

FATF Methodology – Effectiveness Assessment Immediate Outcome 9

As foreshadowed in the Q3 NAMLC Quarterly newsletter, in this edition, Immediate Outcome (IO) 9 will be examined as part of the ongoing feature on the Immediate Outcomes (IO) of the FATF's Methodology for assessing technical compliance with the FATF Recommendations and the effectiveness of AML/CFT systems. IO.9 is one of the three Immediate Outcomes in the Methodology which deals with terrorist financing (TF), the other two being IO.10 and IO.11.

Overview of Immediate Outcome 9



The statement of effectiveness of IO.9 is **“Terrorist financing offences and activities**

are investigated and persons who finance terrorism are prosecuted and subject to effective, proportionate and dissuasive sanctions.” This outcome relates primarily to Recommendations 5, 30, 31 and 39, along with elements of Recommendations 1, 2, 32, 37 and 40. The Recommendations noted deal with a variety of measures including, the criminalisation of terrorist financing (TF); the ML/TF investigative responsibilities and powers of law enforcement and investigative authorities; the status of terrorist financing and money laundering (ML) offences as extraditable offences; the assessment and understanding of terrorist financing risk; the assessment and consistent review of national AML/ATF policies; the detection of physical cross-border transportation of currency and bearer negotiable instruments; and the provision of mutual legal assistance/international cooperation, particularly in respect to matters concerning terrorist financing.

This IO affects a number of agencies in Bermuda, including the Bermuda Police Service (BPS), the Department of Public Prosecutions, the Attorney-General's Chambers and possibly Customs. Additionally, given the Governor's statutory remit under Bermuda's sanctions regime, that office is also affected by IO.9. This list is not exhaustive and additional entities that may be affected by this IO will have to demonstrate that they have assessed their TF risk and taken appropriate action to mitigate the risk.



SPECIAL POINTS OF INTEREST:

- FATF Methodology – Effectiveness Assessment Immediate Outcome 9 1
- FATF Guidance on AML/CFT-Related Data and Statistics 4
- Summary of Outcome of CFATF Plenary – November 2015 6
- Summary of Outcome of FATF Plenary & Special Plenary 7

INSIDE THIS ISSUE:

- Agency Reports 8
- Minister of Legal Affairs Issues Further Advisory 11



Characteristics of an effective system: – IO.9 characterises effectiveness as:

Terrorist financing activities are investigated; offenders are successfully prosecuted; and courts apply effective, proportionate and dissuasive sanctions to those convicted. When appropriate, terrorist financing is pursued as a distinct criminal activity and financial investigations are conducted to support counter terrorism investigations, with good co-ordination between relevant authorities. The components of the system (investigation, prosecution, conviction and sanctions) are functioning coherently to mitigate the terrorist financing risks. Ultimately, the prospect of detection, conviction and punishment deters terrorist financing activities.

The Core Issues to be considered for IO.9: – Pursuant to the characteristics set out above in respect of IO.9, the essential issues to be considered by assessors in determining the effectiveness of IO.9 are set out in 5 Core Issues (9.1-9.5). The Core Issues assessors must consider when assessing a country's compliance with IO.9 are summed up as follows:

- i To what extent are the different types of TF activity prosecuted and offenders convicted; and are the findings consistent with the country's TF risk profile?
- ii How well does the country identify and investigate TF cases, and to what extent do the investigations identify the specific role played by terrorist financiers?
- iii To what extent is the investigation of TF integrated with, and used to support, national counter-terrorism strategies and investigations (an example would be the identity and designation of terrorists)?
- iv How appropriate are the sanctions that are applied to natural and legal persons convicted of TF offences?
- v To what extent is the objective of the outcome achieved through employing additional criminal justice, regulatory or other measures to disrupt TF activities where it is not practicable to secure a TF conviction?

When determining whether the country is effective in respect of IO.9, the Methodology requires Assessors to bear in mind that there may be elements of this IO that involve sensitive material, i.e. material gathered for national security purposes, that countries may make available to assessors. The Assessors

should also consider the level of international co-operation that the country's competent authorities are involved in (e.g. law enforcement and prosecutorial agencies' mutual cooperation with foreign counterparts).

