combatting terrorist financing, including the adoption of a new counter-terrorist financing operational plan

In February 2018, the FATF announced the development of their counter-terrorist financing operational plan which will focus its future efforts in responding to the current terrorist financing risks and ensuring that its global standards and their effective implementation continue to protect the integrity of the financial system. The Plan also called for FSRBs to develop their own CFT Operational Plans. In that regard, the CFATF Plenary agreed to include the topic of the CFT Operational Plan as a standing item on the CFATF Plenary agenda during which two (2) Members will be asked to present on their legal requirements and implementation

of CFT measures in their jurisdiction at each Plenary. The presentations should focus on (i) measures being taken to address terrorist financing risk; (ii) any best practices and challenges in implementing CFT mechanisms and (iii) national and international cooperation for CFT.

Donors Forum

The Donors forum was held on May 29, 2018 where a report was highlighted by the Secretariat on technical assistance and training that had been provided and planned based on the matrices of technical assistance and training needs submitted by twenty-one member countries.

(See page 19 for more information on the support rendered by the Donor community)



Hon. Chairman Williams addresses participants at the CFATF'S XLVII Plenary and Working Group Meetings in Trinidad and Tobago May 2018.

CFATF XLVIII November 2018 Plenary Highlights



Plenary Discussion of the Mutual Evaluation Report of the Cayman Islands at the CFATF'S XLVIII Plenary and Working Group Meetings in Barbados November 2018.

The CFATF XLVIII Plenary and Working Group meetings held in Bridgetown, Barbados during the period 19-23 November 2018 were the last over which the Hon. Chairman Basil Williams SC, MP, Hon. Attorney General and Minister of Legal Affairs of Guyana presided as Chair.

The main outcomes of this Plenary were:

Discussion of the MER of the Cayman Islands:

The CFATF Plenary discussed the MER of the Cayman Islands and the next step in the process is its preparation for the post-Plenary Quality and Consistency process and will be published once the process is concluded.

Discussion of the 1st enhanced FUR for the mutual evaluation of The Bahamas, in which the country achieved technical compliance re-ratings

The CFATF Plenary discussed the [FFUR](#) for the Fourth Round that included a request for re-ratings for technical compliance. The FFUR highlighted progress that The Bahamas made since the adoption of its MER in 2017. The Bahamas has made progress since the publication of its MER. The CFATF Plenary agreed to re-rate The Bahamas' technical compliance with a number of FATF Recommendations to reflect the country's progress since its MER was adopted and its current level of technical compliance. After the completion of a quality and consistency review, the CFATF published the FFUR which summarises the analysis of how deficiencies identified during the mutual

evaluation were addressed and the final conclusion on the re-ratings. Updates about the ongoing mutual evaluation status of Haiti, the Turks and Caicos Islands, Bermuda, Venezuela and St. Lucia were provided.

Discussion of the adoption of the CFATF ICRG Procedures for the Fourth Round of AML/CFT Mutual Evaluations, which will bolster and provide greater clarity to the existing Follow-Up Process was also conducted during the plenary.



Participants at the CFATF'S XLVIII Plenary and Working Group Meetings in Barbados, November 2018.

CFATF CFT Operation Plan

Trinidad and Tobago and Belize made presentations of their CFT work in line with the approved CFT Operation Plan adopted at the CFATF XLVII May 2018 Plenary.

Updates of the FATF June and October 2018 Plenaries

Outcomes of the FATF June and October 2018 Plenaries were presented at the following CFATF Working Group Meetings: CFATF ICRG, WGFI, which covers the work of the Policy Development Group (PDG), Global Network Coordination Group (GNCG) and Evaluations and Compliance Group (ECG), the CRTMG and the Heads of FIU Forum meetings. Some of the topics discussed were the amendments to Rec. 15 (New Technologies) which now includes a new paragraph to deal with Virtual Assets (the Glossary was also amended to include the definition of Virtual Assets and

Virtual Assets Service Providers) and the future work that the FATF will undertake (which will include an Interpretative Note and amendments to the Methodology) and

the changes to the Methodology regarding Rec. 2 and Immediate Outcomes 1, 3 and 4.

