

CARIBBEAN FINANCIAL ACTION TASK FORCE



CFATF ANNUAL REPORT 2019-2020

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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 ([Kingston Declaration](#)).

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 Membership comprise the following:

1. Antigua and Barbuda
2. Anguilla
3. Aruba
4. Bahamas, The
5. Barbados
6. Belize
7. Bermuda
8. Cayman Islands
9. Curaçao
10. Dominica
11. El Salvador
12. Grenada
13. Guyana
14. 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 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 ML typology exercises. Some have been undertaken 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
- CARICOM IMPACS
- The Caribbean Development Bank (CDB)
- The World Bank (WB)
- The International Monetary Fund (IMF)
- 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).
- Regional Security System – Asset Recovery Unit (RSS-ARU)

Several organisations and two countries are Observers to the CFATF. A full list is contained at [Annex 3](#).

Lt. Col. Edward Croft, Director of the Office of National Drug and Money Laundering Control Policy (ONDCP) of Antigua and Barbuda held the position of the CFATF Chairmanship for the period November 2019 – December 2020, while the Deputy Chair of the CFATF was the Honourable Carl Wilshire Bethel, Q.C. Attorney General and Minister of Legal Affairs of The Bahamas. The Honourable Dale Marshall, Attorney General and Minister of Legal Affairs of Barbados held the position of Immediate Past Chair, which ensures the tripartite governance of the CFATF.

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

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



CFATF Mission, Vision and Values

VALUES

Leadership
Effectiveness
Integrity
Cohesiveness

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.



Chairman's Remarks

Chairman Lt. Col. Edward H. Croft, Director of the ONDCP of Antigua and Barbuda

It is my honour and pleasure to introduce the Annual Report of the CFATF for the period November 2019 - December 2020 under the Chairmanship of Antigua and Barbuda.

The COVID-19 pandemic has brought unprecedented challenges as well as opportunities for the CFATF. The primary function of the CFATF is the conduct of Mutual Evaluations to ascertain the level of compliance by Members with the international Standards for countering Money Laundering, Terrorist Financing and Proliferation Financing. During my Chairmanship, the COVID-19 pandemic provided several challenges to attaining this function, with no Mutual Evaluation onsite occurring in 2020. This however did not stop the continued engagement with the affected countries to ensure that they kept moving towards the goal of an onsite evaluation. There were also successes during this period with the conduct of a virtual Heads of FIU Working Group meeting in June 2020 that allowed all FIU Directors to discuss how their work was impacted by COVID-19. This was followed up by the CFATF's first fully Virtual Working Group and Plenary meetings, which saw the presentation and approval of the Mutual Evaluation Report (MER) of St. Lucia.

Additionally, I am extremely pleased to say that St. Maarten's 3rd Round Mutual Evaluation Exit Report was also presented and approved at the Virtual Plenary, which means that the CFATF no longer has any Member countries in the 3rd Round process. It should also be noted that Jamaica was able to achieve technical compliance upgrades across several Recommendations based on their 3rd Follow-Up Report. Furthermore, amendments to the CFATF Procedures for the 4th Round of Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT) and Countering Proliferation Financing (CPF) [AML/CFT/CPF] Mutual Evaluations ("The CFATF Procedures") were adopted. These were necessary to ensure alignment with the Universal Procedures and are intended to strengthen the Mutual Evaluation process with the aim of better-quality MERs. So, even though the Working Group and Plenary Meetings had to be reconfigured to better accommodate a virtual format, their objectives were fully accomplished.

While the achievements of my tenure are commendable, 2020 brought many new and unique difficulties to our Member countries and these cannot be ignored especially since they are likely to continue into the future. Grappling with the adverse effects of the pandemic;- lockdowns, closure of borders,

limited operations of essential organizations and businesses, Work from Home, and other related measures precipitated significant changes in the AML/CFT/CPF environment within the Region and the Global Network. These changes included the emergence of new ML/TF risks, threats and vulnerabilities within our Member countries, which were met with stronger, more collaborative and consistent efforts to address them. The frameworks of our AML/CFT regimes must be continuously strengthened through implementing measures to maintain and enhance the Mutual Evaluation programme. In these times, more than ever and considering increasing individual limitations, our collective energies are critical to moving forward successfully.

Over the past year, the CFATF engaged in several activities, all aimed at fulfilling its mandate, forging strong relationships with our stakeholders, and boosting our public profile.

While the pandemic resulted in the cancellation of our May 2020 Plenary, we were able to host our first virtual meeting on July 20th, 2020. A Heads of FIU meeting was held to discuss the impact of COVID-19 on the operations of FIUs and measures that were being taken to address the impact. This forum enabled the discussion of the [Report on the Impact of COVID-19](#) on the operations of FIUs, which was published in April 2020 with an updated [report](#) published in October 2020. Despite the challenges experienced, the actions of competent authorities, including Law Enforcement Authorities (LEAs), Supervisors and Financial Intelligence Units (FIUs) are recognised and applauded. Competent authorities continue to demonstrate that they have the ability to take actions against offenders, with reports of prosecution cash seizures and forfeitures. I recognise and congratulate the CFATF Heads of FIUs and the Secretariat for the actions taken during this time- including the preparation of this document and the hosting of the virtual

Heads of FIU Forum. FIUs are no doubt central to the fight against ML, TF and PF. As a result of their core functions, FIUs are positioned to effectively and expeditiously identify new ML/TF trends and contribute significantly to the fight against transnational crimes. FIUs have also taken a preventive approach in the fight against ML/TF by issuing guidance and notices to reporting entities and the public. Guidance and notices were in the form of publications of materials such as ML/TF trends and typologies and advisories that urged the public against engaging in the different types of financial offerings that are not subject to regulation and supervision by a competent authority. During this period reporting entities were reminded of AML/CFT obligations which is a fundamental requirement in the fight against ML, TF and PF. I wish to encourage our leaders and staff of FIUs to continue their excellent and dedicated work in ensuring that the integrity of our financial system is maintained, and citizens are protected.

From November 20th to December 11th, 2020, the CFATF was able to hold its first virtual Working Group and Plenary meetings at where I was able to attend Working Group sessions and Chair the Plenary.

Of high importance was the ongoing review of the impact of the EU listing on our Members, which was based on reports by affected Members. This culminated in a letter to the EU urging improved communication and greater transparency in their processes.

During the year in review, several training workshops were facilitated with the goal of engaging with practitioners on the changing issues that affect AML/CFT requirements in the Caribbean region as well as the global network. The NPO and Terrorism Financing Workshop was held from December 10th to 13th, 2019 by the World Bank in Trinidad and Tobago. Representatives of NPOs and public sector supervisory/oversight authorities from several CFATF Member countries attended. FATF/CFATF Joint Assessor Training,



which is an essential aspect of the Mutual Evaluation Programme was also held in Trinidad and Tobago from January 27th to 31st 2020.

In addition to FATF meetings, held in July 2020, I participated as moderator in the CARICOM IMPACS Virtual Security Conference, which focused on 'Securing our community with the era of COVID-19 and beyond.' on July 28th, 2020.

Other workshops worth noting in 2020 were the [CFATF Standards Training](#), [FATF/FSRB Workshop](#) and the [CFATF Asset Recovery Workshop](#).

During my tenure, the CFATF's [Assessor Mentorship Programme](#) (AMP) was created to improve the technical AML/CFT/CPF capacity of trained assessors within the region and its implementation began in October 2020. The first hybrid (some delegates attended physical and others virtually) on-site visit by the FATF's Joint Group of the Americas was conducted for The Bahamas on November 10th and 11th 2020.

The CFATF also participated in the Inaugural AML/CFT Empirical Research Conference organized by the Central Bank of The Bahamas (CBOB) and the Association of Supervisors of Banks of the Americas (ASBA), with the support of the Caribbean Development Bank (CDB) and the Inter-American Development Bank (IDB) Lab. The conference was held from January 20th - 24th, 2020 in Nassau, Bahamas. The focus of the conference was to build a network of experts and to encourage empirically based AML/CFT research to address challenges in the Caribbean region and throughout the global network.

I also participated in the [Virtual Caribbean Conference on Corruption, Compliance and Cybercrime](#) held on December 8th, 2020.

The strengthening of the CFATF's financial position regarding the provision of training and technical assistance was facilitated through the continued implementation of the 11th European Development Fund (EDF) European Union/CARIFORUM funding for the Fourth Round of Mutual Evaluations. This project will continue to provide the crucial funding for the Fourth Round of Mutual Evaluations' related programmes for CFATF beneficiary Members and offer opportunities for participation by all CFATF Members.

CFATF capacity building has also been facilitated by our Cooperating and Supporting Nations (COSUNs), who continue to provide ongoing financial and technical support to the work of the CFATF.

In closing, I wish to underscore the importance of the work that is undertaken by the CFATF which ensures that our Region continues to implement the FATF Recommendations. This in turn will result in secure financial sectors that can contribute positively to the global financial regime. I therefore thank all Members for their contributions and urge them to continue to support and engage in the work of the CFATF.

I wish to thank the COSUNs, the FATF Secretariat and all Observers, for their continued involvement with and commitment to the CFATF through investments of human and financial resources which have assisted in building our regional AML/CFT capacity.

As we move forward still plagued by COVID-19, we need to remain focused on the health and overall economic well-being of all for who we are responsible. I therefore ask that we continue to assist each other in our endeavours to address the pandemic and to strengthen our systems against money laundering, terrorist financing and proliferation financing.



I thank you all for the opportunity to have served as Chairman and I pledge my support and that of the Government and people of Antigua and Barbuda to all Members of the CFATF in the years to come.

My best wishes to my successor, the Honourable Carl Wilshire Bethel, Q.C.M.P., Attorney General and Minister of Legal Affairs of The Bahamas and trust that under

his leadership, the CFATF will continue to grow and achieve its goals.

May God Bless you All.

Lt. Col. Edward H. Croft
Chairman of the CFATF
November 2019- December 2020

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Foreword by the Executive Director



Dawne J. Spicer

The onset of the COVID-19 pandemic resulted in a global crisis, which changed the fundamental aspects of daily lives and routines. The pandemic also resulted in the diversion of financial, human and other critical resources that would have normally been dedicated to implementing the region's AML/CFT/CPF measures. Despite the obstacles experienced, the CFATF Secretariat staff, whether working from home or physically at the Secretariat's office, continued to ensure the execution of Chairman Croft's Work Programme. This included ensuring that Members, particularly those with mutual evaluations that were scheduled for 2020 continued to keep making improvements to their AML/CFT/CPF frameworks. Members were also kept abreast of changes in the AML/CFT/CPF environment due to COVID-19 and the measures established.

The first COVID-19 information to Members involved the preparation of a spreadsheet and map detailing COVID-19 measures and statistics from Member countries. The 'CFATF Insights' electronic newsletter also focused heavily on topics such as the impact of COVID-19 on financial crime, new cash movement measures used by criminals and COVID-19 related ML vulnerabilities and the emerging COVID-19 AML/CFT schemes. In addition to being actively involved in the guidance being issued by the FATF and making proposals regarding the execution of the CFATF's mutual evaluation programme, the CFATF Heads of FIUs Forum collaborated with the Secretariat to produce a paper entitled "[Impact of COVID-](#)

[19 Pandemic on CFATF FIUs' operations](#)" which was first published on April 20th, 2020. This was followed by a Heads of FIUs meeting on July 20th, 2020, which represented the CFATF's first virtual Working Group meeting and led to the preparation of an [updated paper on the impact of COVID-19 on ML/TF risks](#). At the meeting, participants provided their experiences on the ML/TF risks that were becoming more prevalent because of the pandemic. There was also a presentation by the FATF Secretariat on COVID-19 related ML/TF trends. The CFATF Secretariat continues to employ all efforts to raise awareness of current ML/TF/PF trends and typologies affecting the region as well as the global network in these uncertain times.

The inability to have physical on-sites due to COVID-19 regional and international travel restrictions, border closures and Members' lockdown measures, resulted in the postponement of three (3) onsite assessments scheduled for 2020: St Kitts and Nevis, Grenada and Aruba. Nonetheless, the Secretariat worked tirelessly with these jurisdictions to ensure that they maintained momentum and that the on-sites can occur in 2021. I would also like to note the success of the hybrid on-site visit by the [Joint Group of the Americas to The Bahamas](#), which resulted in their subsequent removal from the list of countries under increased monitoring. The dedicated work done by The Bahamas to achieve this outcome and the willingness of our colleagues in the Global Network to be physically present during the pandemic reflects the high level of commitment by all.

Ultimately, all our work is directed towards ensuring Members are compliant with the FATF Recommendations and effectively implementing their AML/CFT/CPF frameworks. Despite the challenges brought on by the pandemic, the Secretariat remains committed to assisting Members in preparing for the rigours of the Fourth Round of Mutual Evaluations (MEVALs) through continued assistance at the pre-assessment, assessment and post-assessment phases of the process.

The work accomplished during the Antigua and Barbuda Chairmanship has resulted in continued improvement of the organisation's implementation of governance and policy measures which has resulted in enhanced effectiveness of the Secretariat and that of the CFATF.

