

Fourth Follow-Up Report

Curaçao

November 2015

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CURAÇAO: FOURTH FOLLOW-UP REPORT

I. Introduction

1. This report represents an analysis of Curaçao's report back to the CFATF Plenary concerning the progress that it has made with regard to correcting the deficiencies that were identified in its third round Mutual Evaluation Report. The third round Mutual Evaluation Report of Curaçao was adopted by the Plenary at the May 2012 CFATF Plenary meeting in El Salvador. At the time of adoption, the Plenary determined that Curaçao would report back to Plenary in November 2012¹ and then one (1) year later (November 2013) on regular follow-up. Curaçao presented the Second Follow Up Report during the Plenary in the Bahamas in November 2013 and it was decided that would remain in regular follow-up and report to the Plenary in November 2014. The third Follow-up report was presented to the Plenary in November and Curaçao remained in status quo. This is the fourth follow-up report and is based on the information provided by Curaçao on September 7th and November 13th 2015. This report will review Curaçao's current level of compliance with the outstanding Recommendations.
2. Curaçao received ratings of PC on nine (9) of the sixteen (16) Core and Key Recommendations as follows:

Rec.	1	3	4	5	10	13	23	26	35	36	40	I	II	III	IV	V
Rating	LC	LC	PC	PC	LC	PC	LC	PC	PC	LC	LC	PC	PC	PC	PC	LC

3. With regard to the other non- Core or Key Recommendations, Curaçao was rated partially compliant or non-compliant, as indicated below.

Partially Compliant (PC)	Non-Compliant (NC)
R.11 Unusual Transactions	R. 12 (DNFBPs – R., 6,8-11)
R. 14 Protection & no Tipping-off	R. 16 (DNFBP-R. 13-15 &21)
R. 17 (Sanctions)	R. 24 (DNFBP-regulation, supervision and monitoring)
R. 21 (Special attention for higher risk countries)	SR. VIII (Non-profit organisations)
R. 25 (Guidelines and feedback)	
R. 30 (Resources)	
R. 31 National Co-operation	
R. 32 (Statistics)	
R. 33 Legal Persons	
SR. VI (AML requirements for MVTs)	
SR. IX (Cross border declaration & disclosure)	

4. The following table is indented to assist in providing an insight into the level of risk in the main financial sectors in Curaçao.

¹ All Members are required to make an initial FUR at the first Plenary following the adoption of their Report.

Size and integration of Curaçao's financial sector

		Banks*	Other Credit Institutions**	Securities	Insurance	TOTAL
Number of institutions	Total #	7 local and 30 international banks	23	5 local and 11 foreign Investment Institutions	54 (1)	
Assets	US\$	Local banks 7,814,805 International banks 29,880,741	920,688	Local Investment Institutions: Approx.: US\$590,000 (1) Foreign Investment Institutions: Approx. US\$ 114,000,000 (2)	7,609,000 (2)	
Deposits	Total: US\$	Local banks 6,828,249 International banks 15,527,628	336,107	N/A	970,000 (3)	
	% Non-resident	Local banks: 43% International banks: 100%	1%		39% (4)	
International Links	% Foreign-owned:	Local Banks 29%	0%	N/A	37% of assets (5)	

		International Banks 17%				
	#Subsidiaries abroad	3 of local banks	0		3 (6)	
		4 of international banks				

Please include savings and loans institutions, credit unions, financial cooperatives and any other depository and non-depository credit institutions that may not be already included in the first column.

* If any of these categories are not regulated, please indicate so in a footnote and provide an estimate of the figures

BANKS

*The figures of the banks, being local general banks, subsidiaries of foreign banks, branches of foreign banks, branches of local general banks and (non-) consolidated international banks, consist of figures as per **May 31, 2015 (amounts in thousands)**.

The figures of other credit institutions, being specialized credit institution, savings banks, credit unions, savings and credit funds, savings and thrift funds, consist of the latest available figures **(amounts in thousands).

SECURITIES

(1) As per **June 30, 2015 (amounts in thousands)**.

(2) Foreign investment institutions that offer their participating interests in Curaçao and Sint Maarten as per **June 30, 2015 (amounts in thousands)**.

INSURANCE

(1) This total includes:

- 9 Local life insurance companies
- 16 Local non-life insurance companies
- 15 International insurance companies (reinsurers and captive insurance companies)
- 14 Pension funds

(2) Total Assets as reported by the sectors, mentioned in point 1, **as per year end 2013 (amounts in thousands)**.

(3) This amount is included in the Total Assets and represents the investments by the institutions in (time) Deposits at (commercial) banks **(amounts in thousands)**.

(4) Represents the investments in (time) Deposits at foreign banks by the institutions in percentage of total investments in (time) Deposits.

(5) Represents the Assets of branch offices and subsidiaries of foreign institutions in percentage of total Assets.

(6) Represents the number of foreign subsidiaries of local institutions.

II. Scope of this Report

5. This Report will review Curaçao's level of compliance with the Core, Key and other Recommendations rated in the Mutual Evaluation Report as PC or NC that remain outstanding (Core Recs. 5, 13 S. IV, Key Recs. 4, 26, S.I, III, and Recs. 12, 14, 16, 17, 24, 25, 30, 31, 32, 33, VI, VIII and IX). The report will review also the Core and Key Recommendations rated as C or LC during the Mutual Evaluation or that were met during the Follow-Up process, for which updates were provided (Recs. 10, 23, 35 and 40).

6. Based on the results of the Mutual Evaluation as noted in the table above, no Core or Key Recommendation was rated as 'C'. However, based on measures taken by Curaçao to implement the Examiners' recommendations, Curaçao has achieved full compliance with Key Recs. 3, 35, 36 and Core SR. II. For non-Core and Key, Curaçao has achieved full compliance with R. 11 and 21. Core Recommendations 5 and 13 and Key Recommendations 4, 26, SR.I and III will be reviewed with regard to the measures that need to be taken to ensure a level of full compliance. With regard to the non-Core and Key Recommendations, based on the analysis of the first follow-up report, all Recommendations that were rated 'PC/NC' and which have not been fully complied with will be discussed. Additionally, Recommendations 10, 23, and 40 rated 'LC', which have

been updated will be included. Key Recommendation 35 was considered fully compliant. Accordingly, although it was updated, this Recommendation will not be presented in this Report.

III. Summary of progress made by Curaçao²

7. Curaçao continues in the process of approval of laws of regulations. On November 9th, 2015, the National Ordinance on Identification when rendering Services (NOIS), the National Ordinance on Reporting Unusual Transactions (NORUT) and the draft Harmonization Supervision Ordinances, were adopted by the Parliament. These legislations incorporate various amendments that address recommended actions such as those related to CDD, to allow the FIU to disclose information to domestic supervisory counterparts and other matters regarding unusual transactions and DNFBPS.
8. The National Ordinance on the Supervision of the Money Transfer Companies was adopted by the Parliament on September 22nd. 2014 and is in force since 1st of March of 2015.
9. The amendments to the National Ordinance Obligation to Report Cross Border Money Transportation to include gold, precious metal and stone, was also adopted by the Parliament on September 22nd of 2014.
10. Also the GCB (Gaming Control Board) has included amendments to art. 25 IOCCS in a proposal to amend the IOCCS regarding several other pressing issues. The proposed change to art. 25 IOCCS declares the secrecy obligations not applicable to the Gaming Control Board and its personnel with regard to the exchange of information as regulated in the NOIS or NORUT or when required for criminal investigations as referred to in the Penal Procedures Code. The GCB has presented this proposal to the Minister of Finance on July 24, 2014. However, due to the amendment of the NORUT and NOIS the GCB will have the power to exchange/share information with both national and international supervisors.
11. As indicated in previous report, it was expected that the final version of the MICS would be presented to the sector in the second half of 2014. To this report, no update was provided in this regard. The updated MICS implement the current FATF Recommendations in Chapter 7 (“Deterrence and detection of money laundering and terrorist financing”), addressing amongst others identification of customers and customer due diligence, recognition and reporting of unusual transactions and the various requirements for the casino organization and its employees.
12. It is important to note, that after creating this 4th FUR by the CFATF Secretariat and prior its adoption by the Plenary, Curaçao adopted new legislation as indicated in paragraph number seven (7). Therefore, this report will make a general reference to the new legislation when pointing out the outstanding recommended actions that have been addressed in the new legislation. Consequently, the recommended actions that were addressed in the recently adopted legislation, will be analyzed for the next FUR with further detail, once the legislation is available for the CFATF Secretariat in English Language.

² The Summary provides information on new and proposed legislation, amendments to legislation and general updates on Recommendations that were rated LC.

Core Recommendations

Recommendation 5

13. The Authorities have indicated that the examiner's recommendations were addressed in the recently approved NOIS in force since 9th of November, 2015. Since the adoption of the legislation has occurred very recently, the full compliance with the recommended actions for the Rec. 5, will be analyzed by the CFATF Secretariat once the legislation is available.
14. With regard to the Examiners' recommendation for clarity between the NORUT and NOIS as it pertains to persons conducting reportable activities and their CDD obligations, the Authorities have, as noted in the second report, that there was a discrepancy. To this report, the Authorities updated that the indicators were adapted based on the NORUT. The compliance with this recommendation will be reviewed once the legislation is available.
15. With regard to the recommendation that there should be a specific requirement in law or regulation for CDD to be undertaken when carrying out occasional transactions that are wire transfers, as indicated in the previous report, the provision has been included in the P&G for MTC. The Examiners' recommendation is partially met to the extent of its inclusion in the P&G for MTC. Regarding the inclusion of the examiner's recommendation in law or regulation, the compliance of this recommendation will be reviewed once the legislation is available. The Examiners' recommendations that the NOIS clearly establish an obligation on the service provider to conduct on-going due diligence on the business relationship and that the NOIS allows for reduced or simplified CDD for low risk scenarios rather than no CDD, the compliance of this recommendation will be reviewed once the legislation is available. With regard to clarity in the risk exercise undertaken by the Central Bank (CB) that resulted in the designation and exemption of low risk financial institutions, no updates were provided for this report. As indicated in previous reports, the Authorities detailed the process that had been undertaken. The Examiners' felt however that the issue is one of evidence of effectiveness. A programme of schematic review does not in itself demonstrate an effective RBA. The jurisdiction needs to clearly speak to profiling based on product, geography, customers and delivery channels, (as per FATF Guidance on the RBA to combat ML and FT June 2007) which would support ratings assigned to types of institutions and would in turn justify the frequency and scope of examinations. Accordingly, the recommendation remains partially met.
16. Regarding to establish in NOIS reduced or simplified CDD for low risk scenarios rather than no CDD, the Authorities indicated that the revised NOIS addresses the recommended action. The compliance of this recommendation will be reviewed once the legislation is available.
17. With regard to the consistency of the P&G and the NOIS in terms of timing of verification, the measures are contained in the draft revised NOIS. The compliance of this recommendation will be reviewed once the legislation is available.
18. This Recommendation requires that some actions be taken, as a result, the compliance for R. 5 will be reviewed once the legislation is available in English Language.