The information the Assessors will use in making a determination will be information provided by the assessed country. Specific information that the country can highlight to support or strengthen their position with regard to demonstrating effectiveness in accordance with IO.9 includes: examples of TF investigations and prosecution, and cases where other criminal offences or sanctions are pursued instead of TF convictions; statistics or information on TF investigations and prosecutions; the proportion of cases leading to TF prosecutions, a breakdown of the type of TF prosecutions and convictions; sanctions imposed for TF offences; a comparison of sanctions imposed for TF offences vis-a-vis sanctions imposed for other criminal activity; and the types and level of disruptive measures applied to combat TF. Where a country has no investigations or convictions for TF and their National Risk Assessment has deemed the jurisdiction as low risk for TF the country could highlight the resources (including intelligence), policies and processes in place to consistently monitor the TF risk and to deal with TF investigations and prosecutions should this become an issue.

The Methodology also sets out 10 examples of specific factors that could support the conclusions on Core Issues, and these examples basically set out factors to be considered. These factors in essence examine the policies, processes, strategies, coordination mechanisms and resources countries have in place to combat TF. By way of example, the extent and time frame that competent authorities take to obtain and access financial intelligence and other relevant information for TF investigations and prosecutions; and whether dedicated units are in place to investigate TF, are matters that the Assessors will consider in determining whether the Core Issues of IO.9 can be answered affirmatively for the country.

It is important to note that the assessed country will have to justify its position in respect of its TF regime. Thus, if the country deems itself a low risk for TF, the country will have to demonstrate this by reference to the findings of its national risk assessment. Additionally, even where the country establishes it has low TF risk, there has to be adequate measures, processes and policies in place to monitor the situation and to be able to take appropriate steps if the risk increases.

Where does Bermuda Stand?

Bermuda's sanctions regime is an area that Government is steadfast in its efforts to improve. Accordingly, given Bermuda's status as a British Overseas Territory, work is being done in conjunction with Government House and the Foreign and Commonwealth Office to address areas identified as needing legislative and operational changes. Additionally, in 2016 Government intends to update the National Risk Assessment (NRA) by carrying out an assessment of the terrorist financing risk in Bermuda, using an updated module provided by the World Bank. This module was not used in 2013 when the initial NRA was conducted. The findings from this exercise will assist Government to understand the TF risks and therefore to be able to allocate resources according to the areas identified as being of greatest concern for Bermuda.

It should also be noted that in 2015, through its participation in FATF's Terrorist Financing Fact Finding Initiative, the Government demonstrated its commitment to having a better understanding of the areas where additional work is required. This initiative asked probing questions about the efficiency, timeliness and comprehensiveness of countries' implementation of the UN's targeted financial sanctions vis-à-vis FATF Recommendations 5 and 6, and in so doing focussed on the areas most likely to be examined by assessment teams when assessing the effectiveness of the regime. This was therefore a beneficial learning exercise and the work will continue apace to address the issues identified.





In October 2015, FATF published guidance on the collection, maintenance and presentation of AML/CFT related statistics, to assist in meeting the requirements of FATF's Recommendation 33 (R.33). The publication also provides advice on how to analyse such statistics; and gives concrete examples of the types of statistics that may be useful in establishing the effectiveness of countries' AML/CFT systems under the 2013 FATF Methodology.

R.33 of the 2012 FATF Recommendations requires countries to maintain comprehensive statistics on matters relevant to the effectiveness and efficiency of their AML/CFT systems. It specifies the areas on which statistics should be maintained, to include suspicious transaction reports (STR) received and disseminated, money laundering investigations, prosecutions and convictions, among several others. In the guidance, FATF references the importance of quantitative data and statistics as complements to qualitative information, in supporting a country's submissions on the effectiveness of its AML/CFT systems, vis-à-vis the eleven (11) Immediate Outcomes (IO) identified in the FATF Methodology. However, FATF notes that in addition to supporting effectiveness assessments, high-quality AML/CFT statistics can bring other important benefits, such as providing essential material on which national risk assessments are built. The use of high-quality statistics as a key input for a national risk assessment allows authorities to measure threats

more accurately, thereby ultimately facilitating more appropriate allocation of resources to mitigate risk.