Going forward, we will continue to work assiduously with our Members, COSUNs and Observers to ensure that the CFATF's Mutual Evaluation Programme maintains the quality and consistency of the process and the Mutual Evaluation Reports.

.....
Dawne J. Spicer
Executive Director

The Secretariat's management and staff has committed their expertise and training to enhance the work produced by the CFATF and to ensure that the CFATF's image and profile is a positive reflection of the Members' full engagement in the work of the Global Network in addressing ML/TF and PF issues.

On behalf of the Executive and staff of the Secretariat, I wish to thank Chairman Croft for his guidance and dedication to the CFATF during his tenure and the Council of Ministers, the Steering Group, the Membership, COSUNs and Observers for their commitment to the CFATF. The ongoing sterling work being done by the Steering Group sub-committees; the Budget and Audit Committee (BAC), the Human Resources Committee (HRC) and the Planning Committee (PLC) is also to be commended.

Thank you for your support.



Execution of the Chair's Work Programme



Photo: Lt. Col. Edward Croft, Director of the Office of Drug and Money Laundering Control Policy of Antigua and Barbuda and Chairman of the CFATF for the period November 2019-December 2020 (from left third column and third photo down) and participants at the LI Plenary and Working Groups meetings held in virtually during the period 9th -11th December 2020.

A key component of the Work Programme during the term of Chairman Croft was the proactive involvement in the issues of common interest amongst CFATF Members. The implementation of the Chairman's Work Programme was conducted through four pillars, as follows:

1. Continued Enhancement of the CFATF's Mutual Evaluation Programme.
2. Financial Strengthening and Implementing Measures that Strengthen CFATF Membership participation issues.
3. Ensuring continued good governance of the operations of the CFATF.
4. Advocacy regarding regional compliance with virtual assets and virtual assets service providers; issues of de-risking,

European Commission listing of Members and issues of common interest.

Continued Enhancement of the CFATF's Mutual Evaluation Programme

Guidelines on the important aspects of each phase of the MEP were updated to reflect relevant changes. Amendments were made to the CFATF Mutual Evaluation Procedures to ensure alignment with the Universal Procedures with the intention of strengthening the mutual evaluation process with the aim of better-quality MERs at the CFATF LI Plenary and Working Groups Meeting.

The ongoing training of the Secretariat's staff is in terms of reviewing technical issues that arise as deficiencies in Mutual Evaluation Reports (MERs), understanding the various steps in the MEP and the types of information that countries need to provide as well as the

types of analysis that should be conducted by assessors. The staff training ensures that a high level of guidance can be given to assessed countries and assessors and has been ongoing throughout the Chairman's term despite the inability to travel because of the pandemic.

Staff development during the Chairman's term also included leadership development for the Executive and Advisory staff through the six-week course (January to February 2020) 'Leading with Emotional Intelligence'. To ensure that there is a proper structure to staff training in general, a Staff Training and Development Policy was drafted through the collaboration of the Secretariat and the Human Resource Committee (HRC). The Staff Training and Development Policy was approved by the Council of Ministers at its October 2020 meeting.

See [page 34](#) for further details on training.

The development of an [Assessors' Mentorship Programme](#) (AMP) has taken its most significant steps to fruition during Chairman Croft's term, with the creation of the Working Group that will oversee implementation and the development of the Work Programme. A call for mentees also yielded ten (10) persons from the Membership. The Programme will provide guidance to assessors by mentors obtained from the Membership.

Financial Strengthening and Implementing Measures that Strengthen CFATF Membership participation issues.

Collaboration with partnering entities to fund and deliver technical assistance and training, there has been ongoing liaison with the World Bank regarding assistance with conducting National Risk Assessments for beneficiary countries. The pandemic has caused a delay in the execution of this work,

¹ Antigua and Barbuda, Barbados, Belize, El Salvador, Grenada, Jamaica, St. Kitts and Nevis, St. Lucia, The Bahamas and Trinidad and Tobago.

however, during the period December 11th - 13th, 2019 the CFATF collaborated with the World Bank to deliver training to the Non-Profit Organisations (NPOs) in Trinidad and Tobago. *See [page 35](#) for further details on this workshop.*

There was also the delivery of a Trade Based Money Laundering (TBML) Workshop by the UNODC in collaboration with CARICOM IMPACS on June 22nd and 23rd, 2020 for beneficiary countries¹ which benefitted from the UNODC's cash smuggling project. The TBML project is funded by Canada and is supported by the FATF and the World Customs Organisation (WCO) based on selection as a research topic by the FATF RTMG at the June 2019 FATF Plenary. Through discussions with the UNODC by Deputy Executive Director, Mrs. Joanne Daniel, the TBML training was delivered to non-beneficiary countries during the period September 9th - 10th, 2020.

Ensuring continued good governance of the operations of the CFATF.

The development of the Staff Training and Development Policy is aimed at ensuring that staff receive training that will allow them to successfully achieve the CFATFs strategic and operational objectives. It recognizes the need to ensure staff growth and development.

An Extended Sick Leave Policy was also approved by the Council of Ministers in October 2020 and caters to the welfare of the Secretariat's staff where illness extends beyond the stipulated sick leave period.

Advocacy regarding regional compliance with virtual assets and virtual assets service providers; issues of de-risking, European Commission listing of Members and issues of common interest.



Regarding continued advocacy at the regional and international levels, on the issue of EC listing, at the FATF February 2020 Plenary a meeting was held by the European Union (EU) delegation to the FATF with the FSRBs on the issue of listing. At that meeting the EU laid out its plan to have more compatibility between the FATF and EU processes by listing all countries that were listed on the FATF's Compliance Document but noting that removal from the FATF's Compliance Document did not guarantee removal from the EU list. The process was deemed a bilateral process with no intervention by FSRBs. The CFATF however continues to liaise with Members who have been listed in efforts to ensure that any outstanding AML/CFT/CPF measures are addressed. This issue also remains a standing issue on the agenda of the CFATF's Steering Group's monthly meetings. As a result of feedback from Members, Chairman Croft sent a letter to the EU noting Members' ongoing concerns.

The Secretariat's focus is on assisting the countries to complete their FATF ICRG Action Plans so that they can be removed from the FATF's Compliance Document (grey list) and thereby also have the possibility of removal from the EU list. Since removal from the EU's list may involve different issues from those in the FATF's Action Plan, the Secretariat has advised countries to have the EU communicate at the earliest possible time what those additional areas of concern are so that resources can be used to address all the issues at the same time. The CFATF has also collaborated with CARICOM on this issue in terms of providing relevant information on Members status in the FATF ICRG process and the status of the CFATF's MEVAL schedule.

On September 18th, 2020, CFATF Executive Director Ms. Dawne Spicer participated as a panellist on the Co-Operative Credit Union League of Trinidad and Tobago Virtual National Compliance Officers' Conference.

Ms. Spicer's presentation focussed on, "The Implications of Blacklisting", which explained the types of listing and provided an insight into the measures that were taken against listed countries and the impact.

For virtual assets and virtual asset service providers (VASPs) issues, the CFATF Members participated in the completion of the FATF Policy Development Group's (PDG) questionnaire to collect information on countries implementation of the VASPs' measures over a twelve-month period. The results of the review were released in a report in July 2020. A second twelve-month review will be held by June 2021.

The work on 'de-risking' culminated in the completion of a paper entitled '[De-risking in the Caribbean Region – A CFATF Perspective](#)' was presented on January 22nd, 2020 at the [ASBA's Empirical Research Conference](#). The presentation was made by Mrs. Risha Pragg-Jaggernauth, Research Officer at the CFATF Secretariat and one of the co-authors of the paper. The Project was supported by both the previous Chairman and Chairman Croft. *See [page 39](#) for further information.*

The CFATF, through its Financial Advisor, Mr. Roger Hernandez participated in the Integrated Threat Assessment Centre (ITAC), National Security Council Secretariat (NSCS) of the Office of the Prime Minister of Trinidad and Tobago. The strategic initiative which took place on December 8th, 2020 focused analysing the new realities presented to Trinidad and Tobago by the COVID-19 pandemic. Mr. Hernandez lent his expertise on behalf of the CFATF to a workshop on threat analysis, with specific focus on economic stability.

CFATF Membership and Observers

The CFATF remains a 25 Member organisation. While there have been no new Members, the Council of Ministers approved



Germany as an Observer to the CFATF at its October 2020 meeting.

Image of the CFATF

Representations by the Chair and the Secretariat in training programs, workshops and conferences 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. Amendments to the CFATF Procedures for the Fourth Round of Mutual Evaluations were made at the first Virtual Plenary held in December 2020 with the aim of producing better quality Mutual Evaluation Reports (MERs) by addressing issues such as assessor qualifications, translation of documents, the re-circulation of the MER to reviewers where the MER is substantially changed following the face-to-face meeting, development of the Key Issues Document and matters pertaining to the TC re-rating process. The changes were based on amendments made by the FATF Plenary at its October 2020 meeting to the Universal Procedures.

Regarding the Fourth Round of Mutual Evaluations, of the nine (9) published MERs, all but one country has been placed in Enhanced follow-up. The level of effectiveness continues to present a challenge to many of our Members, there has however been noticeable improvements in the level of technical compliance.

The hosting of the legislation, research papers and information on other targeted areas on the CFATF website has been achieved with the posting of thirty-one (31) articles between March to December 2020. The articles commenced posting to the '[What's Happening](#)' component of the website that provides information on new legislation and other achievements made by Members in the countering ML and TF and to the '[CFATF Research Corner](#)' which presents articles on the aspects of the AML/CFT framework and included articles on '[What is Money Laundering](#)', '[Law and Enforceable Means](#)' and '[The use of Financial Intelligence in the fight against ML/TF](#),' to name a few.



Chair's Work Programme Highlights

FATF Compliance Document De-listing of CFATF Members

The CFATF was pleased to announce and congratulate Trinidad and Tobago on their removal from the FATF's Compliance Document* on February 20th, 2020.

Trinidad and Tobago will continue to be monitored by the CFATF in the Mutual Evaluation Follow-Up Process.

The CFATF Chairman, Lt. Col. Edward H. Croft, Director of the ONDCP of Antigua and Barbuda, also extended congratulations to Trinidad and Tobago and the Hon. Faris Al-Rawi, MP, Attorney General and Minister of Legal Affairs of Trinidad and Tobago, who led the country to being the first in the CFATF to be removed from the 'grey' list.

See [link](#) for further information.

*Often externally referred to as the 'grey list' (previously called "Improving Global AML/CFT Compliance: On-going Process").





Photo: Col. Edward Croft, Director of the Office of National Drug and Money Laundering Control Policy, Antigua and Barbuda, and Chairman of the CFATF for the period 2019/2020 congratulates the Hon. Faris Al-Rawi, MP, Attorney General and Minister of Legal Affairs of Trinidad and Tobago on Trinidad and Tobago's removal from the FATF's Compliance Document.

Global Support- Supervision Project



CFATF Members assessed in the 4th Round of Mutual Evaluations and with published Mutual Evaluation Reports (MERs) between 2016 and 2018, achieved a rating of Moderate or Low level of effectiveness in Immediate Outcome 3 (IO3), Supervision. As a result, and to provide support to all Members, the COSUNs, namely the Governments of Canada and the United Kingdom of Great Britain and Northern Ireland, fully funded the Supervision Project: Strengthening Supervisory Systems (The Project), for a period of two years (2019-2021).

Project Implementation

The Project which began in June 2019, considers the various stages of the Mutual Evaluation (MEVAL) process. Support is offered before and after an onsite to help Members strengthen their existing AML/CFT Supervisory framework and to achieve compliance with the requirements of IO3. This includes the technical compliance ratings for Recommendations specific to IO3². Through voluntary Member participation, once there is an expressed willingness to participate, engagement commences.

The first six (6) months of the project sought to:

- i. develop supervisory tools primarily in the form of questionnaires³ to effectively execute the project deliverables; and
- ii. vigorously engage Members.

This resulted in sixteen (16) Members communicating a willingness to participate with keen engagement with three (3) Members.

Member Participation

Some Members however, chose to focus resources on upcoming MEVALs or address the areas of deficiency in their published MERs as part of the Enhanced Follow-Up Process. Also, the COVID-19 pandemic impacted Members ability to actively take part and resulted in extension requests and one Member's inability to continue. The Supervision Advisor's workplan also changed to facilitate a virtual environment.

Member Engagement

- i. From September 2019 to present, seven (7) Members received direct support through either their completion of and feedback to the questionnaires and guidance offered for consideration for an effective AML/CFT supervisory system. The response and feedback

² R.14 – (Money Value Transfer Services (MVTs)), R.15 – New Technologies -Virtual Assets/Virtual Assets Service Providers (VA/VASPs), R.26 – Regulation and Supervision of Financial Institutions, R.27 – Powers of Supervisors, R.28 – Regulation and Supervision of DNFBPs, R.34 – Guidance and Feedback, R.35 – Sanctions, and certain elements of R.40 – Other Forms of International Cooperation and R.1– Assessing Risk and Applying a Risk based Approach.

³ Introductory Survey, Detailed IO3 Questionnaire, Mock IO3 Technical Compliance Questionnaire, Data Templates, 12-Module with simulation exercise training programme.