Recommendation 13 and Special Recommendation IV

19. For the three recommendations pertaining to: 1) mechanisms for all reporting entities to focus on identifying and reporting on transactions which they can identify as suspicious, 2) the non-reliance

by reporting entities on the prescriptive list of indicators and 3) the revision of the relevant procedures to allow for the development of more flexibility for reporting entities to identify suspicion of ML or FT; no update was provided for the first recommended action. For the second and third recommended actions the Authorities have indicated for previous reports, that the FIU of Curaçao has drafted a new system of indicators that focus more on reporting suspicious transactions. For this report, the Authorities added that the FIU of Curaçao drafted the indicators in coordination with members of the CIWG. Also indicated that the prescriptive list of indicators has been removed and replaced by a subjective indicator that is flexible enough to allow reporting entities to submit suspicious or unusual transactions. The indicator has a wider coverage when establishing: *transactions where there is a cause to presume that they may be related to money laundering or terrorist financing*. Indicators for large cash transactions have also been included with regard to electronic wire transfers, casino reporting, money remitting and credit card reports and reports regarding the stock exchange. The indicator related to customs cross border value was removed, however, Customs is informing FIU about passengers or groups of passengers identified as potential “smurfers”. The Authorities expect that the revised indicators will be adopted in a short term. Based on the status of the indicators, the Examiners’ recommendations have not been met. R.13 and SR. IV have not achieved full compliance. For the present report, the compliance of this recommendation remains in the same status.

IV. Key Recommendations

Recommendation 4

20. As noted in the previous report, the Examiners recommended that it should be clarified whether the FIU (MOT) in its functions as supervisory authority is able to disclose information with domestic or international supervisory counterparts. Curaçao noted that the NORUT will allow the FIU to disclose information to domestic supervisory counterparts. The compliance of this recommendation will be reviewed once the legislation is available.
21. The fully compliance with the Examiners’ recommendations will be reviewed once the legislation is available. With regard to the sharing of information by the IOCSC with national and international supervisors, the Authorities indicated for the last report that this recommendation was addressed in the revision of the NORUT. For the previous report, the Authorities updated that GCB has included amendments to Art. 25 IOCCS in a proposal to amend the IOCCS regarding several other pressing issues. The proposed change to Art. 25 IOCCs declares the secrecy obligations not applicable to the Gaming Control Board and its personnel with regard to the exchange of information as regulated in the NOIS or NORUT or when required for criminal investigations as referred to in the Penal Procedures Code. The GCB has presented this proposal to the Minister of Finance on July 24th 2014. However, due the amendment of the NORUT and NOIS the GCB will have the power to exchange/share information with both national and international supervisors. Since the NORUT and the NOIS have been adopted by the Parliament on 9th of November, 2015, the compliance of this recommendation will be reviewed once the legislation is available.
22. The Examiners recommended that clear information gateways should be made in the Ordinance for supervisor to supervisor exchange by the CB to the supervisory arm of the FIU (MOT) and in this regard, the Authorities stated that the issue has already been addressed in the draft Harmonization of Supervision Ordinances and NORUT. The compliance of this recommendation will be reviewed once the legislation is available.

23. In the matter of the ease of information exchange between the CB and the Police, remains in the same status since the second report. It was indicated that the Central Bank has presented a draft of the revised MOU with the PPO (Exchange of information Public Prosecutor – Bank’ to the PPO for feedback. Based on the aforementioned, the recommendations have not been met.

Recommendation 26

24. The Authorities have noted that the recommendations pertaining to: a) the revision of the composition of the mandate of the Guidance Committee (Art. 16 of the NORUT) to avoid any undue influence or interference; b) the amendment of Art. 22 of the NORUT to protect access to the database from individuals who are the object of UTRs and c) the consideration of amendment of Art. 4 of the NORUT to remove provisions that potentially lead to the risk of interference or undue interference will all be addressed in the revision of the NORUT. The compliance of these recommendations will be reviewed once the legislation is available.
25. With regard to the Examiners’ recommendations pertaining to: a) the process of presenting cases in the FIU (MOT); the approval of disclosure of cases by the Head of the FIU (MOT) and b) the inclusion of more information on ML and FT trends and typologies in the annual report of the FIU (MOT) have not been addressed and consequently remain not met. R. 26 is not fully compliant.

Special Recommendation I

26. As stated in the first report, the Examiners recommended that the laws should be properly enhanced to give effect to paragraph 4(a) of the UNSCR 1267 (denial of aircraft to take off or land or if it is owned, leased or operated by or on behalf of the Taliban as designated...). In this regard Curaçao indicated that paragraph 4 (a) of UNSCR 1267 (1999) should not be included in the mentioned laws since the measures imposed in that paragraph were terminated in UNSCR 1390 (2002) paragraph 1. The Examiner’s recommendation has been met.
27. With regard to the recommendation that measures be put in place to allow freezing of assets without delay and the maintenance of such freezes as required by UNSCR 1373, Curaçao has finalized a draft of the revised protocol and related legal documents, which is expected to be approved by the Ministers in a short term. In the meantime, Curaçao has put in place the Sanctions National Decree regarding Al-Qaida c.s., the Taliban of Afghanistan c.s., ANF c.s., and locally designated persons and organizations (N.G. 2015, no. 29). Until the revised protocol is in force, this recommended action remains outstanding.

Special Recommendation III

28. The Authorities have taken some action with regard to addressing the five recommendations made by the Examiners with regard to SR. III.
29. With regard to the recommendation that measures be put in place to allow freezing without delay and the maintenance of such freezes as required by UNSCR 1373, Curaçao has finalized a draft of the revised protocol and related legal documents, which is expected to be approved by the Ministers in a short term. In the meantime, Curaçao has put in place the Sanctions National Decree regarding Al-Qaida c.s., the Taliban of Afghanistan c.s., ANF c.s., and locally designated persons and organizations (N.G. 2015, no. 29). Until the revised protocol is in force, this recommended action remains outstanding.

30. With regard to making the de-listing procedures publically known, the Authorities have indicated since the second follow-up report that a decision on the publication of the de-listing procedures will follow on the approval of the revised protocol. No update was provided for this follow-up report. The recommended action remains outstanding.
31. On the issue of a mechanism for the issuance of guidance to non-financial entities or individuals who may find themselves in possession of property or assets belonging to terrorist or terrorist entities, the Authorities indicated for the last report, that based on the draft protocol not only the Central Bank but also the FIU (MOT) and Gaming Control Board will provided guidance to supervised institutions and individuals that find themselves in possession of funds or assets that should be frozen. Additionally, Curaçao is in the process of revising existing P&Gs for non-financial entities and individuals that are supervised by the FIU to include guidance with regard to assets that may belong to terrorist or terrorist entities. No update was provided for this report. The recommended action remains outstanding.
32. With regard to the recommendation that clear criteria for the exercise of the Minister's discretion pertaining to the protection of third party rights, this recommendation has been addressed in article 10 of the former Ministerial Sanctions Regulation Al-Qaida c.s., the Taliban of Afghanistan c.s., ISIL c.s., ANF c.s., and terrorists to be designated locally (N.G. 2014, no 72 and the newest Sanctions decree Al-Qaida c.s., the Taliban of Afghanistan c.s., ISIL c.s., ANF c.s., and locally designated persons and organizations (N.G. 2015, no 29). This recommended action has been met.
33. The final recommendation involves a structure for monitoring compliance outside of the financial sector. The Authorities have stated that the monitoring structure will be in line with that used to monitor compliance with the legislation or ML. Based on the aforementioned SR. III is not fully compliant.

V. Core and Key Recommendations rated as C or LC in the MEVAL or met during the Follow-Up Process for which updates were provided

Core Recommendation

Recommendation 10

34. This Recommendation was rated 'LC' by the Examiners. The Examiners recommended that the requirement for the IC & IB and MTC to keep business correspondence for third parties for at least five years following termination of the account should be explicitly stated in law or regulation and the P&Gs should reflect a mandatory requirement as it relates to this matter. A review of the P&G for IC & IB and MTC reflect that a mandatory requirement have been added with regard to this measure at section II.3 of the respective P&Gs. The implementation in law of this recommendation will be reviewed once the recently adopted legislation is available. .
35. With regard to the recommendation that all information (business correspondence) is available on a timely basis to domestic competent authorities should be included in law or regulation, the Authorities have indicated that the measure is part of the NOIS which that has been adopted on November 9, 2015. The compliance of this recommendation will be reviewed once the legislation is available.

Key Recommendations

Recommendation 23

36. This Recommendation was rated 'LC' by the Examiners. The Examiners' recommended that the new framework for prudential supervision of MTCs should be implemented as soon as possible. In this regard, the Authorities have stated that the National Ordinance on the Supervision of Money Transfer Companies has been adopted by the Parliament on September 22nd 2014. The National Ordinance came into force on March 1st of 2015. Accordingly, the Recommendation 23 has achieved a level equivalent to compliant.

Recommendation 35

37. As indicated since the first FUR, Rec. 35 has been met based on the documentation submitted by the Authorities. For this report, the Authorities updated that it is the intention to establish the cooperation again with the staff from the Royal Netherlands Military (KMAR), Police and Customs.