Council of Ministers Meeting

The Council of Ministers (COM) Meeting during the reporting period November 2017-November 2018 was held in Miami, Florida on September 12, 2018. The COM decided that Antigua and Barbuda will be the incoming Deputy Chair of the CFATF for the period 2018/2019 and will be represented in that post by Col. Edward Croft, Director of the Office of National Drug and Money Laundering Control Policy, Antigua and Barbuda.

Also, at the Meeting, the proposal for the composition of the Steering Group (SG) for the period November 2018/November 2020 took place and it was later ratified that the Members for the period 2018-2020 will be: -

- Barbados – Chairman
- Antigua and Barbuda – Deputy Chairman
- Guyana – Immediate Past Chair
- Grenada - Organisation of Eastern Caribbean States
- Suriname – Dutch Speaking Countries
- The Bahamas, Bermuda and Jamaica - Three Countries at Large
- Virgin Islands – Overseas Territories
- Venezuela – Spanish Speaking Countries
- Trinidad and Tobago – Other Countries
- Canada - COSUNs Representative

Highlights of this meeting:

- The Planning Committee (PLC) will review the Strategic Plan 2018-2022 with a view to amending the Operational Work Plan and to ensuring that the increased budget expenditure from 2020 and beyond is minimized. The

Communications Strategy Plan and Action Items were also approved by the COM and its implementation is to be monitored by the Secretariat.

- The Election of Steering Group Members for the period November 2018 to November 2020.
- Regarding CFATF Resources, the COM discussed the recruitment of CFATF Secretariat staff and a revised Organisational Chart with re-designated posts of Director Finance and Administration and Administrative Officer. Physical Resources and an Action Plan to improve the efficiency and effectiveness of the CFATF's Information Technology functions were also discussed. With respect to financial resources, the Operational Work Plan and Budget 2019 were also discussed.
- Details were provided to the COM on the Fourth Round Mutual Evaluation Programme, specifically on the Third Round Follow up/ICRG Processes, the Fourth Round Follow up/ICRG Processes and the Fourth Round of Mutual Evaluations.
- Technical Assistance and Training Requirements regarding the 10th and 11th EDF were highlighted, with the signing of the Grant Agreement on September 3, 2018 and the recruitment process commenced for the Project Manager and Senior Project Officer being noted.
- The COM deliberated on the applications for Observer Status before them and Guatemala and CARICOM IMPACS were approved as Observers of the CFATF.
- The COM approved the proposal for the timelines and contents of the CFATF Annual Reports.

Looking Ahead

Our successes during the 2017/2018 period would not have been possible without the collective efforts of all Members and I pledge to support Hon. Attorney General Marshall of Barbados as incoming Chair and Deputy Chair Col. Edward Croft, Director of the Office of National Drug and Money Laundering Control Policy, Antigua and Barbuda as the incoming Deputy Chair. These gentlemen and the CFATF organisation can be assured that during their November 2018 - November 2019 tenure as leaders and beyond, I remain committed to

providing the support to ensure the continued building of a strong and respected CFATF. I recognise the hard working and dedicated staff at the Secretariat who all contribute to the efficient functioning of the organisation and the effective representation of the Region's interests in various fora across the globe, to the benefit of all our Members and our regional and international partners.

Hon. Basil Williams SC, MP

Chairman of the CFATF

November 2017- November 2018

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The Honourable Basil Williams, SC, MP, Attorney General and Minister of Legal Affairs, Guyana and Chairman of the CFATF for the November 2017- November 2018 period exchanging a handshake with the Honourable Dale Marshall Q.C., M.P., Attorney General and Minister of Legal Affairs of Barbados the CFATF Deputy Chair for the period.