- to the questionnaire allows for existing gaps to become identifiable and Members either agree to consider proposals made and develop actions plans to address areas that require strengthening or provide further information to support the adequacy of the structure in place.
- ii. In 2020, the Supervision Advisor delivered training to five (5) Members. Two training events occurred physically before the pandemic in January and March 2020 and three (3) occurred virtually between July and December 2020.
 - iii. Twenty-two (22) of CFATF's twenty-five (25) Members completed a Survey on the Impact of COVID-19 on AML/CFT Supervisors in the Caribbean. The results were shared with Members.

Regarding the two training events conducted during the period January – March 2020. The first was in the Cayman Islands held during the period January 8th -10th, 2020. For details, please refer to the link: <https://www.cfatf-gafic.org/home/cfatf-research/619-cfatf-delivers-first-targeted-aml-cft-supervision-training-to-the-cayman-islands>.



Photo: Glenda Leben, Supervision Advisor, CFATF, is pictured at centre in the front row, together with some of the participants of the 3-day training event for AML/CFT Supervisors in the Cayman Islands.

The 2nd training event was held in Sint Maarten. Sint Maarten's Financial Intelligence Unit (FIU) is the AML/CFT Supervisor for Designated Non-Financial Businesses and Professions (DNFBPs). With new staff in the Supervision Department, Director of the FIU, Ms. Ligia Stella, identified the need to strengthen the capacity of team members to bolster supervision activities.



During the period March 11th-13th, 2020, focused training was provided to the team who participated in practical sessions and benefitted from one-on-one interaction, geared towards promoting a clearer understanding of the requirements of Immediate Outcome 3 – Supervision.

Photo: From right: Ms. Ligia Stella, Director, Sint Maarten FIU, Ms. Glenda Leben, Supervision Advisor, CFATF, and two members of with the FIU's DNFBP Supervision staff.

While the region together with the world deals with the pandemic of COVID-19, offsite and online support remains available to CFATF Members.

For further information and details you may contact the Supervision Advisor, Ms. Glenda Leben at glenda.leben@cfatf.org or cfatf@cfatf.org.

The Way Forward

The work continues as Members have articulated their appreciation for the support provided by the CFATF and the COSUNs.

Human and Financial Resources

Human Resource Overview

At the close of the Plenary year, December 2020, the current staff at the CFATF Secretariat totalled twenty-one (21) and comprised: the Executive Director, Ms. Dawne Spicer; one (1) Deputy Executive Director, Mrs. Joanne Daniel, the Director of Finance & Administration, Ms. Magdalene Walcott; three (3) Legal Advisors, Mrs. Sunita Ramsumair, Mr. Héctor Sevilla and Ms. Camille Renie; three (3) Law Enforcement Advisors, Mr. Jefferson Clarke, Mr. Pedro Harry and Mr. Kerry Lucio; two (2) Financial Advisors, Mr. Roger Hernandez and Ms. Nikima Prince; two (2) Research Officers, Mrs. Risha Pragg-Jaggernaut and Ms. Brionne Antoine; two (2) Administrative Officers, Ms. Ellisha George (MEVAL) and Ms. Iyaana Hope (Finance and Administration); two Translators, Mrs. Michele Le Blanc-Morales and Ms. Ayana Jack; one Accounting Assistant, Ms. Allysha Gibson; one (1) Information Technology Officer Mrs. Alysia Jugmohunsingh and one (1) ICT Support Officer Mr. Noellynton A. Serapio Jr. There is one (1) Supervision Advisor, Ms. Glenda LeBen (COSUNs funded project). There are two (2) vacant posts (Bilingual Deputy Executive Director and Financial Advisor).

The CFATF Secretariat performs technical and administrative functions under the direction of the Executive Director, Deputy Executive Director (s) and Director Finance and Administration. The Secretariat provides support to the member jurisdictions of the CFATF. Key activities include:

- Organising CFATF meetings such as Plenary and working groups meetings,

Council of Ministers meeting, Steering Group and other meetings as needed.

- Addressing the needs of the Chairman, the Steering Group and CFATF delegations inclusive of technical guidance and training.
- Supporting CFATF Working Group Co-Chairs and preparing and producing policy papers to be discussed in working groups and/or the Plenary.
- Co-ordinating and participating in mutual evaluation missions and drafting the related assessment reports and subsequent follow-up 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.

Financial Overview

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 2020

The annual contribution for the financial year 2020 was approved at US\$68,360 per Member to cover an approved expenditure of US\$1,708,920. This represented an increase of 19% compared to prior year. Expenditure increase was mainly due to the approval of an increase in staff complement (three new advisors). Due to administrative delays experienced by jurisdictions as a result of work from home measures to combat the COVID-19 pandemic, a three (3) month deadline extension was approved by the Council of Ministers moving the deadline

date from April to July 2020. All Members paid their annual contribution before the end of 2020, with small balances to be cleared due to bank charges or surcharges.

Savings experienced for 2020 was significant in various expenditure lines because of reduced activities due to the COVID-19 pandemic. Mutual Evaluation Onsite visits, Overseas travel and CFATF meeting expenses were significantly reduced and some savings were noted due to staff turnover during the period.



Donor Funded Projects

The donor community supports and funds several activities. During the period under review opportunities for funding activities were minimal due to the impacts of COVID-19 resulting in cancellation or postponement of several training and other events. Many rescheduled activities were held virtually and most did not incur expenses. See below for a list of activities which required funding:

Activity	Donor Country/ Organisation	Type of relationship
EVENTS		
Attendance of CFATF Staff to various meetings (FATF February 2020 Plenary)	United States	COSUN
Asset Recovery Workshop	United States	COSUN
ONGOING PROJECTS		
Supervision Advisor Project	United Kingdom & Canada	COSUNs
Short-term Advisor Project	United Kingdom	COSUN
11 th EDF Project – Implementation of the Mutual Evaluation Programme ⁴	European Union (through the Financing agreement with CARIFORUM under the 11 th EDF)	Observer Organisation

The purpose of the Supervision Advisor project is to provide technical assistance which will include onsite engagement with the CFATF member country supervisors (training, mentoring, policy work) aimed at supporting the CFATF members to meet the FATF effectiveness measures relating to AML/CTF supervision. The Voluntary Contribution Agreement (VCA) spans a two-year period due to end in 2021. Discussions are in progress on the possibility of extension.

The purpose of the Short-term Advisor project is to provide additional human resources to support the CFATF's Mutual Evaluation programme.

⁴ See pages [26-28](#) for further information

COSUN/ Donor support

The COSUNs have made very valuable contributions to the CFATF over the years by their critical role in the growth and development of the CFATF as a FATF Style Regional Body (FSRB), 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, Observers (IMF, WB, CDB, UNODC, CARICOM IMPACS, EU) 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.

The Donors' Forum which is a feature of the CFATF May Plenaries was not held in 2020 due to the cancellation of that Plenary because of COVID-19. The Secretariat however requested technical assistance and training matrices from Members which was used to determine training that can be sourced or developed.

Eighteen (18) member countries of the CFATF submitted their technical assistance and training needs matrix to date.

The EU, through the 11th EDF also provides valuable technical assistance and training to the CFATF Members. *See [pages 26-28](#) for further information.*



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



The EU and the CFATF signed a Grant Agreement in October 2018 to enhance the Region's capacity to comply with standards relating to AML/CFT. This is being undertaken via the implementation of the Mutual Evaluation Programme which evaluates 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 is assisting countries in improving their levels of compliance with the FATF 40 Recommendations.

The Project undertakes 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.

During the reporting period September 2019 to August 2020, the 11th EDF Office conducted:

- **Mutual Evaluations**
 - 1 Pre-Onsite Meeting for St. Kitts and Nevis' MEVAL Onsite was completed on 10th-12th February 2020.
 - Three Mutual Evaluation Onsite exercises were carded for the period in St Lucia, St Kitts and Nevis and Grenada.
 - As a result of the Global COVID 19 Pandemic the missions for St Kitts and Nevis and Grenada were postponed by one year.
- **Assessors Database** - 1 new digital 'CFATF Assessors Database' also referred to as Pool of Regional AML/CFT Experts was completed and handed over to the CFATF Secretariat in August 2020. (New Software and Processes that are aimed at to developing the institutional capacity of the CFATF Secretariat. Particularly it will aid the training and deployment of Assessors for the 4th round of assessments. Ownership still rests with the 11th EDF Office as a cost centre until the project closure.

All the activities planned for the Year 1 were completed as scheduled, in comparison, only a quarter of the activities scheduled for Year 2 were completed.

The occurrence of the Global COVID-19 pandemic and its global repercussions had an immediate negative impact on the office's ability to deliver according to the original schedule. Two key



deliverables (and their supporting activities) i.e. MEVALs for Guyana and Belize are now in question as they now fall outside the Project schedule – the fifty-eight (58)-month project is due to be completed by June 2023.

The Interim Narrative and Financial reports for the reporting period were submitted to the EU Delegation to Barbados in November 2020. (The reports were received and acknowledged by the Delegation).

The fallout from the COVID-19 Pandemic in 2020 was unforeseeable and not within the control of the Contracting authority (EU) or the Coordinator (CFATF Secretariat). (*Force Majeure*)

To mitigate against the effects of the project delay (presented by the pandemic), the 11th EDF office is currently pursuing a ‘Non-Cost’ extension to the implementation period of not less than 12 months with the EU.

This Entails:

- An addendum to financing agreement
- Adjustments to the main budget lines
- Adjustments to selected activities.

The 11th EDF office is in close communication with both the CARIFORUM Directorate, the EU Delegation to Barbados and the CFATF Secretariat for agreement of the details. It is expected that a full application will be submitted in late December or early January 2021.

The 11th EDF office is also pursuing the development of an E-Learning Platform (to include Live Stream, Webinars and Regional Content). It proposes that virtual training technology be used to supplement and/or replace the physical execution of the regional training events. Details of this will be brought to the CFATF executive for decision in January 2021.

By adjusting the implementation period, and by increasing the role that technology plays in the capacity development through virtual training, the negative effects of the COVID-19 Pandemic can be mitigated.

Summary of 11th EDF Events 2019-2020

(1)	Pre-Onsite Training in Port-of-Spain for the in St. Kitts and Nevis MEVAL team	10th – 12th February 2020 Training conducted by Financial Advisors Roger Hernandez and Praveen Tiwari and Legal Advisor Keri-Ann Kemble.
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Pre-Onsite Training in Port-of-Spain for the in St. Kitts and Nevis MEVAL team

During the period Monday February 10th to Wednesday February 12th, 2020, pre- onsite training for the St. Kitts and Nevis (SKN) Mutual Evaluation Team was conducted at the CFATF Secretariat in Port-of-Spain, Trinidad and Tobago. Pre-onsite training is usually conducted one (1) to two (2) months prior to the on- site visit and is designed to assist the Assessment Team to prepare for the onsite visit to the jurisdiction. The Assessment Team participating in the pre-onsite training comprised of: Mr. Junior Nisbett - Law Enforcement Expert, Trinidad and Tobago, Ms. Kara Duff-Yehinda - Legal Expert, Guyana, Mrs. Lesley Pearson - Financial Expert, The Bahamas and Ms. Sharlene Jones - Financial Expert, Belize. The on-site visit to St. Kitts and Nevis was scheduled to take place during the period March 23rd - April 3rd, 2020.⁵

Photo: Pre-onsite training being conducted for the St. Kitts and Nevis (SKN) Mutual Evaluation Team (left); Ms. Keri- Ann Kemble, Legal Advisor at the CFATF makes a point to the assessment team during the training (right).



⁵ The Mutual Evaluation Programme of the CFATF has been impacted by the current COVID-19 pandemic which has resulted in a postponement of the onsite visit.

Year in Pictures

Attendance at FATF Plenary February 2020



Photo: The CFATF was represented by the Chairman of the CFATF (2019-2020), (third from left), Lt. Col. Edward H. Croft, Director of the ONDCP of Antigua and Barbuda and Attorneys General, (from left to right), the Hon. Samuel Bulgin JP, Q.C., Attorney General of the Cayman Islands, the Hon. Nigel Clarke, Minister of Finance of Jamaica, the Hon. Carl Wilshire Bethel, Q.C., MP, Deputy CFATF Chairman and Attorney General and Minister of Legal Affairs of The Bahamas, the Hon. Dale Marshall, Q.C., MP, Attorney General and Minister of Legal Affairs of Barbados and the Hon. Faris Al-Rawi, MP, Attorney General and Minister of Legal Affairs of Trinidad and Tobago at the FATF's Plenary week in Paris, France February 2020.

CFATF Secretariat humanitarian efforts



Photo: Ms. Brionne Antoine, Research Officer at the CFATF Secretariat donates Christmas Hampers in December 2020 to the Bagatelle Outreach Social Welfare Committee, Diego Martin, Trinidad and Tobago to be distributed to needy families based on donations as part of a CFATF Secretariat Staff initiative.