Recommendation 40

38. This Recommendation was rated 'LC' by the Examiners. The Examiners' recommended that the Authorities should establish clear mechanisms for the exchange of information between law enforcement and their foreign counterparts. In that regard, Curaçao has noted the provisions for cooperation that takes place through the PPO directive/guidelines for small legal assistance requests and extradition requests. In both instances, the Coordinator processes these requests. However, as noted in paragraphs 1462: there is no clear process for exchanging of information (including information on TF) by the PPO with foreign counterparts outside of the Kingdom beyond the mutual legal assistance process and the informal channels via the IAP. Accordingly, the Examiners' recommendation has not been met.
39. With regard to the FIU (MOT) being given authority to exchange information with supervisory authorities from other jurisdictions, the Authorities indicated to the last follow-up report that the measures will be included in the revision to the NORUT. As indicated before, the revised NORUT have been adopted by the Parliament on November 9, 2015.
40. Regarding with the IOCCS making provision for the sharing of information with foreign counterparts, the Authorities indicated that the GCB has included amendments to Art. 25 IOCCS in a proposal to amend the IOCCS regarding several other pressing issues. The proposed change to Art. 25 IOCCs declares the secrecy obligations not applicable to the Gaming Control Board and its personnel with regard to the exchange of information as regulated in the NOIS or NORUT or when required for criminal investigations as referred to in the Penal Procedures Code. The GCB has presented this proposal to the Minister of Finance on July 24th, 2014. However, due the amendment of the NORUT and NOIS the GCB will have the power to exchange/share information with both national and international supervisors. As indicated before, the revised NORUT and NOIS have been adopted by the Parliament on November 9, 2015.
41. Finally, the Examiners recommended that there should be a mechanism to facilitate all competent authorities (Central Bank, supervisory arm of the FIU (MOT) and GCB) undertaking enquiries on behalf of foreign counterparts, the Authorities have stated that the recommendation has been addressed in the Draft Harmonization Supervision Ordinances, which as previously noted has been

adopted by Parliament on November 9, 2015. The recommendation has also been addressed in the revision of the NORUT. The reference to Article 29 of the RFETCSM regarding the MTC, while noted is limited and does not cover for the Central Bank the issues noted at section 6.5 of the MER. The compliance of this recommendation will be reviewed once the legislation is available.

VI. Other outstanding Recommendations

Recommendation 12

42. With regard to the Examiners' recommendation that lawyers, notaries, accountants or similar profession that carry out transactions for clients dealing with the organization of contributions for the creation, operation or management of companies and trust and company service providers carrying out transactions for clients dealing with acting as a nominee shareholder should be subject to the AML/CFT obligations under the NORUT and the NOIS, the Authorities indicated that these service providers are subject to AML/CFT obligations under Art. 1 paragraph 1 sub 14° and 15 ° of the NOIS and NORUT. The fundamental obligations are incorporated in the following legislation:
- i. Supervision (Art. 22 h of the Government Decree of July 13, 2010, no 10/2598 – NORUT- and Art. 11 of the Government Decree of July 5, 2010, no. 10/2386, - NOIS-),
 - ii. Sanctions (Art 9 and 9a of the NOIS)
 - iii. Reporting of suspicious transactions (Annexes J and K of the Unusual Transactions National Ordinance NG 2010 No. 27)

It was noted that CDD measures and training are included in the P&G issued by the FIU. Since the recently approved NOIS and NORUT has not been translated, the compliance of this recommendation will be reviewed once the legislation is available. This recommended action has been partially met.

43. As noted in the first report, with regard to Internet casinos being subject to the AML/CFT obligations of the NOIS and the NORUT, the Authorities have stated that they are subject to these obligations. However, there are deficiencies with these obligations as noted in paragraph 1059 of the MEVAL Report (See. Also paragraph 1053 of the MER). The Authorities have indicated for previous reports that a new supervisory law for internet gambling has been submitted to the Advisory Council, but will be resubmitted due to the constitutional reform after October 2010. For this report, it was updated that the aforementioned law is in administrative process. Accordingly, this recommendation remains in the same status and has not been met.
44. This recommendation remains equal. As noted in the first report, the issue with regard to the threshold for identification requirements for casinos has been addressed in the draft revision of the Ministerial Decree of the NOIS. Accordingly, the recommendation remains not met.
45. With regard to the recommendation that DNFBPs should be legislatively required to perform CDD when carrying out occasional wire transfers in circumstances covered by SR. VII, the Authorities have noted that DNFBPs do not qualify as financial institutions and therefore are not allowed to carry out wire transfers as a service provider and that they can only be originators. The Authorities are asked to note that the requirements of R. 5 are applicable to all DNFBPs (See. E.C. 5.2 (C)). This requirement is a deficiency in R. 5 for financial institutions and so by applicability is also a deficiency in R. 12 for DNFBPs. The compliance of this recommendation will be reviewed once the recently adopted legislation is available.

46. The Authorities have noted the Examiners' recommendation that the NOIS should be amended. With regard to recommendations pertaining to: a) the conduct of on-going due diligence by service providers on business relationships; b) to allow for simplified or reduced CDD measures for exempted institutions under Article 2, paragraph 4 c) the amendment of the P&G for administrators and company (trust) service providers re the making of a UTR when the requirements of E.C. 5.3 to 5.6 are not met; d) the enforceability on DNFBPs under the FIU (MOT) and the GCB of the for R. 5 under criteria 5.5.2, 5.6 to 5.11 and 5.17; e) the deficiencies identified in R. 10 and 11 which are applicable to DNFBPs; f) the enforceability on DNFBPs of obligations in R. 6 and 11 and g) the enforceability on company trust service providers and DNFBPs on the obligations in R. 9 will all be addressed in the revised NOIS. The compliance of this recommendation will be reviewed once the recently adopted legislation is available.
47. With regard to the recommendation that the deficiencies in section 3.5 of the MER for R. 10 that are applicable to DNFBPs should be remedied and that the recommendation to ensure that transaction records are sufficient to permit the reconstruction of individual transactions is enforceable on DNFBPs under the FIU (MOT) and the GCB, the Authorities have noted in previous follow-up reports, that the measures have been included in the P&Gs. The Authorities updated detailed information on how the GCB is implementing the recommendations. The GCB intends to ensure that the casino sector will be audited in operational and financial issues, regularly and consistently on their compliance with AML/CFT regulations and that non-compliance will be sanctioned in an effective, proportional and dissuasive manner. It was also noted that the following actions were taken: hiring of personnel, acquirement of new system and equipment, increase of the capacity of the Audit Division and training in technical aspects of the casino industry and AML/CFT matters. (Please see Paragraphs 752 to 762 of the MEVAL and the attached matrix at R. 12 for details). The Examiners' recommendation have not been met.

Recommendations 14

48. As noted in the first follow-up report, the Examiners' recommendations for R. 14 will be addressed in the revised NORUT. The Authorities indicated that this was addressed in the legislation recently adopted by the Parliament. The compliance with this recommendation will be reviewed once the legislation is available

Recommendation 16

49. With regard to the Examiners' recommendations, as it pertains to deficiencies noted in R. 13 and 14, one of the R. 13 requirements has been met as it pertains to the reporting of URTs by entities from all sectors. The updates provided to other recommendations for R. 13 and 14 have not been met and so this recommendation remains not met.
50. As indicated in the previous follow-up report, the Recommendation 21 was fully met, therefore the Examiner's recommendations pertaining to R. 21 for DNFBPs under the CB, have been met.
51. The Authorities note that with regard to making the obligations in R. 15 and 21 enforceable on DNFBPs supervised by the FIU (MOT) and the GCB, the Minimum Internal Control Standards (MICS) have been revised, edited and presented to the board and to the GCB. The final version of the MICS was expected to be presented to the sector in the second half of 2014. The updated MICS implement the current FATF Recommendations in Chapter 7 ("Deterrence and detection of money laundering and terrorist financing"), addressing amongst others identification of customers and customer due diligence, recognition and reporting of unusual transactions and the various

requirements for the casino organization and its employees. For this report, no update was provided regarding the MICS. Consequently the recommendation has been partially met.

Recommendation 17

52. According with the Authorities, the recommendations have been met with the adoption of the Harmonization Law. The compliance of this recommendation will be reviewed once the recently adopted legislation is available.
53. Concerning to the clarification of the application of conditions and sanctions under the RFETCSM to non-bank MTC's, the Parliament has adopted the National Ordinance of September 25th of 2014 laying down rules with regard to the supervision of money transfer companies (National Ordinance on the supervision of money transfer companies) and came into force on March 1st 2015. Art. 4 sets out the conditions to non-bank MTCs and requires that any enterprise or institution which intends to conduct the business of a money transfer company will submit a petition by registered letter to the Bank for a license to conduct the business of a money transfer company. The requirements are also set out. The revocation of the MTC is the sanction based on Art. 8. This recommendation has been met.

Recommendation 24

54. No updates were provided for this report to this Recommendation except for one of the recommended actions. With regard to an AML/CFT regime for supervision of and compliance by Internet casinos, the Authorities indicated for the previous report that a new supervisory law for internet gambling was submit to the Advisory Council, but was expected to be re-submitted as a result of the constitutional reform of October 2010. For this report, the Authorities indicated that the draft supervisory law is in administrative process. The recommendation remains not met.
55. For the recommendation on the implementation of an effective supervisory regime by the FIU (MOT), the Authorities have noted that the FIU (MOT) has organized regular audits pursuant to the NORUT and the NOIS since January 2013. More specifically, during the period from January up to and including October 2013 a total of eight (8) audits were performed by the auditors of the FIU (MOT), five (5) of which were regular audits and there (3) of which were pilot audits. These audits were at three (3) Notaries at Law, two (2) Car dealers, two (2) Real Estate Agencies and one (1) Administrative Office. During June and July a total of five (5) off-site audits were performed. The FIU (MOT) has one more regular audit scheduled for this year at a Lawyer's Office. In accordance with the NORUT and NOIS the possibility exists for the examiner to instruct the DNFBP to correct any (correctable) deficiency that is encountered during an onsite audit. This has been done when / if necessary. A total of 675 entities / persons fall under the supervisory control of the FIU (MOT). While it is commendable that the FIU (MOT) has begun to implement its supervisory regime, given the large number of entities/persons which fall under the control of the FIU (MOT), the current level of supervision cannot be described as effective. This recommendation is partially met, to the extent that a supervisory regime has been implanted.
56. With regard to the issue of additional resources to fulfill the FIU (MOT) supervisory role for DNFBPs, the Authorities have noted that the FIU's request to the Minister of Finance for additional human resources is being addressed. To his report, the FIU has started the procedure to employ new supervisors. The recommendation remains not met.

57. The issue with regard to the supervisory function of the CB re: R. 29 as it pertains to DNFBPs is reconciling the exercise of powers and the concerns with the effectiveness of the RBA programme, as discussed above at R. 5. As noted in that discussion above it was felt that the requirement had only been partially met.