Caribbean Financial Action Task Force

February 26, 2019

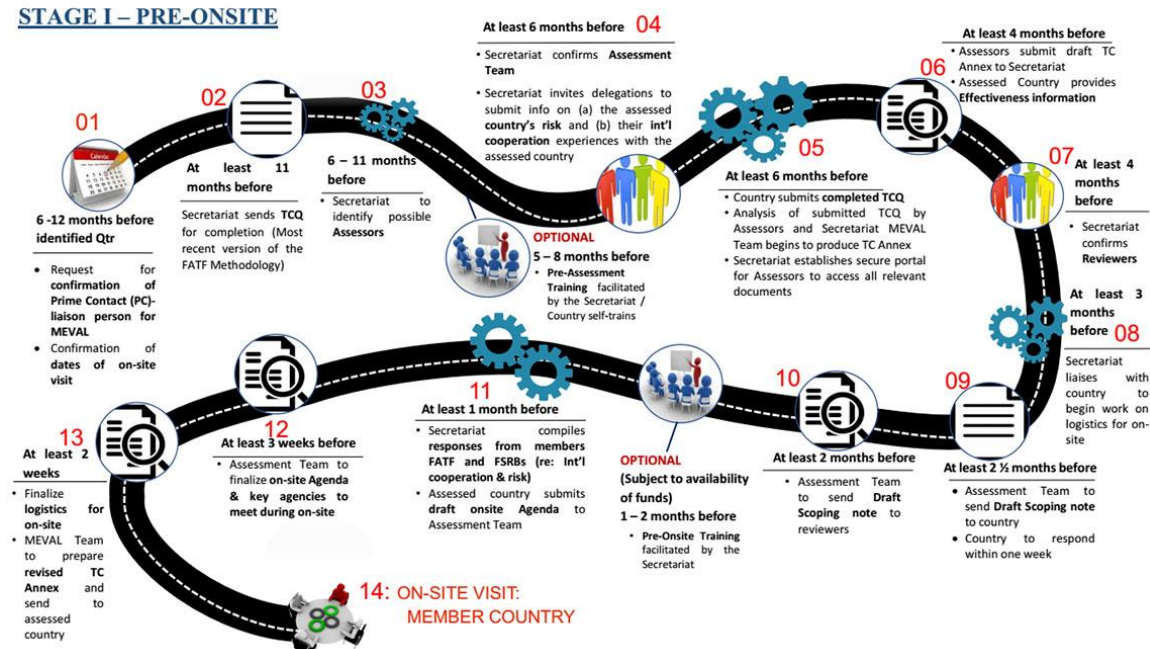
Annex 1- The Mutual Evaluation Process (Flowchart)

The flowcharts below highlight the processes and are divided as follows:

- I. Stage I: The Pre-Onsite Process
- II. Stage II: The Post-Onsite Process

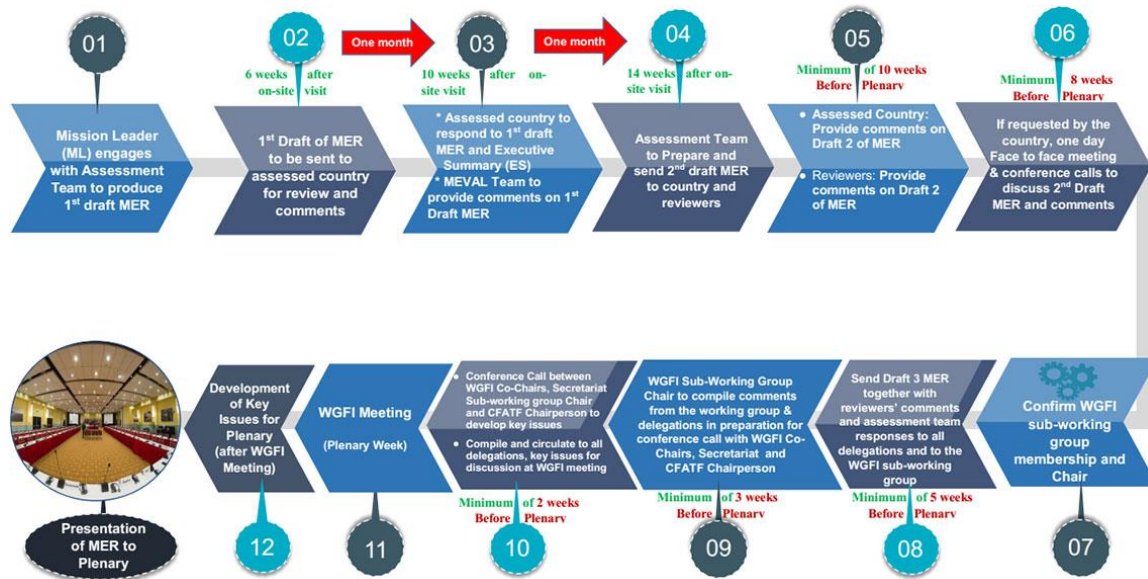
I. Stage I: The Pre-Onsite Process

STAGE I – PRE-ONSITE



II. Stage II: The Post-Onsite Process

STAGE II – POST-ONSITE

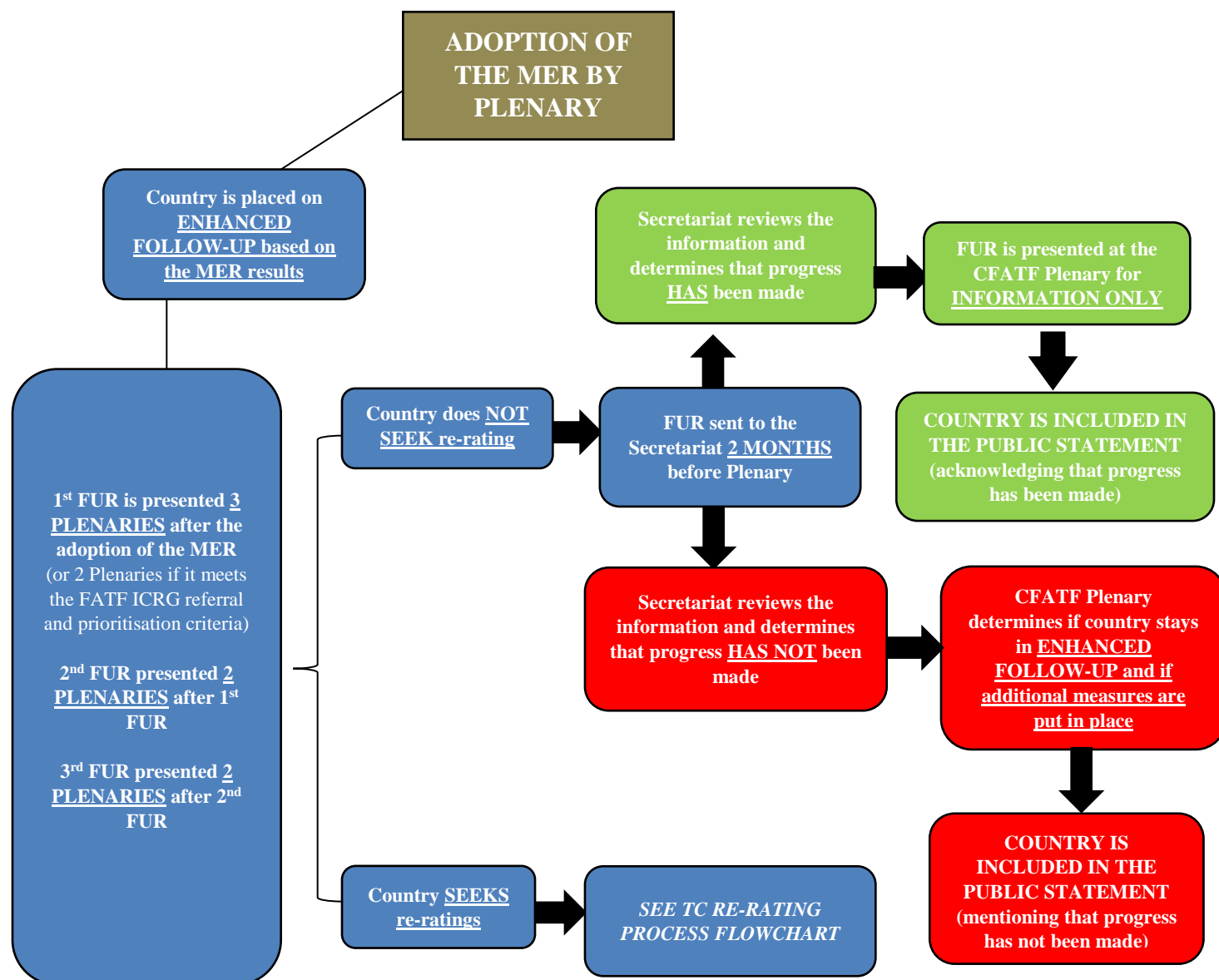


Annex 2 - CFATF Follow-up Process Flowchart

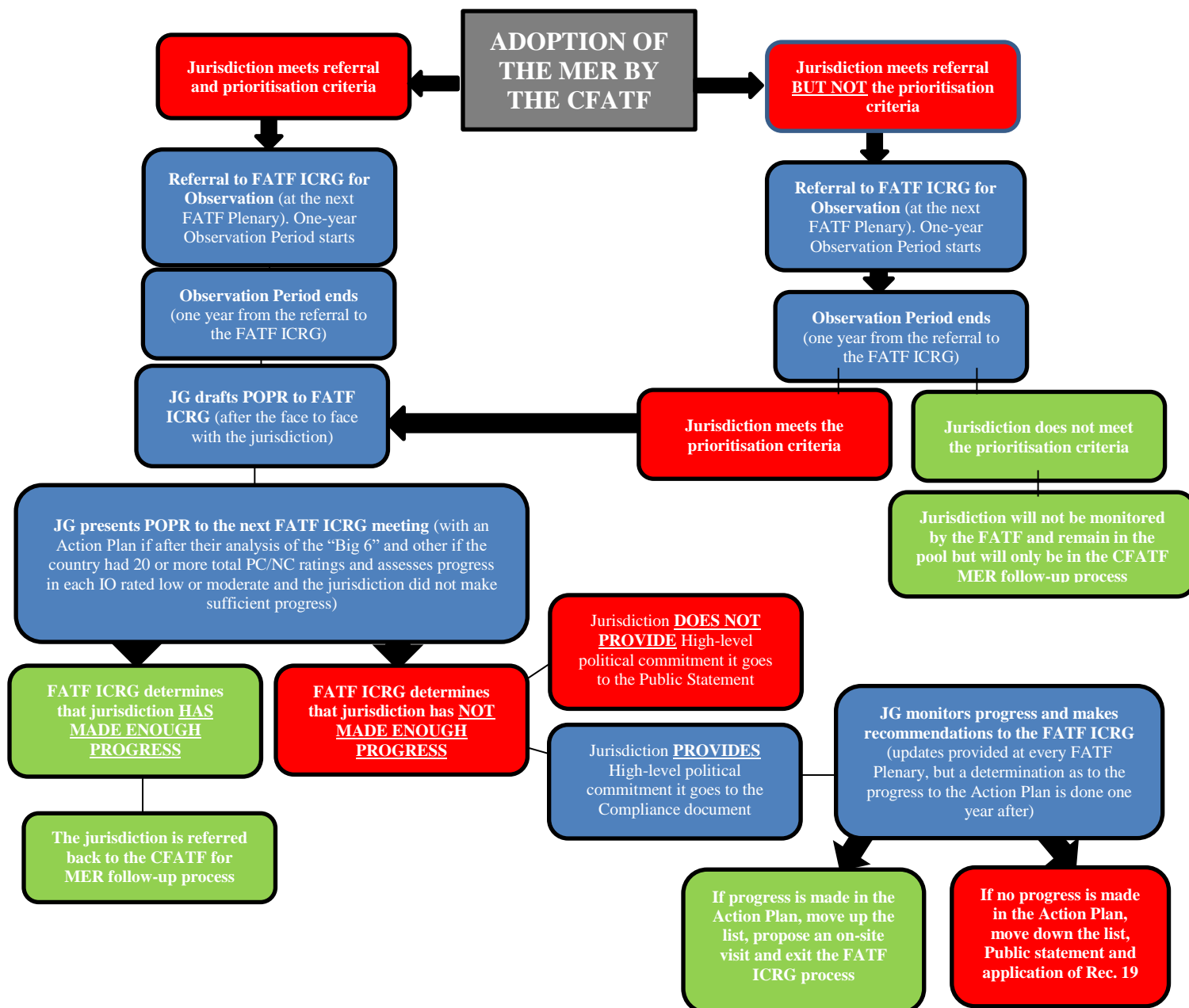
Regular Follow-up



Enhanced Follow-up



FATF ICRG Process Flowchart



Annex 3 -Observer Organizations

- Asia Pacific Group Secretariat
- Association of Caribbean Commissioners of Police
- Caribbean Customs Law Enforcement Council
- Caribbean Development Bank
- CARIFORUM
- Caribbean Regional Technical Assistance Centre
- CARICOM Secretariat
- CARICOM IMPACS
- Central American Bank for Economic Integration (CABEI)
- Commonwealth Secretariat
- Eastern Caribbean Central Bank
- Eastern and Southern Africa Anti Money Laundering Group
- EGMONT Group
- European Union
- Federal Republic of Germany
- Financial Action Task Force
- Financial Action Task Force of Latin America