It is noted, however, that there are well-known difficulties associated with the collection, analysis and presentation of statistical information. The publication highlights the following five challenges that must be understood by countries, if they are to establish good AML/CFT statistical practices:

- The presence of multiple stakeholders in the ownership of dataset;
- The reporting of incompatible data generated from similar or related information;
- The lack of clear and widely accepted definitions for AML/CFT-related indicators;
- The existence of fragmentation and system differences across AML/CFT agencies resulting in a lack of coherence through the AML/CFT operational chain; and
- Lack of international agreement or consensus on what types of AML/CFT data are to be collected.

In order to counteract these challenges, the publication lays out guiding principles that should help countries to enhance the coherence and utility of AML/CFT related data. In sum it is recommended that:



1. Countries should ensure that data reflects national (as opposed to regional or agency by agency) information.
2. Data should be compiled on an annual basis and countries should have protocols to ensure that double counting is avoided, so that for example, a single investigation should only be counted once and not for every year during which it is ongoing. Where more than one agency has a stake in particular AML/CFT activity, care should also be taken to ensure that the activity is accounted for only once in a given year and not duplicated by simply aggregating the statistics from each involved agency.
3. Where multiple agencies are compiling related data, steps should be taken to harmonise their approaches to ensure consistency in the way the collated data of all the agencies are presented.
4. Steps should also be taken to ensure that there is transparency in the designations and other terminology used in collecting and presenting data, by providing exact and clear definitions for the terms used. For instance, for the sake of clarity countries should clearly delineate what is comprehended within the meaning of the terms 'prosecutions' and 'investigations', as differences in legal and law enforcement systems can result in a wider or narrower array of practices and activities being factored into these terms than might generally be the case.

Various other principles are outlined in the publication and recommendations are made on the national organisation and coordination of data collection, with the starting point being the establishment or identification of a lead agency or coordination mechanism, which has ultimate responsibility for the data collection process across agencies at the national level.

Guidance is also provided on the analysis of data and statistics, emphasising the importance of appropriate contextual information when considering data and statistics, in light of the limited value of raw data. Given the fact that countries are responsible for demonstrating the effectiveness of their AML/CFT systems, it is their duty to present their data/statistics together with information and analysis which indicate, in the context of their individual national circumstances, that the

respective Immediate Outcomes have been achieved. The starting point of describing the specific circumstances of a country's AML/CFT regime is presenting information to aid in understanding the country's money laundering and terrorist financing risks and context, along with the elements which contribute to them. The publication therefore outlines a number of matters to be taken into account when undertaking analysis of data and statistics and when presenting them in support of a country's assessment on effectiveness.

Finally, section IV in the publication is focused on providing examples of a wide array of useful AML/CFT statistics, based on the 11 Immediate Outcomes; with more granular examples provided based on the core issues in each Immediate Outcome. Individual agencies will find these examples very useful in rationalising their own data collection strategies; while lead agencies can use these examples as a guide to focussing their coordination activities, to ensure that the best types of statistics are being captured to build the national case. FATF makes the point at the beginning of this publication that the guidance provided is non-binding and is only meant to offer a non-exhaustive list of options for collecting and using statistics to complement available qualitative information. Therefore, users of this guidance should bear in mind that the examples provided in section IV of the publication are non-exhaustive and are therefore not the only types of statistics that can be collected, and indeed, depending on the circumstances, may not even be the best types of statistics for a particular country.

This guidance is however an excellent source of beneficial information on how to collect and utilise high-quality AML/CFT data and statistics and should prove useful to competent authorities, AML/CFT regulated entities, AML/CFT policy makers and analysts, among others. The full publication is available on FATF's website at:

<http://www.fatf-gafi.org/publications/fatfrecommendations/documents/aml-cft-related-data-statistics.html>



The Caribbean Financial Action Task Force (CFATF) held its XLII Plenary Meeting in Port of Spain, Trinidad from 23rd to the 28th November, 2015. The Attorney-General of Trinidad and Tobago, the Honourable Faris Al-Rawi assumed responsibilities as Chairman of the CFATF, while the Attorney-General of the Turks and Caicos Islands, the Honourable Rhondalee Braithwaite-Knowles, commenced her term as Deputy Chair.