Recommendation 25

58. As indicated in the 2nd Follow-Up report, the Examiners recommendations that reporting entities should receive more general and case-by-case feedback on reports that are submitted to the FIU and that the FIU (MOT's) annual report should include more information on ML and FT trends and typologies remain not met. With regard to the recommendation that a framework inclusive of a P&G should be implemented for factoring services, Curaçao has indicated that the Central Bank conducted risk assessment of the factoring service providers sector and the preliminary findings indicate that the service providers are exposed to very limited risk since the business is not cash based and payments to customers salaries and other expenses are done through transfers on their bank accounts or thorough the issuance of cheques. This means that Curaçao will not be providing a P&G for factoring services (included as part of the NOIS and NORUT) based on the risk assessment). The Examiners recommendation has not been met. The Authorities have not provided any update with regard to the provision of more ML/FT feedback by the FIU (MOT) for the DNFBPs that it supervises. The recommendation remains not met. No updates were provided for this follow-up report. None of the Examiners recommendations have been met for R. 25.

Recommendation 30

59. Changes in this Recommendation just affected one of the recommendations. With regard to the recommendation that the human resources of the BFO should be significantly enhanced so that they can handle the increasingly complex cases of ML, the authorities have presented a concept of multi-functionality and flexibility as embodied in the approved Arrangement Plan of the KPC (police force) and the guiding principles of the Division of Organized Crime (DOC) respectively. It is unclear how these concepts relate to the level of human resources at the BFO. The examiners' recommendation has not been met.
60. No information has been provided with regard to giving consideration to assigning more lawyers to deal with MLA requests. The recommendation has not been met.
61. For the recommendation that the PPO continue to build up its specialist prosecutorial resources and continue their efforts to attract more local legal professionals into the prosecutorial and judicial services, the PPO noted that it is doing its utmost to upgrade the personnel. Information on structure of and assignment of work and the internal training programme for staff was also presented. The Examiners' recommendation has not been met.
62. With regard to the issue of more staff for the FIU (MOT) to fulfill its supervisory role for DNFBPs the FIU has started the procedure to employ new supervisors and accordingly the recommendation has not been met.
63. Regarding resources to fulfil the supervisory role of DNFBP sector, new staff has been recruited for the analyst department of the FIU. The FIU's request to the Minister of Finance regarding the need of additional human resources for the supervision department has been addressed. As indicated in the 2nd follow-up report, this recommended action has been addressed.

64. The issue of resources is an ongoing matter and accordingly updates on staff levels with regard to this and the other recommendation made for R. 30 will have to be provided at each reporting period. For this 4th report, the Authorities have indicated that financial resources have been allocated annually to hire new staff if necessary and to train available staff members. The number of staff members for supervision is determined based in the short, medium and long term goals. The staff for the Banking Supervision has been able to perform 27 onsite examinations and a decision will be taken regarding the staff for the Institutional Investors Supervision Department in order to determine whether or not additional staff is needed.
65. There is overall limited compliance with R. 30.

Recommendation 31

66. The Examiners' recommendations regarding: a) the need of the CIWG of having a clear structure and b) that its composition should include more operational competent authorities; has been addressed through draft legislation. According to the Authorities the draft revised legislation includes a clear structure and the possibility for the committee to draft its own terms of reference. Additionally, the draft legislation makes provision for the structure to include more operational competent authorities such as the FIU (MOT), the PPO and other law enforcement authorities. It also is expected to provide a forum where competent authorities can work together on policy and legislative changes that will improve the AML/CFT regime. At present, the draft revised legislation is in the administrative preparation stage in order to begin the official legislative process. As a result of the status of the legislation, the Examiners' recommendation with regard to the structure (first bullet) and inclusion of operational competent authorities (second bullet) have not been met.
67. The recommended actions regarding to a) have a forum where competent Authorities can work on a policy and legislative changes and b) the undertaking of an assessment of the adequacy of resources assigned to competent authorities, were met as indicated in the 2nd and 3rd follow-up reports correspondingly.

Recommendation 32

68. No updates have been provided for this report, with regard to the recommendation of the segregation of the PPO's database to reflect its different activities. In that regard, the Authorities have noted that there is unrestricted information exchange between the Curaçao police and the police abroad and that the use of such information when being used in any proceeding must then be formally requested through mutual legal assistance. While this explains the process adopted with regard to police to police information, it does not address the issue of maintaining statistics on the exchanges of information other than for mutual legal assistance. (See. E.C. 32.2 of the third round Methodology). The recommendation has not been met.
69. Regarding the keeping of statistics on the exchange of information between law enforcement authorities, no updates were provided to this report. The recommended action remains outstanding.
70. Regarding of the maintenance of statistics related to cross border bearer negotiable instruments, it was indicated that customs keeps statistics of everything regarding cross border. For this report, the Authorities have presented the following statistics provided by the Customs Authorities, which represent the number of UTRs derived from cross border cash movement and cross border bearer negotiable instruments:

Customs	2010	2011	2012	2013	2014
Cross border cash movement UTRs	640	153	538	1148	606
Cross border bearer negotiable instruments UTRs	0	0	0	0	0
Total UTRs	640	153	538	1148	606

71. With regard the keeping of statistics about the nature of the request made and the time required to respond to MLA requests, the Authorities provided information of statistics about supervisions and follow-up process conducted by the FIU. Also were provided statistics about onsite examinations conducted by the Central Bank to financial institutions with AML/CFT component as part of the thematic of reviews. As a result, the financial institutions receive an audit report indicating the deficiencies detected, actions to be taken within a certain period and outstanding items, if any. However, this statistics are not related to Mutual legal assistance. Regarding the GCB, records are kept to develop statistics of mutual legal assistance requests, about the nature of the request and the response time. The records does not include information about landbased casinos, due that there are no requests for the GCB to date. Since there are not statistics on mutual legal assistance, this recommended action has not been met.

Recommendation 33

72. Since the 2nd follow-up report, there are no updates with regard to the Examiners' recommendation that law or regulation should establish a requirement for all legal persons to register the information on the ultimate beneficial owner (UBO) at the commercial register of the Chamber of Commerce, the Authorities pointed out on the previous matrix that while the registration of UBO information is a FATF requirement, the FATF leaves the country to decide the mechanism and that for security reasons Curaçao is contemplating other ways than recommended by the Examiners. While there was agreement with the position taken by the Authorities with regard to the freedom to address the issue, the Examiners' noted that their recommendation was based on the system of registration (i.e. at the Chamber of Commerce) that it met at the time of the Evaluation.
73. Further, it was indicated in that report that whatever system was determined by the Curaçao, it must show that there is a proper process to register UBO information. In the current matrix, the Authorities have now stated that the UBO information is registered at the respective service providers and that the respective service providers should at all times adhere to the NOIS and the NORUT. Additionally, that the supervisors should ensure that all service providers have procedures in place to provide adequate, accurate and timely UBO information to competent authorities when requested and that these procedures should be reviewed and tested during onsite examinations.
74. The Authorities have also noted that pursuant to Article 45 of the National Ordinance on the amendment of sales tax, formal tax law and related national ordinances on taxes (N.G. 2013, no. 50) all persons required to pay taxes should administer who the beneficial owners are of the assets. A review of the National Ordinance lists at Article 43 three categories of persons that are required to keep an administration. These are (a) individuals operating a business or practicing a profession; (b) individuals who are responsible for withholding of taxes and contributions at source and (c) legal entities. Article 43 also states that those required to keep an administration must provide documentation on their assets and liabilities.

75. Further, it provides for the language in which the information should be kept and the length of time that it should be kept for amongst other things. Paragraph 6 of Article 45 provides that legal entities are required to record the ultimate beneficial owner (UBO) of its equity. However, paragraph 8 of Article 43 provides for a Ministerial Decree that can defer the obligations under paragraph 6 in specified circumstances³. Legal entities are also required to keep on record a copy of a valid passport, drivers licence or identity card of the UBO. The information provided makes the availability and provision of UBO information appear to be uncertain. The Examiners' recommendation remains not met.
76. With regard to the establishment of procedures by the Chamber of Commerce, to ensure that all information in the Registry is up to date and accurate, no additional information was provided for this report and as was noted since the 1st follow-up report, the Authorities provided a detailed narrative on the filing system at the Registry which was the same as described during the onsite, but as discussed in paragraphs 1179-1181 and 1183. The Examiners' recommendation remains not met.
77. No additional information has been provided with regard to the issues of: a) sanctioning powers for the Chamber of Commerce and b) the procedures for the exchange of information in the Commercial Register. The recommendations remain not met.
78. With regard to the issue of the immobilization of bearer shares, the Authorities updated that the institutions under the supervision of the Central Bank, which previously did not comply with the law regarding immobilization of bearer shares, are now in compliance with this law. Curaçao continues promoting the proposal to change/update the legislation to include the elimination of bearer shares. The draft has been submitted to the Advisory Council. The recommendation has not been met.

Special Recommendation VI

79. As indicated in the 2nd Follow-Up report, with regard to the Examiners' recommendations that the P&G for MTCs should explicitly require a financial institution to consider making a UTR where the requirements of E.C. 5.3 to 5.6 are not met has been addressed in the relevant P&G. The recommendation has been met. On the issue that there should be an explicit requirement that MTCs maintain a current list of agents, the P&G for MTCs at section II.2.A explicitly provides that there must be current list of agents and all their branches and subsidiaries (locally and abroad). The list must also be made available to the Central Bank. Accordingly the recommendation has been met. The Authorities have not provided any information with regard to creation or indication of a subjective indicator for identification problems as it relates to MTCs under the NORUT. The compliance of this recommendation will be reviewed once the recently adopted legislation is available. Consequently the recommendation has not been met.

³ The Authorities have indicated that the exemption applies solely to legal persons that are affiliated to a stock exchange which is a member of the Fédération Internationale des Bourses de Valeurs and which are not established in a country that does not comply with at least 10 of the core recommendations proposed by the Financial Action Task Force (FATF). Further the Authorities have indicated that the decree will be amended due to the adopted amendments of the NOIS.

Special Recommendation VIII

80. For the 2nd Follow-Up Report, the Authorities indicated that a working group on NPOs is studying different possibilities to execute the Examiners' recommended actions. Once the working group has concluded its recommendations, the Minister of Finance will be advised. For this report, no update has been provided. Accordingly, none of the recommendations have been met.

Special Recommendation IX

81. With regard to the recommendation that Customs be obligated to better monitor the source, destination or purpose of the movement of gold or precious metals and stones, Art. 2 of the National Ordinance on the Obligation to Report Cross Border Money Transportation (NG 2014 no 90), establishes the obligation to report to the customs officers the money, precious metals, jewelry or other objects having a value of NAF 20.000,-- or higher they have in their possession. The provision of the first sentence also applies in the case of people entering or leaving the country who are demonstrably travelling together and jointly carry money, precious metals, jewelry or other objects having a value of NAF 20.000,-- or higher. Curaçao should provide information regarding the implementation of this recommendation. This recommendation has been partially met.
82. On the issue of Customs' power to stop or restrain currency where there is a suspicion of ML/FT, the Authorities indicated that this is established in the General Regulation. The Authorities cited the Art. 184 of the Penal Procedures Code, which establishes that Attorney General and the Public Prosecutor as well as the local heads of police have the power to investigate criminal offences. However, the legal basis is not clear to determine whether it includes the fact of stop or restrain currency where there is a suspicion of ML/FT. Accordingly, this recommendation has not been met.