Photo: Mrs. Risha Pragg-Jaggernauth, Research Officer at the CFATF Secretariat donates two Amazon Kindles to the Ramsubhag family of Penal, Trinidad and Tobago in October 2020 for use by their minor children to access online school after their home was destroyed by fire. These were purchased through donations received as part of a CFATF Secretariat Staff initiative.

CFATF Secretariat staff gets into the Christmas Spirit



Photo 4: Staff members of the Secretariat from left to right- Ms. Camille Renie, Legal Advisor and Mr. Roger Hernandez, Financial Advisor, get into the Christmas Spirit as they decorate the Christmas tree in the Secretariat in December 2020.

Training and Events 2019-2020

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 workshops 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 training sessions on a bi-annual basis. Only trained assessors with relevant experience are asked to participate as assessors for mutual evaluations.

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. Trainee assessors 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, TF and PF. 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.

From the second week of March 2020, all in person training activities ground to a halt due to COVID-19 and the closure of the international borders of Trinidad and Tobago where the headquarters of the CFATF Secretariat is housed.

Assessor and assessed country training and other AML/ CFT Trainings and workshops delivered and attended for the period are included in the table below. Please note that this excludes 11th EDF activities, a summary of which is outlined [here](#).

TRAINING AND EVENTS	DATES	LOCATION
Anguilla Financial Services Commission's Compliance Conference	4 th -6 th December, 2019	The Valley, Anguilla
NRA Kick-off Conference	5 th -6 th December, 2019	Philipsburg, Sint. Maarten
ACAMS Annual International AML & Financial Crime Conference – Caribbean	9 th -10 th December, 2019	Miami, FL, USA
Workshop on Non-Profit Organisations (NPOs) and Terrorism Financing (TF) held by the World Bank	10 th to 13 th December, 2019	Port-of-Spain, Trinidad and Tobago
Joint Group of the Americas - Onsite visit to Trinidad and Tobago	6 th -7 th January, 2020	Port-of-Spain, Trinidad and Tobago
Supervision Project - Training & meetings	8 th -10 th January, 2020	George Town, Cayman Islands
Joint Group of the Americas - Face-to-Face to Determine Sufficiency of Country's Progress (The Bahamas, Panama, Barbados, Jamaica, Nicaragua)	8 th -11 th January, 2020	Port-of-Spain, Trinidad and Tobago

TRAINING AND EVENTS	DATES	LOCATION
Inaugural AML/CFT Empirical Research Conference	22 nd -23 rd January, 2020	Nassau, The Bahamas
JOINT CFATF/FATF Assessors' Training	27 th – 31 st January, 2020	Port-of-Spain, Trinidad and Tobago
CFATF Assistance - Cayman Islands	30 th January- 1 st February, 2020	George Town, Cayman Islands
Standards Training - Trinidad and Tobago	10 th - 12 th February, 2020	Port-of-Spain, Trinidad and Tobago
FATF/FSRB Workshop	24 th -28 th February, 2020	Paris, France
Grenada Co-operative Bank Ltd - AML/CFT training for private bank board and compliance officers	25 th -26 th February, 2020	St. George's, Grenada
Financial Investigations Branch (FIB) -Induction Training and Level 1 Investigator Program	3 rd March, 2020	Port-of-Spain, Trinidad and Tobago
Internal Secretariat Training “Tech Talk”- focused on the outcomes of the FATF February 2020 Plenary	11 th March, 2020	Port-of-Spain, Trinidad and Tobago
Supervision Project - Training & meetings	11 th – 13 th March, 2020	Philipsburg, Sint. Maarten
FATF Online training for Secretariat staff: Scoping Notes	9 th – 15 th June, 2020	Virtual Meeting
Internal Assessors Training for Secretariat MEVAL Team	21 st – 24 th July, 2020	Virtual Meeting
Secretariat staff attended the webinars that were offered by the FATF Secretariat ⁶	27 th July 2020 onwards	Virtual Meeting
Council of Ministers Meeting	1 st – 2 nd October, 2020	Virtual Meeting

⁶ Money laundering and the illegal wildlife trade (July 27th, 2020), COVID-19 and the ML/TF risk landscape (July 30th, 2020) and COVID-19 and the ML/TF detection (July 31st, 2020).



NPO and Terrorism Financing Workshop: Improving Compliance with Recommendation 8*Perception of NPO and TF Risks*

Despite a widely held view that all NPOs pose a high ML/TF risks, only a subset of NPOs are vulnerable to abuse by terrorist groups as a result of specific features of structure and activities. Terrorists, their organisations and supporters present threats to some NPOs as they desire to raise, move and use funds for their terrorist activities and sustenance of their organisations. For NPOs, vulnerability to TF abuse can occur either on the organizational level, resulting in a legitimate NPO being exploited or on the sectoral level, where a fake NPO enters the sector. Regardless of the case, there are factors that influence the vulnerability of all NPOs such as size, type/structure, types of activities/services provided, location of activities, cross border activity and movement of funds.

In June 2016, the FATF Recommendations were amended to clarify the subset of NPOs which should be made subject to supervision and monitoring. Contrary to the prevalent idea, not all NPOs are high risk and intended to be addressed by Recommendation 8. Therefore, the revisions to Recommendation 8 are intended to ensure better implementation of the requirements in the context of the Risk-Based Approach. Understanding the TF risks faced by NPOs in the Caribbean and the wider global network entails identifying the relevant threats, types of NPOs most susceptible to TF abuse and how terrorist abuse those NPOs. It also involves developing targeted risk-based supervision and monitoring of NPOs identified as at risk of TF abuse. As a means of assisting Member countries in strengthening their compliance with the requirements of Recommendation 8, the CFATF participated in a Workshop on Non-Profit Organisations (NPOs) and Terrorism Financing (TF) held by the World Bank in Trinidad and Tobago from December 10th to 13th, 2019. Representatives of NPOs and public sector supervisory / oversight authorities from several CFATF Member countries attended.

The workshop focused on the application of the Risk-Based Approach to the NPO sector and was lauded as one of the first workshops in the region to bring private sector representatives and public supervisory authorities together around the table to discuss mutually relevant issues in the NPO sector. During the Workshop, the CFATF, represented by Deputy Executive Director (DED) Joanne Daniel, delivered two (2) presentations with the aim of deepening the understanding of the issues concerning NPOs and terrorism in the context of the FATF Recommendations. The presentations focused on key definitions, risks, threats, vulnerabilities and consequences of TF in the NPO sector. Furthermore, the CFATF sought to clarify the requirements of Recommendation 8 (Non-profit organisations) and Immediate Outcome 10 (Terrorists, terrorist organisations and terrorist financiers are prevented from raising, moving and using funds and from abusing the NPO sector).

Feedback from the Workshop clearly showed that the information presented was both well-received and highly beneficial for the jurisdictions and agencies in attendance. Positive reviews were received from the Manager of the Financial Analysis Unit Office of National Drug and Money Laundering Control Policy in Antigua and Barbuda, Kebra Gardner, as follows:



“The Workshop was immensely timely and useful and highlighted the importance of a public-private partnership as Saint Vincent and the Grenadines commences its supervision of this sector. It was very valuable for NPOs and supervisors to receive the same information together and highlight the difficulties faced by each side, thereby fostering a more collaborative approach. Ongoing outreach to the sector is critical and a clear understanding of the NPOs falling within the FATF definition. Important nuances and misinterpretations were clarified including as it related to reporting and KYC requirements. The workshop also highlighted the need for outreach to Financial Institutions to ensure that they too were interpreting and applying the standards correctly in their treatment of NPOs. A ‘one size fits all’ approach will inhibit the execution of legitimate charitable activity, so the risk-based approach remains critical in the supervision of the sector. In implementing measures, the question must always be asked, to what extent do measures disrupt legitimate activity?”

Director of the FIU from the St. Vincent and the Grenadines, La Teisha A.R. Sandy, further commented on the advantages of the Workshop,

“The workshop provided very practical insights in addressing challenges which many of our jurisdictions encounter in the implementation of Recommendation 8. The interactions between the facilitators, public sector and NPO representatives served to bridge some of the knowledge gaps and created a foundation for improved assessment, understanding and mitigation of NPO risks.”

The Head of the Anti-Terrorism Unit in the Ministry of The Attorney General and Legal Affairs in Trinidad and Tobago, Vyana Sharma, stated that,

“The Workshop allowed Trinidad and Tobago to identify its three top priority areas for an effective implementation of AML/CFT/CPF measures through the proper application of a risk-based approach for the Non-Profit Organisation Sector. The three priority areas are the conduct of a risk assessment, mechanisms for financial inclusion and ensuring collaboration and outreach with the sector.” Ms Sharma noted that “this must be achieved on a case-by-case basis as not all NPOs face high risks of terrorist abuse.”

“A fundamental principle ingrained in the FATF standards is that the country's approach should not serve to disrupt or discourage the activities of the sector supported with a high level of political commitment by a country. This requires developing a comprehensive databank using all available sources of information on the features and types of NPOs operating in Trinidad and Tobago. This includes the conduct of a domestic review, development and continual reform of best practices on combating the abuse of non-profit organisations, encouraging NPOs’ use of formal or regulated financial channels and access of NPOs to financial services, and learning about the different roles of government and NPOs in protecting the sector from terrorist financing”.



Attendance at the ACAMS Caribbean Conference in December 2019

Executive Director Ms. Dawne Spicer attended the Annual International AML & Financial Crime Conference –Caribbean held December 9th-10th, 2019.



Photo: CFATF Executive Director Ms. Dawne Spicer makes a presentation at the ACAMS Caribbean Conference in December 2019. Photo credit: ACAMS

ACAMS 24+: The Profits of Human Trafficking

The United Nations Financial Sector Commission on Modern Slavery and Human Trafficking was a public-private partnership known as the Liechtenstein Initiative where CFATF Executive Director Ms. Dawne Spicer participated as a Commissioner. As a result, she was requested to be a panellist on a virtual workshop entitled, “ACAMS 24+: The Profits of Human Trafficking: Are You Handling Them and What Can You Do About It?” on June 3, 2020. The workshop focussed on whether organizations are handling the proceeds of human trafficking in line with anti-financial crime efforts.

CFATF attends the Inaugural AML/CFT Empirical Research Conference

The CFATF participated in the Inaugural AML/CFT Empirical Research Conference organized by the Central Bank of The Bahamas (CBOB) and the Association of Supervisors of Banks of the Americas (ASBA), with the support of the Caribbean Development Bank (CDB) and the Inter-American Development Bank (IDB) Lab. The conference was held from January 20th -24th, 2020 at the British Colonial Hilton in Nassau, Bahamas. The main objective of the conference was to build a network of experts and to encourage empirically based AML/CFT research to address challenges in the Caribbean region and throughout the global network. Representing the CFATF was Research Officer, Risha Pragg-Jaggernauth, who presented on *“De-risking’ – A CFATF Perspective.”* The presentation focused on the pioneering work on the ‘de-risking’ phenomenon in the Caribbean region, which was undertaken by the CFATF as part of the Chairman’s Work Programme 2018/2019. The data was collected and analyzed from financial institutions and Central Banks within CFATF Member jurisdictions.



Photos: The CFATF represented by Research Officer, Mrs. Risha Pragg-Jaggernauth making her presentation at the British Colonial Hilton, Nassau, The Bahamas.

Joint Assessor Training Programme

The FATF/CFATF Joint Assessor Training was held from January 27th to 31st, 2020 at the Ministry of the Attorney General and Legal Affairs at the Government Campus Plaza Port of Spain, Trinidad. The training was designed to train assessors on the FATF Recommendations and Methodology to enable them to conduct Mutual Evaluations. The workshop was facilitated by Mr. Héctor Sevilla, Legal Advisor and Mr. Praveen Tiwari, former Financial Advisor of the CFATF. Presentations were made by Mr. Ashish Kumar, Policy Analyst at the FATF and Mr. Paul Dergarabedian of the US Treasury Department.

There were 38 participants representing six (6) CFATF countries, Japan, Kuwait, France, FATF and CFATF Secretariat from the 11th EDF and the Supervision Advisor. The Members in attendance Antigua and Barbuda, The Bahamas, Cayman Islands, Guyana, St. Kitts and Nevis and Trinidad and Tobago.



CFATF Standards Training

CFATF Standards Training was held at the Judicial Educational Institute of Trinidad and Tobago for members of NAMLC during the period February 10th to 12th, 2020. The training was conducted by CFATF Executive Director Ms. Dawne Spicer, Law Enforcement Advisor Mr. Pedro Harry and Legal Advisor Mrs. Sunita Ramsumair.



Photo: Fourth from left in the first row CFATF Legal Advisor Mrs. Sunita Ramsumair, Law Enforcement Advisor Mr. Pedro Harry and Executive Director Ms. Dawne Spicer pose with participants of the training.



Photo: CFATF Executive Director Ms. Dawne Spicer receives a token of appreciation from the Judiciary.



Photo: Law Enforcement Advisor Mr. Pedro Harry receives a token of appreciation from the Judiciary.



Photo: Legal Advisor Mrs. Sunita Ramsumair receives a token of appreciation from the Judiciary.