Key decisions coming out of the Plenary included two Member countries exiting the follow-up process, namely Anguilla and The Bahamas, as a result of completing their reporting requirements. Additionally, another Member country, the Turks and Caicos Islands, exited the CFATF ICRG monitoring process, having made significant progress in addressing its AML/CFT deficiencies, demonstrating their progress in complying with the FATF standards. Of particular note, the Plenary highlighted the

fact that both Suriname and Guyana had not made sufficient progress in addressing their deficiencies, having regard to their failure to comply with the Action Plans they had each developed in consultation with the CFATF in order to address those deficiencies. The CFATF therefore called on its members to consider the risks arising from the AML/CFT deficiencies associated with both Suriname and Guyana.

The CFATF Plenary also considered the Mutual Evaluation Report of Trinidad and Tobago, the first Member country to be evaluated in the CFATF's Fourth Round Mutual Evaluation programme. The Report for Trinidad and Tobago is still going through the mandated finalisation processes established under the Fourth Round procedures; and the final Report will be available on CFATF's website at the conclusion of this process.



The Financial Action Task Force (FATF) held its first Plenary meetings of the year FATF-XXVII on October 21–23, 2015. However, following the spate of terrorist atrocities which occurred after those meetings, the FATF convened a Special Plenary Meeting on Terrorist Financing on December 12–14, 2015.

Key decisions made at the October Plenary included the revision of the Interpretive Note to Recommendation 5, to address the threat from foreign terrorist fighters; adopting a report identifying emerging terrorist financing risks; adopting a typologies report on the physical transportation of cash; and adopting two reports providing guidance on data and statistics, as well as on the risk-based approach to effective supervision of the financial sector and effective enforcement by Law Enforcement. The Plenary also discussed the findings of a FATF fact finding initiative on the level of worldwide compliance with Recommendations 5 and 6. This discussion resulted in a decision that FATF and the FATF Style Regional Bodies (FSRBs) would take decisive action in relation to those jurisdictions identified as not having criminalised terrorist financing or not being able to implement targeted financial sanctions. Another major issue discussed was the mutual evaluation report of Italy, which had been conducted by the International Monetary Fund. Plenary discussed the IMF team's key findings, priority actions and recommendations regarding Italy's AML/CFT

regime. The report will be finalised and published after the FATF has concluded its quality and consistency review of it. As is usual, the Plenary also approved the publication of two public documents, which identify jurisdictions that may pose a risk to the international financial system.

At the Special FATF Plenary in December, operational experts from the Egmont Group of Financial Intelligence Units, as well as law enforcement, security and intelligence agencies came together and shared information and discussed lessons learned from the terrorist attacks that had recently occurred. There was discussion on the state of knowledge regarding financing of ISIL, and FATF undertook to work closely with a number of international bodies to advance the understanding of ISIL-related financing. FATF also decided to develop up-to-date terrorist financing indicators to share with the private sector, in order to advance their level of understanding of the risks. Key decisions made also included the reiteration of the plan to initiate follow-up measures for countries which have not criminalised terrorist financing or do not apply targeted financial sanctions; as well as the plan to determine at the February 2016 FATF Plenary, whether there are areas in the FATF Standards that can be strengthened, such as to better reflect the UN Security Council Resolutions (UNSCR) dealing with terrorist financing, including UNSCR 2199.



Further information on the various FATF initiatives, reports, and public documents can be found on the FATF website.

Bermuda Monetary Authority (the Authority)



During the fourth quarter of 2015 the Authority continued to assess Bermuda's AML/ATF regulated financial institutions for anti-money laundering/anti-terrorist financing by incorporating the Risk Matrix findings into the decisions on the conduct of onsite and offsite examinations; and in relation to outreach to the relevant sectors.