VII. Other Recommendations already met during the follow-up process, which updates were provided

Recommendation 11

83. As indicated in the previous report, the Examiners' recommendations have been fully met. Notwithstanding, the Authorities indicated that the recommended actions have been addressed in the revised NOIS adopted by Parliament on November 9, 2015.

Recommendation 29

84. The Authorities updated the statistics regarding the onsite examinations with AML/CFT conducted during 2015. The high and medium risk licensed credit institutions have been examined approximately in a period of every 2 years by the Central Bank. There were conducted 27 examinations to 45 licensed credit institutions. As indicated in the MER, this Rec. was rated as LC.

VIII. Conclusion

85. Curaçao has put in force legislation to address the recommended actions in several matters, however the compliance of the examiner's recommendations will be reviewed once the recently adopted legislation is available. Curaçao should also expedite their efforts to fully implement the laws and regulations to fully comply with the Examiners' recommendations. As indicated in the Second Follow-Up Report, with regard to compliance with the Core and Key Recommendations, Curaçao has achieved full compliance with R. 3, 35, 36 and SR. II. For non-Core and Key, Curaçao has achieved full compliance with R. 11 and 21. Also there were improvements in Rec. 17. It is noted that the fully compliance with the outstanding Core Recs: 5, 13 and S.IV. Key Recs: 4, 26, S.I and S. III. Other Recs: 12, 14, 16, 17, 24, 25, 30, 31, 32, 33 and SR. VI, VII and IX, will be reviewed once the NOIS, NORUT and Harmonization Supervision Ordinance are available in English language.
86. Based on the level of compliance with the outstanding Recommendations, it is required that Curaçao addresses the outstanding recommended actions and report to the November 2017 Plenary the progress made. However if there fails to be substantial compliance with the outstanding recommendations at that time, then Plenary should give consideration to placing Curaçao in expedited follow-up.

CFATF Secretariat
November 2015.

**Matrix with Ratings and Follow-Up Action Plan 3rd Round Mutual Evaluation
Curaçao November 2015 Plenary**

Plenary

	Rating	Summary of Factors for Rating	Recommended Actions	Actions Undertaken by Curaçao
Legal systems				
1. ML offense	LC	<p>The possession of equipment or materials or substances listed in Table I and Table II of the Vienna Convention has not been criminalized.</p> <p>The Penal Code provides for a specific listing of offences occurring abroad which may be prosecuted in Curacao which may not cover all serious crimes.</p> <p>The ancillary offence of preparation would not apply to intentional or culpable money laundering offences</p>	<ul style="list-style-type: none"> Curaçao should criminalize the possession of equipment or materials or substances listed in the Vienna Convention. The Authorities should move amendments to extend the powers of prosecution to all crimes committed abroad which would constitute crimes in Curaçao. 	<p>A revision of the Opium Ordinance 1960 has been presented to Parliament (Statennr. 2321) in connection with the ratification /implementation of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (the Vienna Convention) and the UN Convention against Transnational Organized Crime (The Palermo Convention) i.e. the physical and material elements of the offence (see article 3 (1) (b) & (c) Vienna Convention and article 6 (1) Palermo Convention).</p> <p>There are however some adaptations to the revision which need to be submitted to the Advisory Council before finalizing the parliamentary procedure. These documents are in preparation at the law department.</p> <p>The new Penal Code (entered into force by November 15, 2011) also provides for a specific listing of offences occurring abroad, which may be prosecuted in Curacao but the listing doesn't cover all serious crimes.</p> <p>During the following 5 years we will be evaluating the new Penal Code and testing it to applicable Conventions.</p> <p>There are some ancillary offences for all money laundering offences for example:</p> <p>Article 1:119 WvSr makes the attempt of money laundering a criminal offence.</p> <p>Article 1:119 WvSr states:</p> <ol style="list-style-type: none"> 1. An attempt to commit a serious offence shall be punishable if the perpetrator's intent has manifested itself by his having begun to carry out the offence. 2. The maximum principal penalty for the serious offence itself shall be reduced

			<ul style="list-style-type: none"> The law should provide for the widest range of ancillary offences for all money laundering offences. Currently, the ancillary offence of preparation would not apply to some money laundering offences. 	<p>by one third in the case of an attempt to commit that offence.</p> <p>3. Where the serious offence itself is punishable by life imprisonment, a term of imprisonment not exceeding twenty years shall be imposed.</p> <p>4. The additional penalties for an attempted serious offence shall be the same as those for the completed offence.</p> <p>Articles 1:123 and 1:124 WvSr criminalizes the aiding and abetting of money laundering.</p> <p>Article 1:123 WvSr states:</p> <p>1. The following persons shall be punished as perpetrators of a criminal offence:</p> <p>1°. those who commit the offence or procure or assist in its commission,</p> <p>2°. those who by means of gifts, promises, misuse of authority, violence, threats or deception, or by affording opportunity, means or information, intentionally solicit the commission of an offence.</p> <p>2. With respect to the latter, only those acts the commission of which they have intentionally solicited and the consequences of such acts shall be taken into account.</p> <p>Article 1:124 WvSr states:</p> <p>The following persons shall be punished as accessories to a serious offence:</p> <p>1. those who intentionally aid and abet the commission of the offence;</p> <p>2. those who intentionally provide opportunity, means or information for the commission of the serious offence.</p> <p>See for example the decision of the Supreme Court for the Kingdom (HogeRaad)</p>
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				<p>of the 7th of July 2009 (LJN: BI4747).</p> <p>It should be added that the broad definition of money laundering (see article 2:404 (1)(a) and (b) of the Penal Code) covers all kind of facilitating and counselling behavior. Finally, article 2:79 of the Penal Code criminalizes the participation in a criminal organization, providing money laundering facilities can deliver the element of participation. See the decision of the Supreme Court for the Kingdom (Hoge Raad) of the Netherlands 19th of February 2008 (LJN: BB7115).</p>
2. ML offense—mental element and corporate liability	LC	The effectiveness of the ML prosecution regime could not be properly assessed based on the statistical information provided.	<ul style="list-style-type: none"> The Authorities should reconsider a reduction in the penalties for money laundering. 	<p>The information in the columns ‘FATF 40+9’, ‘Summary of Factors for Rating’ and ‘Recommended Actions’ do not correlate.</p> <p>1. Regarding the distinctness of statistical material it is proposed that this topic be handled at the institutional consultation between Prosecuting Attorney and the Police.</p> <p>2. Regarding the reconsideration of penalties for money laundering (as enacted in the new Penal Code): this is also to be part of the evaluation as aforementioned.</p> <p>With the introduction of the new Penal Code, Articles regarding money laundering remained unchanged except for the changes arising from the introduction of the fine categories. The sentences actually were reconsidered. For intentional money laundering, the penalty of 12 years imprisonment was reduced to 6 years imprisonment and a fine of 1 million guilders has become 100,000 guilders. For custom money laundering the penalty was reduced from 16 years to 9 years imprisonment and a fine of 1.2 million guilders has become 100,000 guilders. For culpable money laundering, the penalty remained the same which is 4 years imprisonment or a fine of 25,000 guilders. At this point in time there are some members of parliament who want to amend the Penal Code in order to get the penalties for ML increased to the level they were before the last revision of the Penal Code in November 2011.</p>
3. Confiscation and provisional measures	LC	Examiners had difficulty in assessing the true effectiveness of Curacao’s confiscation regime.	<ul style="list-style-type: none"> Whilst the prosecutor always retains the ultimate discretion as to whether cases should be proceeded with, the Examiners consider that it 	<p>The PPO has guidelines governing the seizure and confiscation regime. Besides the provisions in the Penal Procedures’ Code, there are special instructions by the Attorney General as to various (sub)categories of objects when it comes to seizure and confiscation. These guidelines are known to the investigating authorities.</p> <p>Vehicles</p> <p>Before a seized vehicle is transferred to the custodian, all objects that do not</p>

			<p>would be more transparent for the PPO to establish appropriate Guidelines to govern such cases to avoid the possibility or appearance of impropriety.</p>	<p>belong to the car must be removed there from. Only things like registration, the radio, etc. must remain in the vehicle. The non-vehicle objects (often personal items) must be returned or separately be recorded. The seized vehicles are kept at the police repository. They remain there till a decision is taken by the court whether or not the vehicle will be confiscated.</p> <p>Weapons</p> <p>Weapons seized are first sent to be investigated by the Crime Scene Investigators Unit and then deposited with the depositary and remains there until the case goes to court. Afterwards the weapons are destroyed.</p> <p>Jewelry</p> <p>When jewelry is impounded, valuation will take place and the jewelry is carefully described and photographed in color. The jewelry will remain at the custodian, and only be returned if the court orders so. If confiscated, the jewelry is transferred to the Ministry of Finance.</p> <p>Drugs</p> <p>Seized drugs are kept in a secure storage at the Police department investigating drug related crimes (Bureau NarcoticaOnderzoeken). Three to 4 times a year all drugs seized get destroyed, whether or not there is a conviction of the suspects.</p> <p>Money</p> <p>All seized money must be reported to the Bureau of Financial Investigations of the police (Bureau FinanciëleOnderzoeken, BFO). All money is recounted in the presence of two officials of BFO, put in bags provided by the local bank (Banco di Caribe). And deposited right away on the bank account of the Registrar of the court of Appeals of Curaçao at the aforementioned bank. BFO can deposit money at the bank 7 days a week 24 hours a day. After confiscation the money will be transferred to a special Fund (criminaliteitsbestrijdingsfonds) which is used to finance projects in the fight against crime.</p>
Preventive measures				