FATF/FSRB Workshop

Two Members of staff of the CFATF Secretariat joined members of the FATF Secretariat in Paris, France during the period February 24th to 28th, 2020 at a workshop which focused on the management of the Mutual Evaluation process; addressing technical and logistical issues and identified ways to assist assessors and the assessed country.



Photo: CFATF Representatives, Law Enforcement Advisor Pedro Harry (back row 2nd from right) & Legal Advisor Sunita Ramsumair (front centre) & other delegates from FSRBs joined the FATF Secretariat in Paris for a week-long workshop on sharing information and experience on the conduct of Mutual Evaluations. (Photo credit: FATF)



Photo: CFATF Representative, Law Enforcement Advisor Pedro Harry (4th from left)
(Photo credit: FATF)

CFATF Heads of FIU Forum Virtual Meeting

The first Virtual heads of FIU meeting was held on July 20th, 2020. The [Report on the Impact of COVID-19 on the operations of FIUs](#), which was published in April 2020 on the CFATF secured website, was shared with the Egmont Regional Representative. This led to the preparation of an [updated paper on the impact of COVID-19 on ML/TF risks](#). Updates on FATF's work on COVID-19-related money laundering (ML) and terrorist financing (TF) risks and policy responses were provided by Ms. Mei-Lin Wang of the FATF Secretariat. The FATF has published several papers, including a public document that was published in May 2020, titled "[COVID-19 related ML/TF risks and policy responses](#)" representing work relative to the impact of the COVID-19 pandemic on the global AML/CFT landscape and its members' operation since March 2020.

FATF Updates on COVID-19 Updates

Delegates were advised that the FATF hosted four webinars on COVID-19 pandemic related issues for the public and private sector officials between July and September 2020. The July 30th, 2020 webinar will focus on examining the changing risk landscape and the July 31st, 2020 webinar will focus on the private sector response to COVID-19 pandemic. The webinars in September focused on international cooperation in light of the ongoing COVID-19 pandemic and strategies countries have taken to continue pursuing ML/TF investigations and prosecutions during the COVID-19 pandemic. An invitation was extended to delegates and other CFATF members to participate.

EGMONT Update

In relation to the Egmont Group (EG) Update/Report, one of the EG Americas Regional Representatives, Mrs. Anne Marie Kemna provided an update on some of the activities that have been undertaken by the Egmont Group (EG). Updates were provided on the outcomes of the EG and Committee Plenary that was held in January 2020 in Mauritius. In Mauritius, the four working groups of the EG convened and worked on their respective projects. The EG Americas Regional Representative provided a detailed report regarding the issues that were discussed in those meetings. The Egmont Centre of Excellence (ECOFEL) hosted several workshops at the meeting that addressed topics such as ML in relation to Illegal Wildlife Trade. Delegates at the meeting were also introduced to ECOFEL's new e-Learning platform. Delegates were informed of the publication of the "Customs – FIU Cooperation Handbook," which is the result of a collaborative effort between the EG and the World Customs Organization (WCO). This was one of the highlights of the outcome of works undertaken by the EG.

Reports/Updates by FIU Members

Updates were also provided for the Americas Regional Group meeting was held in Lima, Peru during the period March 3rd to 4th, 2020 as well as the Virtual EG Plenary that occurred in July 2020. The Americas Regional Group Meeting focused on the further capacity building in our region, improving regional information exchange, the impact of the trigger 3 procedure regarding technical compliance and effectiveness deficiencies on regional members, and enhancing the participation of our regional FIUs in the EG. There were also extensive discussions on public-public partnerships (PPPs), the combatting of corruption, and the impact and consequences of virtual assets and FINTECH on FIUs in their fight against ML and TF. The EG Plenary addressed



equipping FIUs with knowledge and expertise to better tackle the ML/TF risks associated with Virtual Assets/Virtual Asset Service Providers and Mobile Payment Services and FIUs having the ability to rapidly provide the widest range of international cooperation.

In the Meeting, regional FIUs provided oral and written updates relative to their activities including successes and challenges since the 30th Heads of FIUs Forum that was held in St. Johns, Antigua and Barbuda on November 19th, 2019. Updates were provided on the impact of the pandemic on their FIUs, best practices, ML/TF trends observed during the pandemic and policy responses. The jurisdictions that provided updates were Antigua and Barbuda, Anguilla, Aruba, Barbados, Belize, Bermuda, Cayman Islands, Curaçao, Dominica, Grenada, Guyana, Haiti, Montserrat, St. Kitts and Nevis, St. Vincent and the Grenadines, St. Lucia, Suriname, The Bahamas, British Virgin Islands, Trinidad and Tobago and Turks and Caicos.

Presentation by FIA Bermuda

A presentation was made by Mr. Sinclair White, Director of the Financial Intelligence Agency (FIA), Bermuda on the ‘Importance of having a Business Continuity Plan’. The presentation focused on some of the actions taken by the FIA to maintain its continuous operation whilst ensuring that the safety and security of its staff and information is not compromised. The FIA’s business continuity and security of information policies are largely based on the requirements and information contained in the FATF requirements (Recommendation 29- c.29.7) and the Egmont Group operational guide on “Security of Financial Intelligence Units”. The presentation also focused on some of the mitigation factors taken by the Bermuda FIA to ensure that there is minimal disruption to its service in the event that any of the threats are realized. Some of these mitigation factors include comprehensive data back-up, activating its disaster preparedness plans and continuous data protection and security. The presentation outlined some of the actions undertaken by the FIA to ensure that its operation was not severely impacted as a result of the pandemic. These actions include (1) ensuring that staff was protected, (2) providing essential staff with the necessary resources to work from home, including secure computers, (3) researching and further developing its existing policies to incorporate the pandemic and (4) informing stakeholders, including reporting entities about the status of its operation and actions to be taken in the event that urgent assistance is required.

The Secretariat provided an update on the status of the Regional FIUs Memorandum of Understanding (MOU). The forum was informed that several members provided feedback on the MOU. The Secretariat recommended that a separate meeting be held to discuss the MOU and requested that delegates provide feedback on the MOU prior to the meeting. The Chairman supported the call for delegates to provide written comments on the MOU.



Assessor Mentorship Programme

Background

The increasing intensity of the Mutual Evaluation processes and changes in the AML/CFT/CPF International Standards are circumstances that demand strengthening the resources engaged in the evaluations. The CFATF Assessor Mentorship Programme (AMP) is geared towards improving the technical AML/CFT/CPF capacity of trained assessors within the Region. The AMP aims to increase the pool of assessors suitable to conduct mutual evaluations, improve the quality output of the assessors on conducted mutual evaluations, ensure the production of timely reports of high quality, and increase the pool of resources for the follow-up and consistency processes.

AMP Team

Initially, the design of the AMP required the formation of a Team responsible for providing oversight and coordination of the programme. The proposal was for this Team to consist of two (2) Secretariat Staff and five (5) persons from the CFATF Membership. The CFATF Secretariat submitted calls to Members asking for the nomination of members for the AMP Team on June 1st and 16th, 2020. However, due to limited Member nominations, the Team was formed with five (5) members rather than seven (7). Members nominated are Mr. Garvin Gaskin, Director of Public Prosecutions of The Bahamas; Mrs. Tiffany Moss, Chief Compliance Officer of Registrar General's Department of The Bahamas, and Mr. Jean Candelaria, Sector Manager Account Supervision of the Central Bank of Curaçao and Sint Maarten. The Secretariat staff assigned to the team are Mrs. Dawne Spicer, Executive Director, and Mr. Héctor Sevilla, Legal Advisor.

AMP Work Plan

The AMP Team met for the first time virtually on October 6th, 2020 to approve its Work Plan, which is based on the following considerations:

- a. Length: The overall length of the plan is two (2) years, running from October 2020 until November 2022.
- b. AMP Team meetings: To ensure the timely execution of the first stages of the programme, the AMP Team will meet virtually in October and December 2020 and then in March and July 2021. Subsequent meetings will occur throughout the years 2021 and 2022. The Plan does not prevent the execution of extraordinary virtual meetings to address emerging issues.
- c. Learning method: Based on the concept note of the AMP and the current development of the COVID-19 pandemic, the Plan focuses on the development of an e-learning programme.
- d. Beneficiary assessors: The AMP Team agreed on asking Members to identify assessors that are available and suitable to participate as beneficiaries of the AMP.
- e. **Instructional material:** The preparation of resources may become the most time-consuming activity of the AMP; hence, the AMP Team seeks to leverage existing instructional material already in possession of the CFATF Secretariat and the Global Network (FATF/FSRBs).



- f. **Groups:** Beneficiary assessors will be distributed into groups to manage the different responsibilities derived from the Mentorship Plan. The Plan also contemplates the creation of a pilot group of assessors which will help to identify the positive and negative aspects of the original Mentorship Plan.
- g. **Mentoring period:** The Plan includes the execution of the mentoring activities in a period of two months, twice a year, that is, during April to May and October to November. During the first month, assessors will participate in virtual activities. It is expected that assessors attend a session during a Plenary week to participate in face-to-face activities, without prejudice that they may also be carried out virtually.
- h. **Resources:** The AMP Team concluded that it is not necessary to ask for a budget for the execution of the Work Plan. Furthermore, the Team intends to adapt and leverage the resources already existing in the Secretariat (including its IT unit, translators, and teaching material) and to the 11th EDF.

Beneficiary assessors

The identification of beneficiary assessors is the first stage of the AMP Work Plan. Hence, the Secretariat submitted calls to Members asking for the nomination of assessors on October 7th, 2020 with a second call on October 19th, 2020. Due to the limited Member nominations received, the pool of beneficiary assessors is ten (10) nominations: three (3) from Belize, two (2) from Curaçao, two (2) from Dominica and three (3) from El Salvador.

The AMP seeks to strengthen the technical capabilities of the largest number of trained assessors possible throughout the next two (2) years. The AMP recognises that different situations may inhibit Members from nominating beneficiary assessors, including the COVID-19 pandemic. The Team asks delegations to nominate more beneficiary assessors to the extent that it is possible given their current circumstances. On the other hand, delegations are invited to express any concern regarding the Programme that may have discouraged them from making nominations. If nominations continue to be limited, the AMP Team will examine alternatives that allow the achievement of the objectives and expected outcomes set out in the AMP Concept Note.



CFATF Asset Recovery Workshop

The CFATF Asset Recovery Workshop was held in collaboration with the Regional Security System- Asset Recovery Workshop (RSS-ARU) during the period October 26th to 30th, 2020. The Workshop was funded by United States Department of State and occurred virtually, due the COVID-19 pandemic. The workshop was attended by over 105 participants representing 21 CFATF member countries. Participants represented the following agencies: Police, FIUs, Customs, Tax Authorities, Prosecutorial Authorities, Attorneys General Offices and Civil Recovery Agencies. Participants were lectured in three specific areas, namely, money laundering, civil recovery, and confiscation.

Opening remarks were delivered by the Chairman of the CFATF and Director of the Office of National Drug and Money Laundering Control Policy (ONDCP), Antigua and Barbuda, Lt. Colonel, Edward Croft, Branch Chief, Bureau of International Narcotics and Law Enforcement Affairs (INL), John Koogler and Director of the RSS- ARU, Mr. Grenville Williams.

In his opening remarks, the CFATF Chairman welcomed participants to the workshop and indicated that the workshop was timely and important given the need for countries to focus on asset recovery and not only the predicate offence. The Chairman also gave an overview of assessed countries within the global network, including CFATF Member countries' performance in compliance with the FATF requirements. The Chairman highlighted that most of the assessed countries demonstrated that there are systems, such as adequate legal requirements in place to address confiscation and other provisional measures, with only minor shortcoming in some instances. However, a significant amount of those countries was found to have a low or moderate level of effectiveness in seizing, freezing and recovering of assets. The Chairman indicated that the findings of the Mutual Evaluation Reports of the assessed countries shows that there is disconnect between the technical compliance mechanisms, such as the laws and the actions taken by agencies involved in the recovery of assets. The Chairman requested that participants gain as much knowledge as possible from training and implement what was taught in executing their jobs.

The facilitators and trainers included persons with a wealth experience in investigating and prosecuting ML cases and confiscation from public and private sector agencies. The topics covered during the workshop included:

1. Confiscation and Provisional Measures- overview of the FATF requirements.
2. Presentation by participating countries on their asset recovery regimes.
3. The fundamentals of money laundering.
4. The value of parallel financial investigations.
5. Case Study- Parallel Financial Investigations.
6. Civil recovery- an analysis of key challenges.
7. Case Study- Civil Recovery.
8. Money laundering case studies.
9. Investigative tools (search warrants, production orders and restraint orders).
10. Case study- restraint orders.
11. Interview techniques.
12. Confiscation.
13. Preparation of Prosecution Statement/ Statement of information.



14. Case study- confiscation.

The highlight of the training was a case scenario that required participants to identify assets for confiscation and to draft a prosecution statement, outlining the defendant benefits and the extent of such. Having drafted the prosecution statement, one set of participants, in their capacity as the prosecution team were required to make an appearance before a Judge, outlining their confiscation case, whilst another group of participants was required to make an appearance as defence counsel to argue against confiscation. The intent of the exercise was to provide participants with hands-on/practical experience. Based on feedback received the exercise and overall training achieved its goals.