- Group of International Finance Centre Supervisors
- Inter-American Development Bank
- International Monetary Fund
- Interpol
- MONEYVAL
- Organization of American States/CICAD
- Organization of Eastern Caribbean States Secretariat
- United Nations Office of Drugs Control and Crime Prevention
- The World Bank Group
- World Customs Organization

Glossary of terms and acronyms

AML/CFT	Anti-Money Laundering/Countering the Financing of Terrorism
ARIN-CARIB	Asset Recovery Inter-Agency Network for the Caribbean
BAC	Budget and Audit Committee
CARICOM	Caribbean Community
CARICOM IMPACS	CARICOM Implementing Agency for Crime and Security
CARIFORUM	Caribbean Forum
CDB	Caribbean Development Bank
CFATF	Caribbean Financial Action Task Force
CFATF WGFI	CFATF Working Group on FATF Issues
CICAD	Inter-American Drug Abuse Control Commission
CIFAD	Center for Anti-Drug Training
COSUNs	Cooperating and Supporting Nations
CRTMG	CFATF Risks Trends and Methods Group
CRWG	CFATF Review Working Group
CVE	Countering Violent Extremism
ECCB	The Eastern Caribbean Central Bank
EDF	European Development Fund
FATF	Financial Action Task Force
FATF TREIN	FATF Training and Research Institute
FIUs	Financial Intelligence Units
FUR	Follow-Up Report
FFUR	First Follow-Up Report
GABAC	Groupe d'Action contre le blanchiment d'Argent en Afrique Centrale
ICRG	International Co-operation Review Group
ICS	Innovation for Citizen services
IFD	Institutions for Development

IMF	International Monetary Fund
MER	Mutual Evaluation Report
ML	Money Laundering
MOU	Memorandum of Understanding
NAMLC	National Anti-Money Laundering Committee
NCCT	Non-Cooperative Countries and Territories
NRA	National Risk Assessment
OAS	Organization of American States
PF	Proliferation Financing
PLC	Planning Committee
POPR	Post-Observation Period Report
Scoping Note	Document that identifies areas of lower and higher risk that need reduced or increased focus for the onsite visit.
Sub-WGFI	Sub Working Group on FATF Issues
TC Annex	Technical Compliance Annex
TCI	Turks and Caicos Islands
TCQ	Technical Compliance Questionnaire
TF	Terrorist Financing
WB	World Bank