<p>4. Secrecy laws consistent with the Recommendations</p>	<p>PC</p>	<p>The Central Bank cannot exchange information with the supervisory arm of the MOT; or GCB.</p> <p>The FIU (MOT), in the conduct of its supervisory function, is not allowed to disclose information with domestic supervisory counterparts.</p> <p>The GCB cannot disclose information to national and international supervisors.</p> <p>There are differences in views between the Police and Central Bank regarding the ready availability of information requests.</p>	<ul style="list-style-type: none"> It should be made clear whether the MOT, in its functions as a supervisory authority, is allowed to disclose information with domestic or international supervisory counterparts. The IOCCS should make provision for sharing of information with national and international supervisors 	<p>The FIU (MOT) in the conduct of its supervisory function will be able to disclose information to domestic supervisory counterparts after the draft revision of the NORUT is approved. This draft has been adopted by Parliament on November 9, 2015.</p> <p>The GCB has included amendments to art. 25 IOCCS in a proposal to amend the IOCCS regarding several other pressing issues. The proposed change to art. 25 IOCCS declares the secrecy obligations not applicable to the Gaming Control Board and its personnel with regard to the exchange of information as regulated in the NOIS or NORUT or when required for criminal investigations as referred to in the Penal Procedures Code. The GCB has presented this proposal to the Minister of Finance on July 24, 2014. However, due to the amendment of the NORUT and NOIS the GCB will have the power to exchange/share information with both national and international supervisors. The draft revision of the NORUT and that of the NOIS have been adopted by Parliament on November 9, 2015.</p> <p>This recommendation has been addressed in the revision of the NORUT. The draft revision of the NORUT have been adopted by Parliament on November 9, 2015.</p> <p>This recommendation has been addressed in the revision of the NORUT. The draft</p>
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			<ul style="list-style-type: none"> • Clear information gateways should be made in the Ordinance for supervisor-to-supervisor exchange by the Central Bank to the supervisory arm of the FIU (MOT). • The Police and Central Bank should resolve any differences in expectations as it relates to how readily information is forthcoming. 	<p>revision of the NORUT has been adopted by Parliament on November 9, 2015.</p> <p>Moreover, this has been addressed in the draft Harmonization supervision ordinances, which has been adopted by Parliament on November 9, 2015.</p> <p>The Central Bank has presented a draft of the revised MOU with the PPO' Exchange of information Public Prosecutor –Bank' to the PPO for feedback.</p>
5. Customer due diligence	PC	<p>No legislative requirements for CDD when carrying out occasional wire transfers in the circumstances covered by the Interpretative Note to SR VII</p> <p>No legislative requirement for service providers to conduct on-going due diligence on the business relationship.</p> <p>Clarity is needed on whether non-life activities that are reportable under the NORUT are to be subject to CDD under the NOIS.</p> <p>The NOIS allows for full exemption from CDD rather than reduced or simplified as</p>	<ul style="list-style-type: none"> • Insurance agents should be captured in the AML/CFT framework. 	<p>Activities of both brokers and insurance agents fall under the NOIS and the NORUT. They both mediate at concluding a life insurance contract as defined in article 1 paragraph 1 sub b under 5 of the NOIS and article 1 paragraph 1 sub a under 5 of the NORUT.</p> <p>In the P&G for IC & IB, we have added the word insurance brokers in brackets on the front page, since this word is most commonly used in our jurisdiction. For the sake of completeness "Insurance agents" fall under the definition of Insurance intermediaries. Furthermore, on page 15 of the P&G, in foot nr 16, we also refer to insurance broker/agents.</p> <p>The explanatory notes of the National Ordinance on the Insurance Brokerage Business (N.G. 2003, no 113) state explicitly: "that it is desirable in terms of promoting orderly commerce and protecting the interests of potential insurance policyholders to establish rules for insurance brokers <u>and their agents</u> with regard to the exercise of the insurance brokerage trade.</p>

		<p>provided for under the FATF Recommendations.</p> <p>The P&G for CI does not limit simplified and reduced CDD to customers of countries that Curacao is satisfied are in compliance with and effectively implementing the FATF Recommendations.</p> <p>The risk exercise undertaken to exempt certain financial institutions from CDD based on their designation as low risk, is unclear</p> <p>No explicit requirement in the P&Gs requiring financial institutions to consider making a UTR, where the requirements of E.C. 5.3 to E.C. 5.6 are not met. In addition, no requirement in the P&G for CI to conduct CDD on existing customers on the basis of materiality and risk, and to conduct due diligence on such existing relationships at appropriate times. The sector P&Gs do not conform to the NOIS as it relates to the timing of verification of non-resident clients.</p> <p>No requirement in the P&G for IC & IB requiring financial institutions to undertake CDD when doubts arise about the veracity or adequacy of previously obtained customer identification data.</p>	<ul style="list-style-type: none"> Clarity is needed on whether all persons conducting reportable activities under the NORUT are subject to CDD under the NOIS. Specifically, the NORUT establishes an objective indicator for non-life insurance policies; however, the NOIS only applies to Article 1a of the National Ordinance on the Supervision of the Insurance Industry, i.e. life insurance contracts. The P&G for IC & IB should require 	<p>Please refer to the attached copy of the NOIB.</p> <p>At present, there is indeed a discrepancy between the NORUT and the NOIS in this respect. However, since the FATF recommendations do not cover non-life insurance, our approach will be to adapt the indicators which are based on the NORUT. The indicators have been adapted; the revised indicators will be adopted in a short term.</p> <p>The recommended action has been incorporated in the P&G for IC & IB. For your convenience the amended section is highlighted in yellow.</p>
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			<p>financial institutions to undertake CDD when doubts arise about the veracity or adequacy of previously obtained customer identification data.</p> <ul style="list-style-type: none"> There should be a specific requirement in law or regulation for CDD to be undertaken when carrying out occasional transactions that are wire transfers in the circumstances covered by the Interpretative Note to SR VII. The NOIS should clearly establish an obligation on the service provider to conduct on-going due diligence on the business relationship. 	<p>The NOIS has been revised to address this recommendation. The draft revision of the NOIS has been adopted by Parliament on November 9, 2015.</p> <p>The recommended action has been incorporated in the P&G for MTC. For your convenience the amended section is highlighted in yellow.</p> <p>This recommendation has been addressed in the revision of the NOIS. The draft revision of the NOIS has been adopted by Parliament on November 9, 2015.</p>
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			<p><u>RISK</u></p> <ul style="list-style-type: none"> In keeping with the FATF rules of not applying or exempting some or all of the Forty Recommendations to some financial activities in strictly limited and justified circumstances, and based on a proven low risk of money laundering or terrorist financing, clarity is needed on the risk exercise undertaken that resulted in the designation and exemption of low risk financial institutions. 	<p>The risk based approach of the Central Bank for credit institutions is primarily based on the nature of the institutions' business. A significant number of the credit institutions (in 2010: credit unions (15), specialized credit institutions (6), savings and credit funds (7)) are regarded as low risk due to the nature of their business. Subsequent to eliminating these low risk institutions from the total licensed institutions, all high and medium risk credit institutions have been subjected to onsite reviews for verification of compliance with AML/CFT.'</p> <p>The risk based approach of the Central Bank for insurance sector is as follows: The types of life insurance contracts that are considered vulnerable as a vehicle for laundering money are investment related insurance. Examples of this type of insurance contract are;</p> <ul style="list-style-type: none"> - unit linked or with profit single premium contracts; - purchase of annuities; - lump sum top-ups to an existing life insurance contract, and - lump sum contributions to personal pension contracts. <p>The vulnerability depends on factors such as the complexity and terms of the contract, distribution, payment system and contract law.</p> <p>The life insurance industry in Curaçao characterizes itself amongst other as 1) selling of credit life insurance (risk insurance in relation to mortgage loans). These products do not have a cash value or investment features and as such do not lend themselves to money laundering activities. 2) Selling of life insurances of which premiums are being paid in monthly installments. 3) Purchase of annuity which are the result of life insurance which have matured.</p> <p>Of the 10 life insurance companies that the Central Bank had under its supervision as of December 31, 2010, the activities of 2 focused mainly on credit insurance.</p>
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			<ul style="list-style-type: none"> Exemptions in the NOIS should allow for reduced or simplified CDD for low risk scenarios, rather than no CDD. The P&G for CI should limit simplified and reduced CDD to customers of countries that Curacao is satisfied are in compliance with and effectively implementing the FATF Recommendations. <p><u>TIMING OF VERIFICATION</u></p> <ul style="list-style-type: none"> The P&G and the NOIS should be consistent in terms of timing of verification of the identity of non-resident clients. 	<p>This recommendation has been addressed in the revision of the NOIS. The draft revision of the NOIS has been adopted by Parliament on November 9, 2015.</p> <p>The recommended action has been incorporated in the P&G for CI.</p> <p>Both the NOIS and the P&G have been revised to address this recommendation.</p> <p>The recommended action has been incorporated in the P&G s.</p> <p>The draft revision of the NOIS has been adopted by Parliament on November 9, 2015.</p>
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			<p><u>FAILURE TO SATISFACTORILY COMPLETE CDD</u></p> <ul style="list-style-type: none"> The P&Gs should explicitly require that a financial institution considers submitting a UTR where the requirements at E.C 5.3 to 5.6 are not met. Further, the P&G for CI should require the conduct of CDD on existing customers/retrospective CDD, on the basis of materiality and risk, and due diligence on such existing relationships at appropriate times. 	<p>The recommended action has been incorporated in the P&Gs. For your convenience the amended section is highlighted in yellow.</p>
6. Politically exposed persons	LC	Effective supervision on factoring service providers cannot be determined in light of recent inclusion under the AML/CFT framework.	<ul style="list-style-type: none"> There should be effective coverage of factoring which was recently included in the NOIS and the NORUT. 	<p>The implementation of aml/cft supervision on factoring service providers is being prepared by the Central Bank.</p> <p>The Central Bank conducted a risk assessment of the factoring service providers sector. The preliminary findings indicate that the factoring service providers are exposed to very limited risk. The business is not cash based. Payments to customers, salaries and other expenses are done through transfer on their bank accounts or through issuance of cheques.</p>
7. Correspondent banking	LC	Credit institutions are not required to assess the respondent's AML/CFT controls and ascertain that they are	<ul style="list-style-type: none"> The Guidelines for CI should <u>explicitly require</u> that credit 	<p>The recommended action has been incorporated in the P&G for CI. For your convenience the amended section is highlighted in yellow.</p>

		adequate and effective.	institutions assess the respondent's AML/CFT controls and ascertain that they are adequate and effective as required under Recommendation 7.	
8. New technologies & non face-to-face business	C	This Recommendation has been fully observed.		
9. Thirdparties and introducers	C	This Recommendation has been fully observed.		
10. Record keeping	LC	<p>No explicit requirement in law or regulation for IC & IB and MTCs to maintain business correspondence for at least five (5) years following termination of an account or business relationship (or longer if requested by a competent authority in specific cases upon proper authority. No mandatory provisions in the P&G regarding the above.</p> <p>No explicit requirement in law or regulation requiring financial institutions to ensure that information (business correspondence) is available on a timely basis to the domestic competent authorities.</p>	<ul style="list-style-type: none"> It should be explicitly stated in law or regulation that IC & IB and MTC maintain business correspondence for third parties for at least five (5) years following termination of an account or business relationship (or longer if requested by a competent authority in specific cases upon proper authority. The language in the 	<p>The recommended action has been incorporated in the P&G for IC & IB and MTC. For your convenience the amended section is highlighted in yellow.</p> <p>Moreover, the NOIS has been revised to address this recommendation. The draft revision of the NOIS has been adopted by Parliament on November 9, 2015.</p>