The CFATF Secretariat expressed its thanks and appreciation to the Honourable Chief Justice, Ivor Archie, Justice Gillian Lucky and the Judiciary of Trinidad and Tobago for also ensuring that the workshop was a success.



Joint Group of the Americas Face to Face Meeting and The Bahamas Hybrid Onsite

The FATF Joint Group of the Americas face-to-face Meetings are used to determine whether a country in the ICRG pool should have an Action Plan and where a country has an Action Plan determine prior to each FATF Plenary, a country's progress in the Action Plan. This allows the FATF Plenary to make a decision on the country's compliance status. The first Joint Group of Americas Meeting for 2020 took place January 6th to 11th, 2020 at the Office of the Attorney General and Ministry of Legal Affairs, Government Campus Plaza, Port of Spain Trinidad. This consisted of an on-site visit to Trinidad and Tobago as well as face-to-face meetings with The Bahamas, Jamaica, Barbados, Nicaragua and Panama. Based on the outcome of this meeting, Trinidad and Tobago was subsequently removed FATF's Compliance Document (informally called the 'grey list') in February 2020.

In June 2020, the FATF President paused ICRG processes and extend timelines for all countries because of the pandemic. This included a pause on ICRG reviews and extension of deadlines by one Plenary cycle (four months) for:

1. Action Plan items for listed jurisdictions
2. Post-Observation Period Reports for the Cayman Islands and Senegal
3. The schedule for other countries in or about to enter the ICRG Observation Period
4. On-site visit to The Bahamas

The Bahamas and FATF ICRG Process

The Fourth Round Mutual Evaluation Report (MER) of The Bahamas was adopted in May 2017 during the XLV CFATF Plenary held in Port of Spain, Trinidad and Tobago, and published in July 2017. Based on the results of the MER, The Bahamas was placed in the enhanced follow-up process.

In June 2017, The Bahamas entered the observation period in the FATF ICRG. This period is used to address deficiencies before possible public identification and formal review by the FATF. The FATF then prioritises the review of those countries with more significant financial sectors (i.e., USD 5 billion or more in financial sector assets). During the review process, the FATF considers the strategic AML/CFT deficiencies identified both in terms of technical compliance and effectiveness of measures in place, and any relevant progress made by the jurisdiction. If the FATF deems the progress insufficient to address its strategic deficiencies, the FATF develops an Action Plan with the jurisdiction to address the remaining strategic deficiencies.

The Bahamas' Observation Period ended in June 2018. Following the end of the Observation Period, a Post-Observation Period Report (POPR) was prepared and presented to the FATF ICRG in October 2018. The POPR indicated overall progress by The Bahamas on its MER recommended actions. However, there was consensus in the Joint Group of the Americas that The Bahamas had not made tangible and positive progress towards increasing effectiveness with respect to nine IOs. As a result, a draft action plan was annexed to the POPR, which was approved by the FATF Plenary.

In February 2020, the FATF ICRG discussed The Bahamas' fourth progress report on the implementation of its Action Plan and determined that country had largely addressed the items. Consequently, an on-site visit prior to the June 2020 FATF Plenary was recommended to verify the



sustained implementation of the AML/CFT reforms and continuity of the necessary political commitment. The on-site visit, which was scheduled for April 2020 was deferred due to the COVID-19 pandemic.

The Bahamas' Hybrid Onsite

The on-site visit to the Bahamas took place on November 10th to 11th, 2020. The visit was possible thanks to the participation of four JG members physically on-site: GAFILAT, France, UK, and the US. The meetings were also attended remotely by the European Commission, the FATF Secretariat, the CFATF Secretariat and the Americas JG Co-Chairs.

In attendance for the onsite visit were Mr. Esteban Fullin, Executive Secretary of GAFILAT who led the physical onsite and represented both the FATF and CFATF Secretariats who were unable to travel due to COVID-19 restrictions. Ms. Sabina Kook from the US Treasury, Mr. Aurélien Salvini, French Treasury and Mr. Martin Wyard from the UK Treasury also physical attended the onsite. The following persons attended the onsite virtually: Ms. Vyana Sharma and Ms. Mireya Valverde Okón, both Joint Group of the Americas Co-Chairs, Ms. Michela Maggi and Mr. Torben Fell from the European Commission, Ms. Dawne Spicer and Mr. Hector Sevilla of the CFATF Secretariat as well as Mr. Kevin Vandergrift and Ms. Mathilde Sabouret from the FATF Secretariat.

Several Bahamian authorities met with the Joint Group during the onsite visit, including the Compliance Commission, Financial Intelligence Unit (FIU), the Securities Commission of the Bahamas (SCB), Police, Gaming Board of the Bahamas (GB), Office of the Attorney General (OAG), Office of the Director of Public Prosecutions (ODPP), Central Bank of the Bahamas (CBB), Gaming Board of the Bahamas (GB), Ministry of Justice, Police, Insurance Commission of The Bahamas and representatives from private sector institutions.

The CFATF Secretariat provided advice and guidance to The Bahamas and intervened as necessary.

The Americas Joint Group in its report to the FATF Plenary indicated that The Bahamas was implementing the required measures and that they could be sustained.

Due to the progress of the jurisdiction from the on-site visit, in December 2020, the FATF Members approved the de-listing of The Bahamas from the list of Jurisdictions under Increased Monitoring (Compliance Document/grey list) on December 18th, 2020. The Bahamas is therefore no longer subject to the FATF's increased monitoring process but will continue to work with CFATF to further improve its AML/CFT regime.





Photo: Financial Action Task Force (FATF) officials during the JG of the Americas on-site visit. From left are Aurélien Salvini (France); Sabina Kook (United States of America); Minister of Financial Services, Trade and Industry and Immigration Elsworth Johnson; Martin Wyard (United Kingdom); Prime Minister Dr. Hubert Minnis; Sergio Fullin, head of the FATF delegation; Hon. Carl Wilshire Bethel, Q.C., MP, Deputy CFATF Chairman and Attorney General and Minister of Legal Affairs of The Bahamas and Minister of Foreign Affairs Darren Henfield.

Visit by Her Excellency Ambassador Tania Diego Olite to the CFATF Secretariat

On November 20th, 2020 Her Excellency Tania Diego Olite, Ambassador of Cuba paid a courtesy visit the CFATF Secretariat and had discussions with the Executive Director. The Ambassador emphasized the need within the Caribbean region to continue to combat money laundering (ML) and terrorist financing (TF). Her Excellency also referred to the measures that Cuba has taken to improve governance and its commitment to fighting ML and TF.



The Virtual Caribbean Conference on Corruption, Compliance and Cybercrime

The virtual Caribbean Conference on Corruption, Compliance and Cybercrime was held on December 8th, 2020 and hosted by the Caribbean Development Bank (CDB) and the World Bank Group. The Conference convened thought-leaders from across the world to share and discuss new challenges and solutions for corruption, compliance, and cybercrime in the Caribbean.

Apart from the CFATF Chairman, Col. Croft and ED Dawne Spicer, speakers included experienced global anti-corruption practitioners, anti-money laundering specialists, cyber-crime professionals, development bankers, policy makers, regulators, law enforcement personnel, academics, private sector representatives and civil society leaders.



Photo: Lt. Col. Edward Croft, Director of the Office of Drug and Money Laundering Control Policy of Antigua and Barbuda and Chairman of the CFATF for the period November 2019-December 2020 participates in the Conference.

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 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 on the 40 Recommendations that indicate how well the assessed country has met the technical compliance requirements and of the other 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 informs the conduct of the mutual evaluation and follow-up processes.

(See Annex 1 for a detailed illustration of the Mutual Evaluation Process and Annex 2 for a detailed illustration of the Follow-up 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, and approves the report as final. Subsequently, the report undergoes a post-Plenary Q and C review. This review is mandatory for all mutual evaluations. The review ensures a consistently high standard for all assessments conducted in the FATF Global Network. If the review reveals inconsistencies, then the report is referred back to the relevant assessing body and the FATF EGC. Where there are no inconsistencies, the report is cleared 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 2019-December 2020, the CFATF conducted two plenary meetings.

1. The CFATF L Plenary and Working Groups Meetings were held during the week of 24th - 29th November, 2019 in St. John's, Antigua and Barbuda where the Mutual Evaluation Reports of the Turks and Caicos Islands and Bermuda were adopted.
2. The CFATF LI **first** Virtual Plenary and Working Groups Meetings were held during the period 20th November 2020 to December 11th 2020 where the Mutual Evaluation Report of St. Lucia was adopted.



CFATF LI December 2020 First Virtual Plenary Highlights

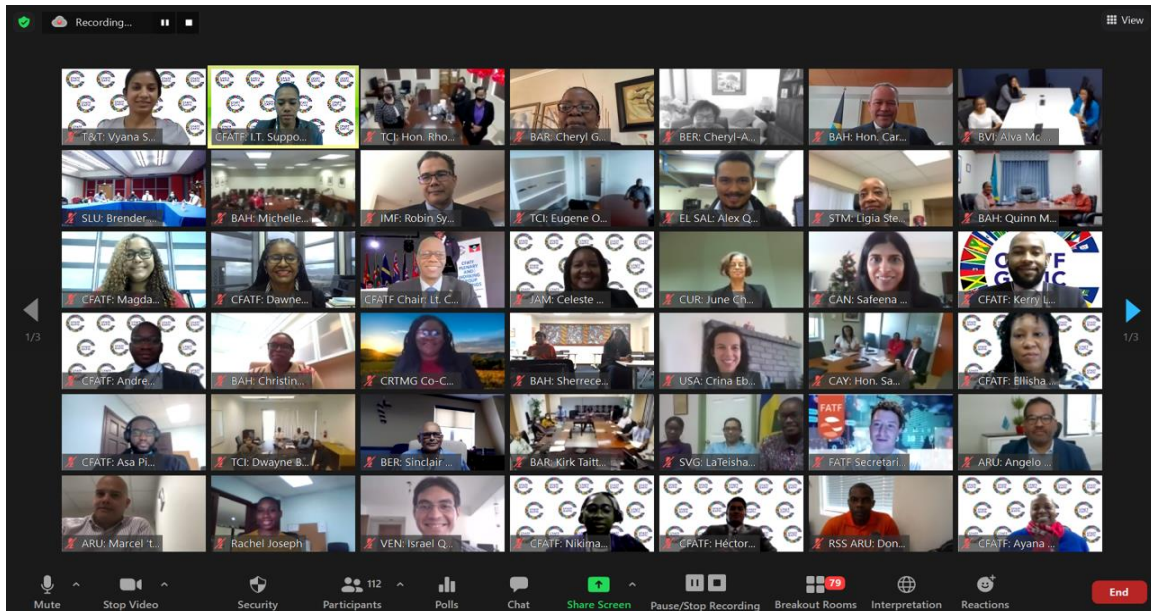
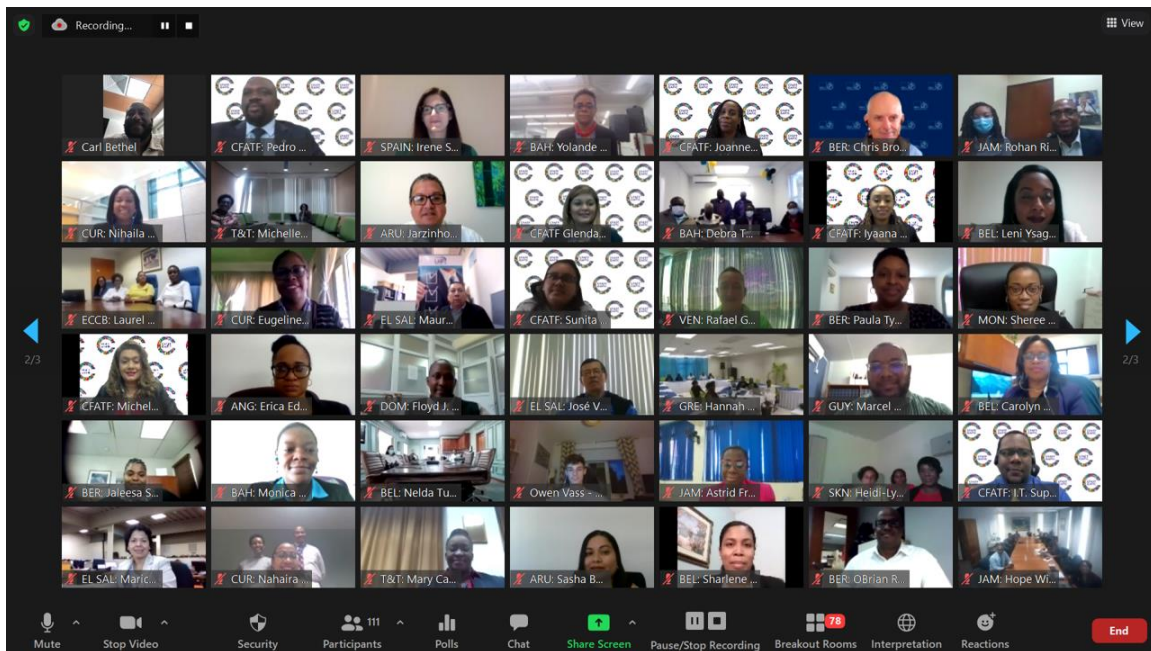
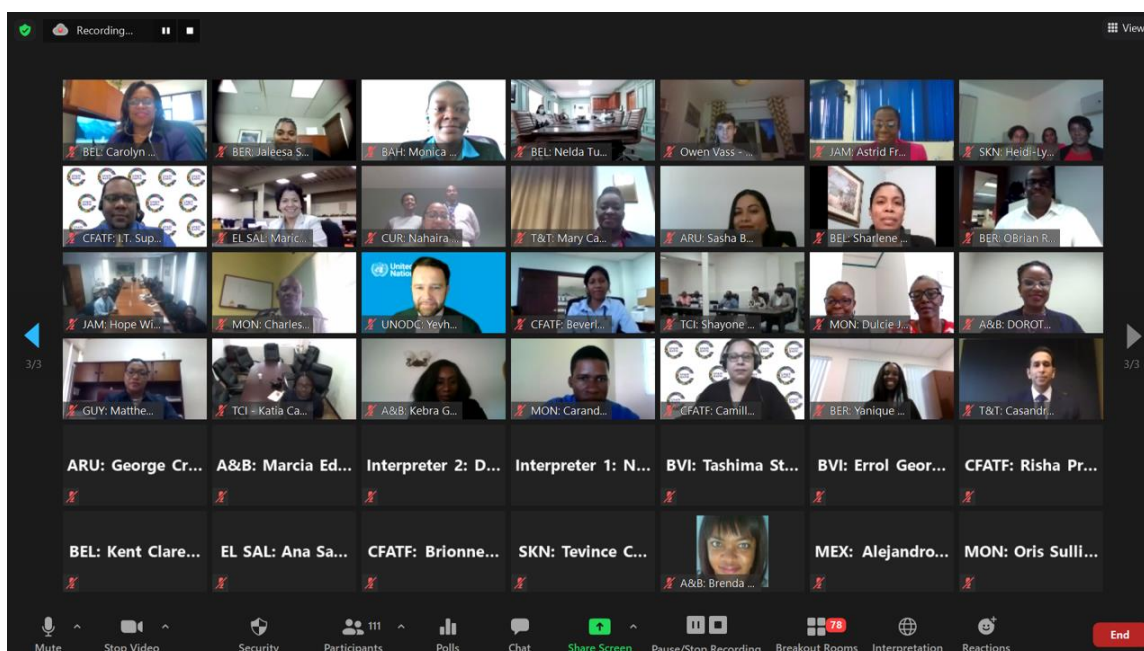