The Authority completed a total of four onsite visits in the fourth quarter, covering the Trust, Fund Administration and Insurance sectors; along with follow-up remediation meetings with entities in the Banking, Trust and Insurance sectors. Additionally, during this period the offsite examinations focused on the applications made to the Authority by service providers for Non Licensed Persons in relation to investment, fund administration, long-term insurance and the insurance brokerage businesses.

The Authority continued with its Outreach Program and conducted a survey in October 2015 within the insurance sector to assess the level of AML risk. The AML quarterly meeting with the FIA was also held in October.

Also during the quarter, the AML team provided CORE I AML/ATF training to 18 members of staff of the Authority, as part of the mandatory training programme; and the AML team attended the KPMG's Industry Specific Round Table on new legislation and MLRO Training on 17 November 2015. The FATF Plenary and meetings in Paris in October 2015 were attended by two members of staff; while two staff members also attended the CFATF Plenary and meetings in Trinidad in November 2015.

Financial Intelligence Agency (FIA)

Between the 1st of October and 31st of December 2015 the FIA received a total of 110 Suspicious Activity Reports (SARs). Contained within these SARs were 1894 transactions representing a total value of \$161,810,099.00 BMD. The SARs filed during this quarter were received from the following sectors: Banking, Fund Administrators, Long Term Insurers, Law Firms, Money Service Businesses, and Corporate Service Providers. Some of these SARs were also received from other local authorities.

During this period the FIA made 27 disclosures, to local competent authorities and to foreign counterpart financial intelligence units. The majority of the local disclosures were made to the BPS.

The FIA conducted three (3) training sessions, relative to Money Laundering, Terrorist Financing and the use of goAML (the FIA's operating software). This training was delivered to a trust company, an investment service provider and the Registry General, which supervises the Charities sector. The FIA and the Registry General are also discussing the terms of an MOU to be executed between them, in relation to the sharing of information. In November FIA staff members partook in a two week training session with members of UNODC's goAML team regarding upgrades to the goAML operating software. The upgrades to the system include allowing the reporting entities to streamline their electronic reporting; assisting the Analysts in reviewing the subjects and related transactions more efficiently; and ensuring the data entered and presently available is always clean data. Further, discussions were held with UNDOC/goAML in relation to FIA staff participating in a goAML workshop/training for all goAML users to be held in March 2016. The workshop is held annually in Vienna, Austria and the FIA have participated previously and found the discussions and information received useful. The Director has also initiated discussion with Egmont and CFATF in regards to conducting training courses on the FIU IT System Maturity Model (FISSM) and securing an FIU. This training would be geared to the analysts and IT staff. The potential time for the training is in May 2016, on the margins of the CFATF Plenary.

The FIA continues to meet with relevant domestic partners to discuss matters of concern in order to strengthen the AML/ATF dialogue and ensure domestic agencies are working in tandem when addressing issues or emerging trends.

HM Customs

During the fourth quarter of 2015, HM Customs seized \$37,435.24 in accordance with section 50 of the Proceeds of Crime Act 1997. All monies seized were handed over to the Bermuda Police Service's Financial Crime Unit (FCU) for follow-up investigations.

HM Customs continues to share information with the Bermuda Police Service, the Financial Intelligence Agency, US Customs and Border Protection, Canada Border Service Agency, as well as their colleagues in the Caribbean.

Department of Public Prosecutions (DPP)

During the fourth quarter of 2015, the DPP continued to actively prosecute money laundering offences and to pursue and seize the proceeds of crime wherever possible. Ongoing prosecutions involved tipping off, money laundering and forfeiture applications. The DPP continued to advise and support the Financial Crime

Unit of the BPS in regard to cash seizures, money laundering investigations and the prosecution of cases.

Additionally, during this period the DPP obtained forfeiture orders for \$28,083.00, \$10,590.00 and \$1,050.00 respectively, pursuant to section 51 of the Proceeds of Crime Act 1997. Enforcement proceedings were also commenced in the Supreme Court with respect to 2 outstanding confiscation orders valued at \$518,719.00 and \$962,531.00, both of which the Department is vigorously pursuing.