			<p>P&Gs should also reflect a mandatory requirement as it relates to this matter.</p> <ul style="list-style-type: none"> Provision should be made in law or regulation requiring financial institutions to ensure that all information (business correspondence) is available on a timely basis to the domestic competent authorities. 	<p>The recommended action has been incorporated in the P&Gs. For your convenience the amended section is highlighted in yellow.</p> <p>Moreover, the NOIS has been revised to address this recommendation. The draft revision of the NOIS has been adopted by Parliament on November 9, 2015.</p>
11. Unusual transactions	PC	<p>No requirement in the P&Gs for financial institutions to keep their findings of examinations on the background and purpose of complex, unusual large transactions for at least five (5) years.</p> <p>No requirement in the P&Gs for findings of examinations on the background and purpose of complex, unusually large or unusual patterns of transactions to be made available to the auditors and competent authorities.</p>	<ul style="list-style-type: none"> Financial institutions should be required to (1) keep the findings of examinations on the background and purpose of complex, unusual large and unusual patterns of transactions for at least five (5) years and (2) make such findings available to the auditors and competent authorities. 	<p>Both the P&G and the NOIS have been revised to address this recommendation.</p> <p>The recommended action has been incorporated in the P&Gs.</p> <p>The draft revision of the NOIS has adopted by Parliament on November 9, 2015.</p>

12. DNFBP– R.5, 6, 8-11	NC	<p>The provision of services dealing with the organisation of contributions for the creation, operation or management of companies and the provision of nominee services are not subject to the AML/CFT obligations of the NOIS and the NORUT.</p> <p>Internet casinos are not subject to the AML/CFT obligations of NOIS and NORUT.</p> <p>The threshold for identification requirements for casinos is too high.</p> <p>Deficiencies with regard to Rec. 5 applicable to all DNFBPs include:</p> <p style="padding-left: 40px;">No legislative requirements for CDD when carrying out occasional wire transfers in the circumstances covered by the Interpretative Note for SR. VII.</p> <p style="padding-left: 40px;">No legislative requirement for service providers to conduct on-going due diligence on the business relationship.</p> <p style="padding-left: 40px;">The NOIS allows for full exemption from CDD rather than reduced or simplified CDD as required under the FATF Recommendations.</p> <p>No requirement in the P&Gs for administrators and company (trust) service providers obligating financial</p>	<ul style="list-style-type: none"> • Lawyers, notaries, accountants or similar legal professions preparing for or carrying out transactions for clients dealing with the organisation of contributions for the creation, operation or management of companies and trust and company service providers carrying out transactions for clients dealing with acting as (or arranging for another person to act as) a nominee shareholder for another person should be subject to the AML/CFT obligations of the NOIS and NORUT. 	<p>This recommendation will be addressed in the revision of the NOIS and the NORUT.</p> <p>The draft revision of the NOIS and that of the NORUT have been Ana we reviewed this again; is already addressed in article 1, sub a 14° & 15° of the NOIS and article 1, paragraph 1 sub a 14° & 15° of the NORUT. Internet casinos are at the moment subject to the AML/CFT obligations in the NOIS and NORUT.</p>
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	<p>institutions to consider making a UTR when the requirements of E.C. 5.3 to E.C. 5.6 are not met.</p> <p>Criteria 5.5.2, 5.6 to 5.11, 5.16 and 5.17 of Rec. 5 are not enforceable on DNFBPs under the FIU (MOT) and the GCB.</p> <p>Deficiencies identified in section 3 for Recs. 10 and 11 are also applicable to DNFBPs under the Central Bank</p> <p>Requirements of Recs. 6, and 11 are not enforceable on DNFBPs under the supervision of MOT and the GCB.</p> <p>Requirements of Rec. 9 are not enforceable on DNFBPs under the supervision of the FIU (MOT).</p> <p>Deficiencies identified in section 3.5 for Rec.10 are also applicable to all DNFBPs. Additionally, the requirement to ensure that transaction records are sufficient to permit the reconstruction of individual transactions is not enforceable on DNFBPs under FIU/MOT and GCB.</p>	<ul style="list-style-type: none"> Internet casinos should be subject to the AML/CFT obligation in the NOIS and NORUT. The threshold for identification requirements for casinos in legislation should be revised in accordance with the FATF standard. Financial institutions should be legislative required to perform CDD when carrying out occasional wire transfers in circumstances covered by SR. VII. 	<p>A new supervisory law for internet gambling is in administrative process. Internet casinos are at the moment subject to the AML/CFT obligations in the NOIS and NORUT.</p> <p>This has been addressed in the draft revision of the Ministerial Decree of the NOIS.</p> <p>This recommended action has been addressed in the revision of the NOIS. The draft revision of the NOIS has been adopted by Parliament on November 9, 2015.</p>
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			<ul style="list-style-type: none"> • Service providers should be legislatively required to conduct on-going due diligence on business relationships. • The NOIS should be amended to allow for reduced or simplified CDD measures for exempted institutions or enterprises under Article 2, paragraph 4. • The P&Gs for administrators and company (trust) service providers should be amended to require financial institutions to consider making a UTR when the requirements of E.C. 5.3 to E.C. 5.6 are not met. 	<p>This recommended action has been addressed in the revision of the NOIS. The draft revision of the NOIS has been adopted by Parliament on November 9, 2015.</p> <p>The recommended action has been incorporated in the P&G for administrators and company (trust) service providers. For your convenience the amended section is highlighted in yellow. Moreover, this recommendation has been addressed in the revision of the NOIS. The draft revision of the NOIS has been adopted by Parliament on November 9, 2015.</p> <p>These deficiencies have been addressed in the revision of the NOIS. The draft revision of the NOIS has been adopted by Parliament on November 9, 2015.</p>
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			<ul style="list-style-type: none"> Criteria 5.5.2, 5.6 to 5.11, 5.16 and 5.17 of Rec. 5 should be enforceable on DNFBPs under FIU/MOT and the GCB. Deficiencies identified in section 3 for Recs10 and 11 which are applicable to DNFBPs under the Central Bank should be remedied. Obligations in Recs. 6, 8 and 11 should be enforceable on DNFBPs under the supervision of FIU/MOT and the GCB and company (trust) service providers. 	<p>Both the P & G for Administrators and Trust Company Providers and the NOIS have been revised to address deficiencies identified in section 3.</p> <p>The recommended action has been incorporated in the P&Gs</p> <p>The draft revision of the NOIS has been adopted by Parliament on November 9, 2015.</p> <p>This recommendation has been addressed in the revision of the NOIS. The draft revision of the NOIS has been adopted by Parliament on November 9, 2015.</p>
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			<ul style="list-style-type: none"> • Obligations in Recs. 9 should be enforceable on company (trust) service providers and DNFBPs under the supervision of the FIU (MOT). • The deficiencies in section 3.5 for Rec. 10 which are applicable to all DNFBPs should be remedied. Additionally, the requirement to ensure that transaction records are sufficient to permit the reconstruction of individual transactions should be enforceable on DNFBPs under the FIU (MOT) and the GCB. 	<p>This recommendation has been addressed in the revision of the NOIS. The draft revision of the NOIS has been adopted by Parliament on November 9, 2015.</p> <p>The deficiencies in section 3.5 for Rec 10 have been updated and included in the P&Gs.</p> <p>In order to implement the CFATF Recommendations the GCB will effect the following:</p> <ol style="list-style-type: none"> 1. Planning to ensure that the casino sector will be audited regularly and consistently on their compliance with the AML/CFT regulations. <p>Audits on AML/CFT-compliance.</p> <p>As described in the second follow up report, since 2013 the GCB is conducting full scope audits of all casinos, consisting of both operational audits and financial audits. Full scope audits started with the financial year 2012.</p> <p>Operational audits (include AML compliance): The first draft management letters regarding the operational audits over year 2012 have been discussed with the managements of the individual casinos, after which the second draft management letters have been issued by the GCB. This process has resulted in several final management letters, while the others are in the process of being issued.</p> <p>The GCB will monitor casinos' actions and compliance with the management letters' instructions, and if instructions are not carried out within their prescribed time frames, sanctions will be levied.</p> <p>Financial audits: The field work of the financial audits over year 2012 is almost completed. After review of the audit files the first draft management</p>
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				<p>letters for the financial audits shall be issued.</p> <p>The operational audits over year 2013 are scheduled to start in August 2014.</p> <p>Capacity and capability of the Gaming Control Board</p> <p>Hiring of new personnel, introduction of new systems and equipment such as the Caseware Working Paper for Auditors and the Online Monitoring & Control System, and finalizing of the budget for 2014 will be addressed by the new director of GCB.</p> <p>Capacity increase.</p> <p>To ensure effective supervision of the casinos, the capacity of the Audit Division has been increased. The Audit Division now consists of a Division Head, an Audit Supervisor, an Audit Senior and two Auditors.</p> <p>The Technical & Operational Control Division has in 2013 been expanded by a total of four new inspectors.</p> <p>Per September 2012 the Gaming Control Board has been reorganised, creating room for a new Enforcement Division, in an attempt to address the issue of sanctions in a more definitive way.</p> <p>AML-training and -updating.</p> <p>In accordance with the new policy that as of June 2012 CAMS-certification is mandatory for all GCB auditors, the Division Head, the Supervisor and the Audit Senior are now CAMS-certified after passing the CAMS-exams with very good results. The other auditors are scheduled to take the CAMS-exam this year.</p> <p>In 2013, four auditors have attended training at the GLI University to update their knowledge of technical aspects of the casino industry. They have also attended the courses on Casino Auditing I and II at the International Gaming Institute of the University of Las Vegas, to ensure that the audits of the financial statements meet the current standards and criteria.</p> <p>Of the Technical & Operational Control Division, two inspectors have attended the training at the GLI University in June 2013.</p> <p>A training program for existing and new inspectors is being devised to ensure</p>
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				<p>that they are up to date with developments in the sector.</p> <p>In order to keep up with the latest AML/CFT-developments, the GCB attended the 9th CFATF Conference on Anti-Money Laundering and Combating the Financing of Terrorism, held in Trinidad and Tobago on 2-3 December 2013.</p> <p>Systems and equipment.</p> <p>To further improve the Audit Division's operations, the newly developed Audit Methodology and Approach now includes AML work programs, and the Case ware Working Paper for Auditors will be acquired to automate audit methodology and work programs and to digitalize audit working papers. The latter has been included in the draft budget for 2014.</p> <p>In order to improve supervision on money flow, the GCB plans to introduce an Online Monitoring & Control System. Casinos have already committed themselves through a Memorandum of Understanding signed with the Government to connect to this system, that will supply the GCB with timely data from all slot machines and automated table games.</p> <p>The introduction of the Online Monitoring & Control System will be included in a project plan for 2014 and has been included in the draft budget for 2014.</p> <p>The GCB is in the process of automating the work programs of the GCB Inspectors.</p> <p>2. Planning to ensure that non-compliance will be sanctioned in an effective, proportional and dissuasive manner.</p> <p>Procedure.</p> <p>In the first follow up report, the procedure was described that should ensure that non-compliance would be sanctioned in an effective, proportional and dissuasive manner. As described under "Audits on AML/CFT compliance", this procedure is in effect.</p> <p><i>Results.</i></p> <p>So far, two fines have been levied for non-compliance with AML/CFT regulations in 2012 – 2013.</p>
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<p>13. Suspicious transaction reporting</p>	<p>PC</p>	<p>Effective implementation of reporting of suspicious reports is not demonstrated.</p> <p>Subjective indicators for the filing of UTRs are rules based, which hinders the reporting entity's autonomy to decide whether to file a UTR</p> <p>Heavy reliance by the reporting entities on the prescriptive list of indicators provided by the Ministerial Decree.</p> <p>Insufficient flexibility for reporting entities to identify suspicion of ML or FT.</p>	<ul style="list-style-type: none"> • The Authorities should ensure that entities from all sectors report UTRs. • Mechanisms should be put in place that would require all reporting entities to focus on identifying and reporting on transactions for which they can identify a suspicion. • Reporting entities should not rely only on the prescriptive list of indicators provided by the Ministerial Decree. • The relevant procedures should be revised to allow 	<p>Update GCB: During the process of the operational audits of the casinos, the GCB instructs the casinos on a regular basis to report all unusual transactions as required by law. If found necessary during the audits, this is included in the instructions in the GCB management letters. In addition to this, the GCB has budgeted an AML-training especially for the casinos' compliance officers for the second half of 2015. Since the establishment of the FIU in 1997, all reporting entities are aware of their reporting obligations and report transactions to the FIU in cases where there are unusual or suspicious transactions. As such the FIU and other authorities have ensured, via trainings, presentations, interviews, etc. that reporting entities comply with the respective AML/CFT laws and report when the law prescribes this.</p> <p>The FIU together with the supervisory authorities during the years has made all reporting entities aware of their reporting obligations by organizing trainings, presentations, by supplying them with the relevant laws and provisions and guidelines, work documents. All reporting entities regularly receive letters and emails regarding their reporting obligation and their reporting behaviour. During their supervisory work, the respective supervisory authorities also stress the reporting obligation and the reporting behaviour to the reporting entities. In the above-mentioned trainings, presentations and audits, all reporting entities are made aware of the importance of risk based reporting and thus identifying suspicious transactions.</p> <p>The FIU of Curaçao together with the members of the CIWG drafted new indicators, whereby the accent is more on reporting suspicious transactions. The prescriptive list of indicators has been removed and replaced by a subjective indicator that is flexible enough to allow reporting entities to submit what could be considered a suspicious or unusual transaction. This indicator is: transactions where there is a cause to presume that they may be related to money laundering or terrorist financing. This draft now includes besides the suspicious indicators, also indicators with regard to large cash transactions, electronic wire transfers, casino reporting, money remitting and credit card reports and reports regarding the stock exchange. The revised indicators will be adopted in a short term.</p>
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			developing more flexibility for reporting entities to identify suspicion of ML or FT.	Moreover Customs is informing FIU of passengers or groups of passengers they identify that probably are “smurfing”.
14. Protection & no tipping-off	PC	<p>Directors of legal persons are not protected by law from civil and criminal liability for breach of confidentiality for reporting to the FIU (MOT) in good faith.</p> <p>Tipping-off offence only applicable to employees directly involved in the reporting of any unusual or suspicious transaction to the FIU (MOT).</p>	<ul style="list-style-type: none"> Relevant amendments should be made to ensure that directors of legal persons are protected by law from both civil and criminal liability for breach of confidentiality when reporting to the FIU (MOT) in good faith. The tipping-off offence should cover all the directors, officers and employees of a financial institutions. 	<p>This recommendation has been addressed in the revision of the NORUT. The language of the relevant article(s) has been adapted. The draft revision of the NORUT has been adopted by Parliament on November 9, 2015.</p> <p>This recommendation has been addressed in the revision of the NORUT. The language of the relevant article(s) has been adapted. The draft revision of the NORUT has been adopted by Parliament on November 9, 2015.</p>
15. Internal controls, compliance & audit	C	This Recommendation has been fully observed.		
16. DNFBP – R.13-15 & 21	NC	<p>Deficiencies identified for Rec. 13 and 14 in Section 3.7 are applicable to all DNFBPs.</p> <p>Ineffective reporting of unusual transactions by DNFBPs.</p>	<ul style="list-style-type: none"> The deficiencies identified for Recs. 13 and 14 in section 3.7 for all DNFBPs should be remedied. 	Please be referred to the updated actions undertaken under R. 13 and R. 14.