Photo: Lt. Col. Edward Croft, Director of the Office of Drug and Money Laundering Control Policy of Antigua and Barbuda and Chairman of the CFATF for the period November 2019-December 2020 (from left third column and third photo down) and participants at the LI Plenary and Working Groups meetings held in virtually during the period 9th -11th December 2020.





Photos: Participants at the CFATF LI Plenary and Working Groups meetings held virtually during the period 9th -11th December 2020.

Port-of-Spain, Trinidad and Tobago, (Virtually) December 2020 – Outgoing CFATF Chairman, the Honourable Lt. Col. Edward Croft, Director of the ONDCP of Antigua and Barbuda chaired the CFATF LI Plenary and Working Groups meetings which commenced virtually on 20th November 2020 and concluded on 11th December 2020.

This represented the final Plenary over which the **Honourable Lt. Col. Edward Croft** presided as he passed the baton to the **Honourable Carl Wilshire Bethel, Q.C.** Attorney General and Minister of Legal Affairs of The Bahamas who will hold the position of CFATF Chairman for the period November 2020 to November 2021. The Deputy Chairmanship is now held by Bermuda.

The main issues dealt with by this Plenary were:

1. Mutual Evaluations

- Discussion of the Mutual Evaluation Report (MER) of St. Lucia: The CFATF LI

Plenary discussed the MER of St. Lucia which was prepared on the basis of the FATF Methodology and 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 MER following discussions at both the CFATF Working Group on FATF Issues (WGFI) meeting and at Plenary. The MER is now being prepared for the post-Plenary Quality and Consistency (Q&C) process and will be published once the process is concluded.



2. Adoption of Amendments to the CFATF Procedures for the Fourth Round of AML/CFT Mutual Evaluations

- Amendments to the **CFATF Procedures for the Fourth Round of AML/CFT Mutual Evaluations** (“The CFATF Procedures”) were adopted as necessary to ensure alignment with the Universal Procedures and are intended to strengthen the mutual evaluation process with the aim of better-quality Mutual Evaluation Reports (MERs). Please see WGFI outcomes below for further information.

3. CFATF International Co-operation Review Group (ICRG) Matters

- Discussion and adoption of Jamaica’s 3rd Follow Up Report (FUR)
- Approval of Sint Maarten’s exit from the Third Round of Mutual Evaluations
- Follow-up Process for Barbados and Cayman Islands’ FURs with re-ratings

4. Other Working Group Meetings held virtually:

- [CFATF Heads of FIU Forum \(20th November 2020\)](#)

Members continue to adjust to the changing risk environment within their respective jurisdictions. The CFATF conducted a virtual ‘Heads of FIU’ meeting on November 20th, 2020, which allowed Members to share experiences regarding the adjustment of their supervision

and monitoring of entities as their detection of evolving trends. Some CFATF Members have indicated that they are experiencing similar changes in criminal behaviour as reported by other regions (increase in fraud and cybercriminality), however some Members have been able to harness the use of new technologies. The CFATF Secretariat published the second instalment of a document entitled, [“The Coronavirus \(COVID 19\) Pandemic Impact on the operations of CFATF FIUs, ML/TF trends identified and policy responses”- 2nd publication](#) on October 8th, 2020.

- [CFATF Risk Trends and Methods Group \(CRTMG\) \(26th November 2020\)](#)

In November 2020, the CFATF completed a compilation of cases based on regional money laundering and terrorist financing investigations. The report categorises these cases, some of which show money flows across corridors; fraud involving politically exposed persons; and COVID-19 related fraud. Click [here](#) to access.

- [CFATF Working Group on FATF Issues \(WGFI\) \(30th November - 1st December 2020\)](#)

5. Other Updates Received

- Supervision Project funded by the Government of the United Kingdom of Great Britain and Northern Ireland (“the UK”) and the Government of Canada (“Canada”)



- 11th European Development Fund Implementation of the Mutual Evaluation Programme Project
- Updates from the Group of Co-operating and Supporting Nations (COSUNs) and Observer Organisations

6. CFATF Governance

For the period December 2020/November 2021, the

Chairmanship of the CFATF is held by **The Bahamas** represented by **the Honourable Carl Wilshire Bethel, Q.C.** Attorney General and Minister of Legal Affairs. The Deputy Chairmanship is held by Bermuda. The position of Immediate Past Chair is held by **Antigua and Barbuda**, represented by **Lt. Col. Edward Croft**, Director of the ONDCP, which ensures the tripartite governance of the CFATF.





Photo: On the left, the **Honourable Carl Wilshire Bethel, Q.C.** Attorney General and Minister of Legal Affairs of The Bahamas and the Deputy Chairman of the CFATF November 2019- December 2020. On the right, **Lt. Col. Edward Croft**, Director of the ONDCP of **Antigua and Barbuda** and the Chairman of the CFATF November 2019- December 2020.



Council of Ministers Meeting

The Council of Ministers (COM) Meeting during the reporting period November 2019-December 2020 was held virtually on October 1st and 2nd, 2020. The COM supported the nomination of Bermuda as Deputy Chair for the period 2020/2021.

- Oral Report presented by Cooperating and Supporting Nations (COSUNs), FATF Secretariat and CFATF Observers

Highlights of this meeting:

- The CFATF's 4th Round Schedule was amended to reflect a one-year postponement of all CFATF MEVALs.
- The Incoming Chair's Work Programme 2020/2021 was approved.
- The draft audited financial statements for 2019 were reviewed and approved by the Council of Ministers subject to any material changes that may be required.
- The CFATF Strategic Plan 2020-2023 was approved.
- Presentation of Report on the ongoing implementation of the Chairman's Work Programme 2019/2020.
- The Staff Training and Development Policy was approved. The Extended Sick Leave Policy was also approved and will be inserted in the CFATF's Personnel Management Policy.
- The new Steering Group for December 2020 to November 2022 was elected.
- The Operational Work Plan and Budget 2020 was approved, with an agreement for a discounted Annual Membership Contribution for 2021.
- Application for CFATF Membership by Panama was deferred. CFATF Observer Status was granted to Germany.



Looking Ahead

Our successes during the 2019/2020 period would not have been possible without the collective efforts of all Members and I pledge to support the Honourable Carl Wilshire Bethel, Q.C. Attorney General and Minister of Legal Affairs of The Bahamas as the incoming Chair of CFATF and Bermuda as the Incoming Deputy Chair. I remain committed to providing support to ensure the continued building of a strong and respected

CFATF. I also wish to 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 Members and our regional and international partners.

Lt. Col. Edward Croft

Chairman of the CFATF

November 2019- December 2020

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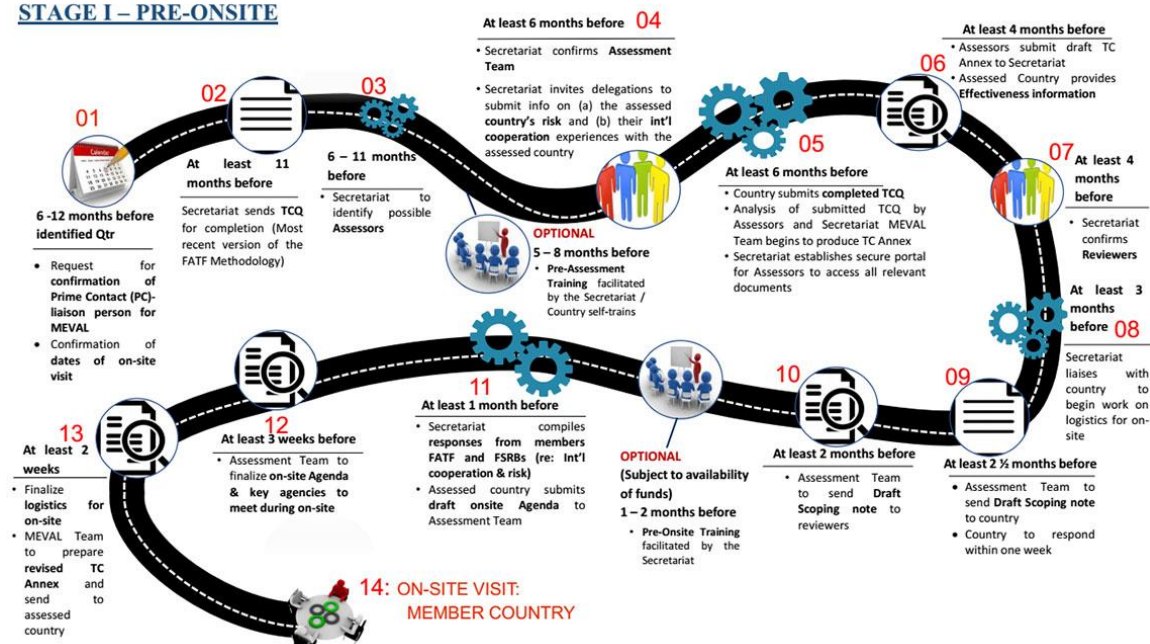
*Caribbean Financial Action Task Force
February 22, 2021*

Annex 1- The Mutual Evaluation Process (Flowchart)

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

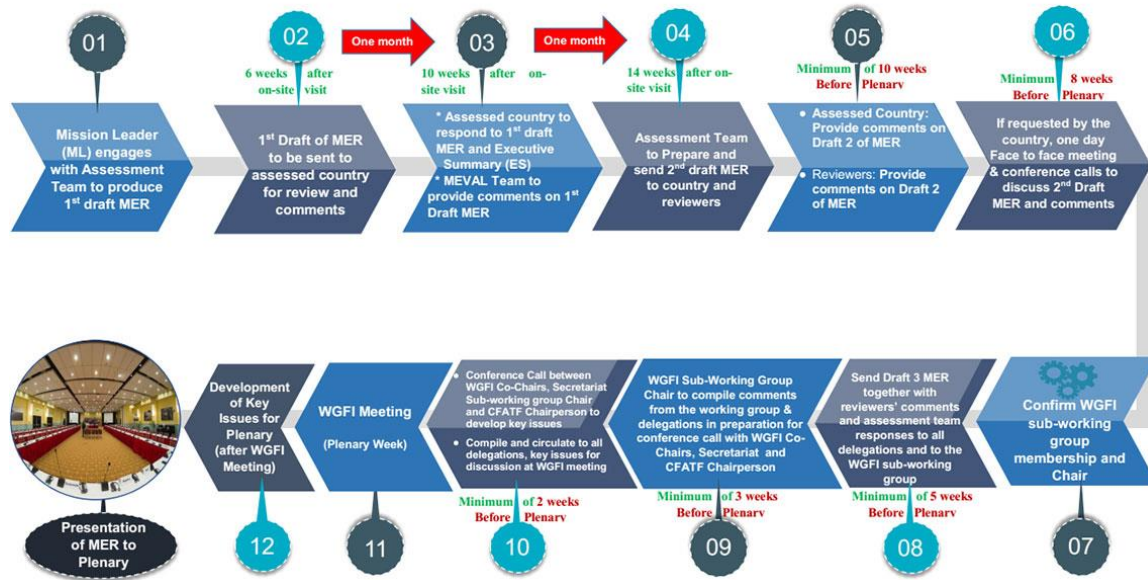
- I. Stage I: The Pre-Onsite Process
- II. Stage II: The Post-Onsite Process