Bermuda Police Service (BPS)

In the fourth quarter of 2015 the Financial Crime Unit (FCU) of the BPS initiated 4 money laundering (ML) investigations and 7 matters involving cash and property seizures. Additionally, the FCU has processed 11 section 50 cash seizures totalling \$77,229.83, pursuant to the Proceeds of Crime Act 1997. There are also ongoing section 50 matters before the court in



respect of: funds seized at the airport from 2 separate foreign nationals; and funds seized from a foreign national convicted of immigration offences. During the period, 3 forfeiture orders totalling \$381,261.08 plus 1 freezing order in the amount of \$2,445,827.18, were made pursuant to the Proceeds of Crime Act. The BPS has also concluded 5 financial crime investigations and handed the matters on to the Department of Public Prosecutions for consideration.

Further, during this period, the FCU received 18 disclosures from the Financial Intelligence Agency, a large portion of which pertained to on-going investigations or highlighted current money laundering trends and 2 of the disclosures were actionable as money laundering investigations.

The FCU also continued its involvement with an ongoing investigation related to assets amounting to over \$6,000,000.00, which had been previously frozen by the Attorney General's Chambers.

Registry General

The Registry General confirms that as at 31 December 2015 there were a total of 331 registered charitable organisations in Bermuda. The final session in the series of Compliance Officer trainings that commenced in the third quarter was held on 10 December 2015 at the Centre on Philanthropy and was well attended by the charitable sector. During the fourth quarter of 2015, the Registry General received 8 applications to register new charities and 14 applications to renew/re-register existing charities. The Registrar General approved 2 new charity applications and 17 re-registration applications; deferred the registration for 3 new applicants and 8 re-registrations; and denied 8 re-registration charity applications. During the period, in accordance with the requirement for registered charities to file their financial statements, the Registry General received 22 financial statements from various registered charities.

Office of NAMLC (the Office)

During the fourth quarter of 2015 the Office of NAMLC was responsible for bringing closure to the initiative for amending the AML/ATF legislative framework. As such, the Proceeds of Crime Amendment Act 2015 was passed in the House of Assembly on December 16, 2015 and in the Senate on December 18, 2015. The Act came into force in Bermuda on 1 January 2016, save for section 25, which comes into force on 1 April 2016. During the quarter, the Office organised the second meeting of the Supervisory Forum, which is the newest sub-committee of NAMLC chaired by the Chairman of NAMLC, Mrs Cheryl Ann Lister. The meeting was well attended and very beneficial discussions were had, including in relation to the potential timing of the next mutual evaluation for Bermuda.

The NAMLC Chair and National Coordinator attended the FATF Plenary in October, 2015, benefitting from the discussions and decisions on the Mutual Evaluation Report of Italy, the revision of Recommendation 8 and the Interpretive Notes to Recommendations 5 and 29, the FATF Terrorist Financing Fact Finding Initiative, the new FATF training and research institute, among many others. Additionally, the Office of NAMLC team attended the CFATF Plenary during this period and was able to gain further insights into the 4th Round mutual evaluation process within the CFATF, as the Plenary discussed the Mutual Evaluation Report of Trinidad and Tobago and there were updates on the experiences to date of the three other jurisdictions currently involved in the 4th Round process. The Bermuda contingent observed and actively participated in the deliberations and discussions. During that Plenary, through the advocacy of the NAMLC Chair, Bermuda gained Plenary approval for the scheduling within the CFATF calendar of Bermuda's next mutual evaluation. The onsite visit for Bermuda has been confirmed for the first quarter of 2018.

During this period the Office prepared, published and circulated the third quarter newsletter; and also made further progress in the preparation of a draft report containing the conclusions gleaned from the 2013 National Risk Assessment exercise.

The Office of NAMLC continues to assist with the strengthening of Bermuda's sanctions regime, and to that end during the quarter sanctions measures were brought into force concerning Liberia, Burma and Burundi.

Attorney General and Minister of Legal Affairs, the Hon. Trevor Moniz, JP, MP, on 9 December 2015, issued a further Advisory (2015/3) to Bermuda's financial sector, regarding the 'Risks Relating to deficiencies in Anti-Money Laundering and Anti-Terrorist Financing (AML/ATF) Systems and Controls in Specified Jurisdictions'. The Advisory, which superseded the July 2015 Advisory, was issued further to the FATF Public Statement of 23 October 2015 and the FATF Publication on 'Improving Global AML/CFT Compliance: Ongoing Process', which described the AML/ATF deficiencies in a number of jurisdictions. The Minister noted that the advice is especially relevant to those entities that have, or are considering, any business relationships with the specified jurisdictions, or individuals, or corporate entities in such jurisdictions.

The FATF Public Statement draws attention to serious deficiencies in **Iran** and the **Democratic People's Republic of Korea (DPRK)**. Both countries were identified in previous FATF public statements but continue to raise concerns for the FATF by their continued failure to adequately address on-going and substantial deficiencies in their anti-money laundering and combating the financing of terrorism (AML/CFT) regimes. The FATF is particularly and exceptionally concerned with Iran's failure to address the risk of terrorist financing and the serious threat this poses to the integrity of the international financial system. The FATF therefore reaffirmed its call on its members and other jurisdictions to apply counter-measures against each jurisdiction.

In addition, in the public statement the FATF drew attention to **Myanmar**, as a country with strategic AML/CFT deficiencies that has not demonstrated satisfactory and sufficient progress in addressing the deficiencies. FATF noted that **Myanmar** has, for the most part, taken some steps to strengthen its regime. The FATF calls on its members to consider the risks arising from the deficiencies associated with the jurisdiction, details of which are provided in the public statement.

It should also be noted that, due to the satisfactory progress made in implementing its FATF-agreed action plan, Algeria's progress is now being monitored by the FATF as part of its On-Going AML/CFT Compliance Process; and as such they are now included in the FATF document, "*Improving Global AML/CFT Compliance: On-going Process*".

Improving Global AML/CFT Compliance: On-going process

In a separate publication on the 'On-going process to improve global AML/CFT compliance', the FATF once again highlighted a number of jurisdictions with strategic deficiencies in their AML/CFT regimes and provided information on those deficiencies. These jurisdictions were previously identified by the FATF as working with the FATF and relevant regional bodies to address those deficiencies. However the FATF has now called for the expeditious implementation of their agreed action plans. The jurisdictions listed in this category are: **Afghanistan, Algeria, Angola, Bosnia and Herzegovina, Iraq, Guyana, Panama, Papua New Guinea, Syria, Uganda and Yemen.**

However, at the October Plenary **Lao PDR** was identified separately as 'not making sufficient progress' on its FATF-agreed action plan. This jurisdiction was urged to take sufficient action to implement significant components of its action plan by February 2016, and was warned that failure to do so will result in the FATF taking further action by identifying this jurisdiction as being out of compliance with its agreed action plan and additionally calling upon its members to consider the risks arising from the deficiencies associated with the jurisdiction.

Finally, the FATF welcomed the significant progress of **Ecuador and Sudan** in improving their AML/CFT regimes. These jurisdictions are therefore no longer subject to monitoring under the FATF's on-going global AML/CFT compliance process, but they will work with their relevant FATF-style regional body (FSRB) as they continue to address the issues identified in their Mutual Evaluation Reports and further strengthen their AML/CFT regime.

The Minister's Advisory was supported by annexes containing the full text of the FATF statement and publication, and has been published in various public media by way of press release and is also available on the NAMLC website at www.namlc.bm.

It should be noted that as the nature and level of risk in the specified jurisdictions differ, it is important that the advisory and the annexes are read in their entirety.



we are on the web

www.namlc.bm

**Office of the National Anti-Money
Laundering Committee**

4th Floor, Global House
43 Church Street
Hamilton, HM12
Bermuda

Phone: 441-294-9797

E-mail: info-NAMLC@gov.bm

NAMLC QUARTERLY ~ December 2015

Government of Bermuda

Ministry of Legal Affairs

The Hon. Trevor Moniz, JP, MP

Attorney General and Minister of Legal Affairs

Editorial Staff

NAMLC Team