I. Stage I: The Pre-Onsite Process

STAGE I – PRE-ONSITE

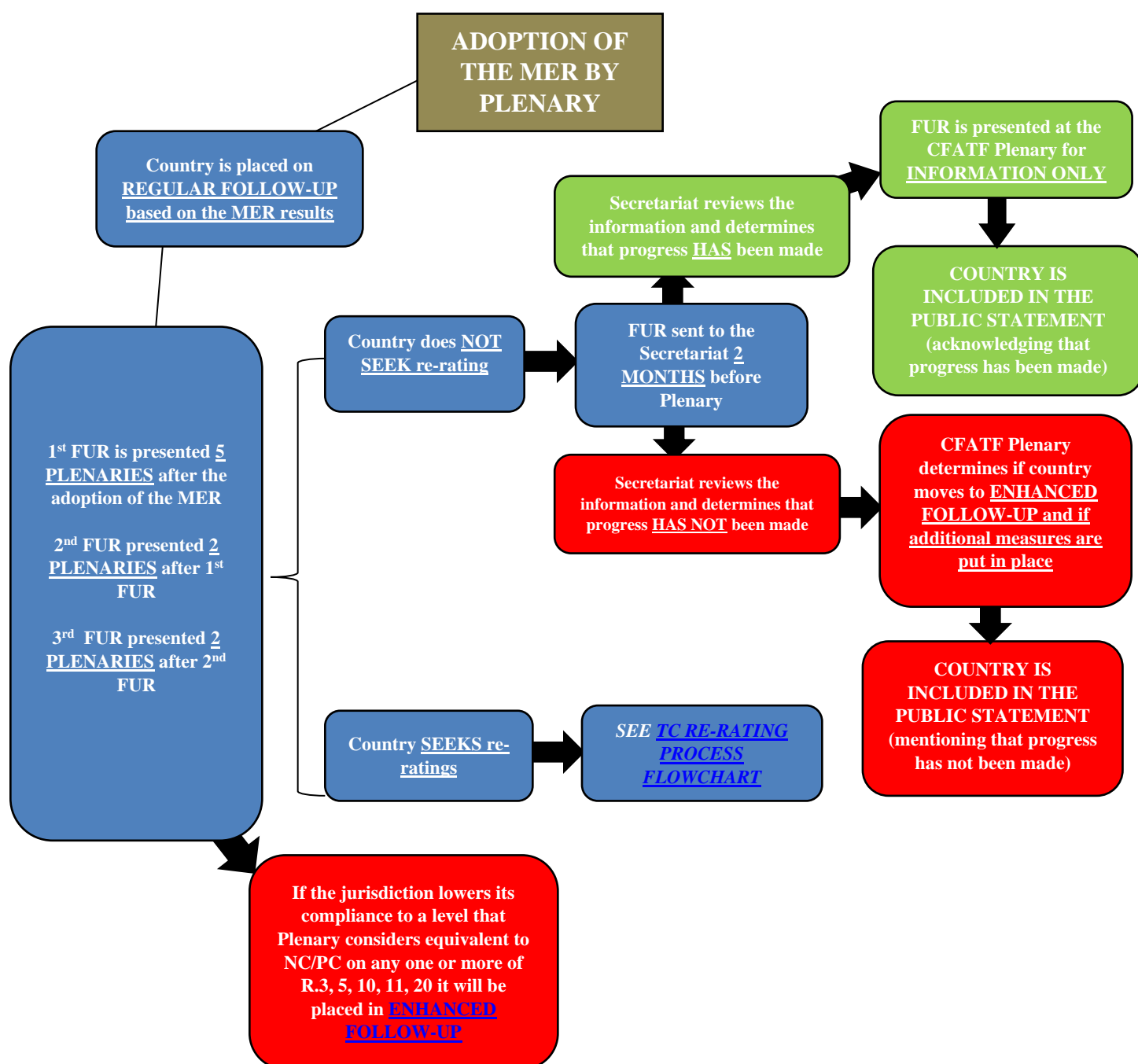
II. Stage II: The Post-Onsite Process

STAGE II – POST-ONSITE

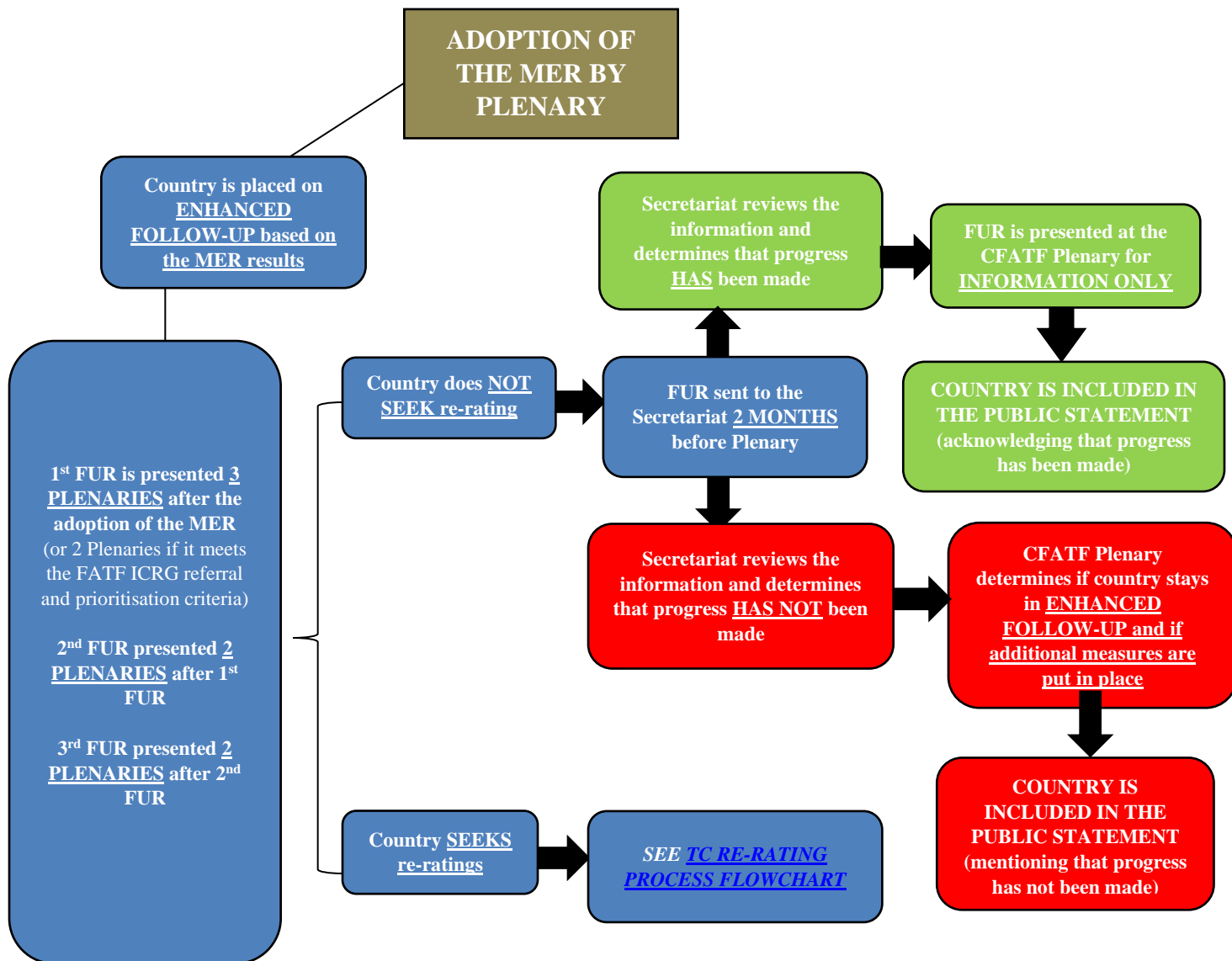


Annex 2 - CFATF Follow-up Process Flowchart

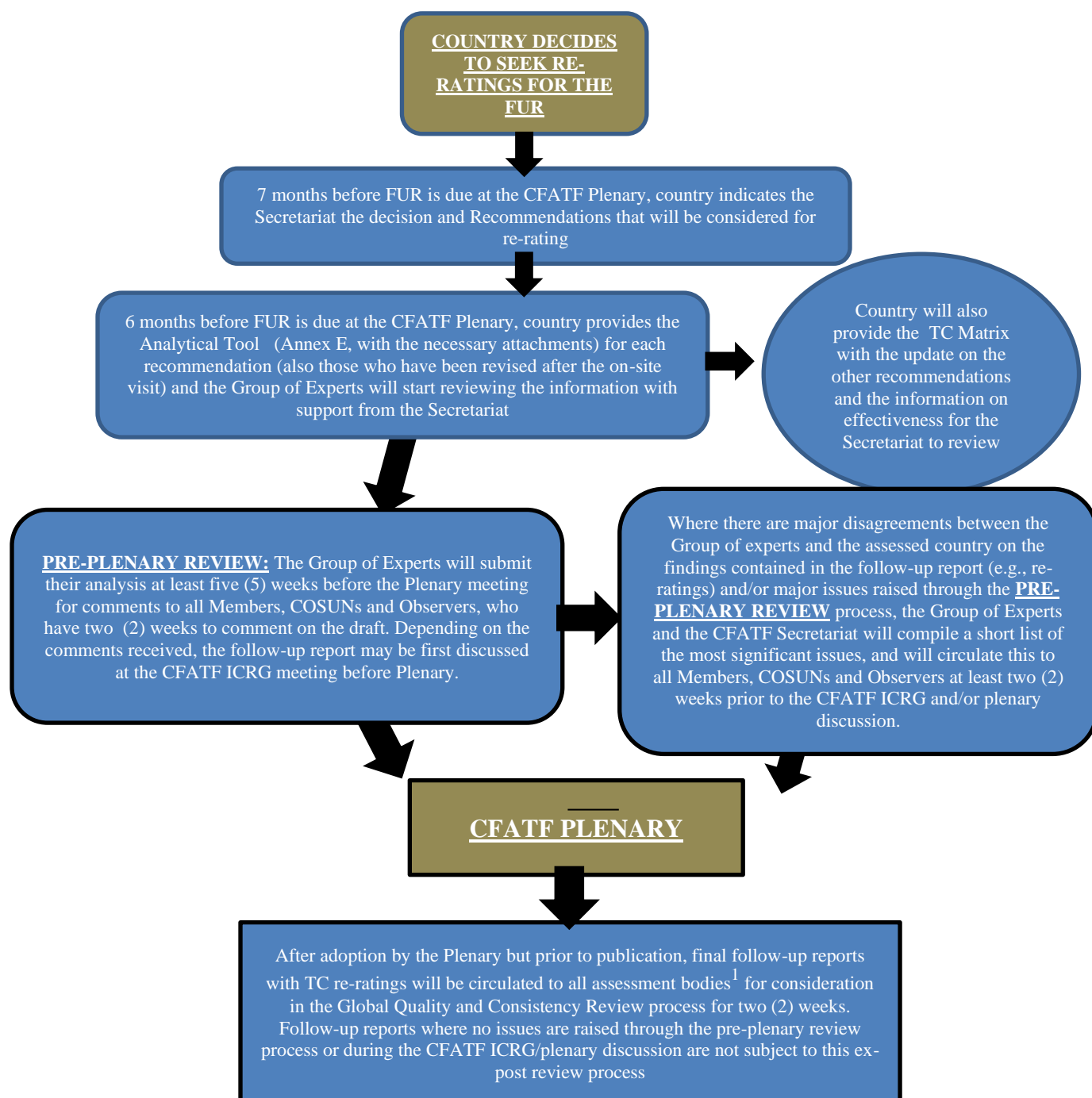
Regular Follow-up



Enhanced Follow-up



TC Re-rating Process Flowchart



Annex 3 -CFATF Observers

- 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 Commission
- European Union
- Germany⁷
- Guatemala
- 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
- Regional Security System- Asset Recovery Unit (RSS-ARU)
- The World Bank Group
- World Customs Organization

⁷ Germany was approved as an observer at the Council of Ministers meeting held October 1st –2nd, 2020.



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	Centre 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



HRC	Human Resources Committee
ICRG	International Co-operation Review Group
ICS	Innovation for Citizen services
IFD	Institutions for Development
IMF	International Monetary Fund
MER	Mutual Evaluation Report
MEVAL	Mutual Evaluation
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
ONDCP	Office of the National Drug and Money Laundering Control Policy
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