		<p>Deficiencies identified for Rec. 21 in Section 3.6 of this report also applies to all DNFBPs under the Central Bank.</p> <p>Obligations in Rec. 15 and 21 are not enforceable on the DNFBPs under the FIU (MOT) and the GCB.</p>	<ul style="list-style-type: none"> The deficiencies identified for Rec. 21 in sections 3.6 for DNFBPs under the Central Bank should be remedied. Obligations in Rec. 15 and 21 should be made enforceable on the DNFBPs under MOT and GCB. 	<p>The P & G for TCSP has been updated to include the deficiencies identified.</p> <p>This recommendation is being addressed in the revised MICS.</p>
17. Sanctions	PC	<p>The range of administrative sanctions available to the Central Bank under the various Ordinances is uneven.</p> <p>The procedures under the RFETCSM to impose sanctions on non-bank MTCs are unclear and may prove ineffective.</p> <p>Effectiveness of the range of sanctions available for non-compliance with requirements cannot be determined given the limited employ of such.</p>	<ul style="list-style-type: none"> With respect to EC 17.1, the range of sanctions under the various Ordinances should be reviewed with a view to harmonising and ensuring effectiveness, dissuasiveness and proportionality as follows: <ul style="list-style-type: none"> The 	<p>The power to appoint a trustee/administrator has already been addressed in the</p>

			<p>power to appoint a trustee/administrator should apply under the RFETCS M, NOSTSP, NOSII and NOIB</p>	<p>Harmonization Law for the NOSTSP, NOSII and NOIB. The appointment of a trustee/administrator is not necessary under the RFETCSM as the aforementioned power will be possible under the abovementioned supervision laws for all institutions supervised by the Central Bank.</p> <p>The Harmonization law has been adopted by Parliament on November 9, 2015.</p>
			<ul style="list-style-type: none"> • Revocation of the license or dispensation should be available under the NOSSE, NOSII and NOIB. 	<p>The revocation of license has already been addressed in the Harmonization Law.</p> <p>The Harmonization law has been adopted by Parliament on November 9, 2015.</p>
			<ul style="list-style-type: none"> • The power to impose administrative fines for 	<p>The power to impose administrative fines has already been addressed in the Harmonization Law.</p> <p>The Harmonization law has been adopted by Parliament on November 9, 2015.</p>

			<p>AML/CF T violation s should be available under the NOIB.</p> <ul style="list-style-type: none"> Referral for criminal investiga tion or prosecuti on by the Central Bank should be available under the NOIB, NOSII The application of conditions and application of sanctions under the RFETCSM to non- bank MTCs should be clarified. 	<p>For insurance companies and insurance brokers referral for criminal investigations or prosecutions is already possible based on article 10 of the NOIS and article 23 of the NORUT. Nevertheless, the referral for criminal prosecution is also being addressed in the Harmonization Law.</p> <p>The Harmonization law has been adopted by Parliament on November 9, 2015.</p> <p>The application of conditions is based on article 17 paragraph 3 juncto article 21 paragraph 1 of the RFETCSM. Therefore, violations of these conditions will result in the application of the sanctions under the RFETCSM (such as an instruction (article 33 paragraph 1) or revocation of license/dispensation (article 22) or a referral for criminal investigation or prosecution (article 81)) and the sanctions under the NOIS and the NORUT.</p>
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				The abovementioned sanctions referred to in the RFETCSM already cover the non-bank MTCs. In addition, these sanctions are also included in the National Ordinance on the Supervision of the Money Transfer Companies which has been adopted by the Parliament on September 22, 2014 and came into force on March 1, 2015.
18. Shell banks	C	This Recommendation has been fully observed.		
19. Other forms of reporting	C	This Recommendation has been fully observed.		
20. Other NFBP & secure transaction techniques	C	This Recommendation has been fully observed.		
21. Special attention for higher risk countries	PC	<p>No requirement in the P&Gs for IC & IB and MTCs that for transactions that have no apparent economic or visible lawful purpose that their background and purpose should as far as possible, be examined, and written findings should be available to assist competent authorities and auditors.</p> <p>Insufficient instructions issued regarding countermeasures where countries continue not to or insufficiently apply the FATF Recommendations</p>	<ul style="list-style-type: none"> The P&Gs for IC & IB and the MTCs should require that for transactions that have no apparent economic or visible lawful purpose, the background and purpose of such transactions should, as far as possible, be examined, and written findings should be available to assist competent authorities (e.g. supervisors, law enforcement agencies and the FIU (MOT)) and 	<p>The P & G for IC & IB and the MTCs have been updated to include the deficiencies identified.</p> <p>The P&Gs issued by the Central Bank have been updated to include instructions regarding countermeasures.</p> <p>The P&Gs issued by the FIU are being amended to ensure that the DNFBP have sufficient instructions regarding countermeasures where countries do not or not sufficiently apply the FATF Recommendations. The enhanced customer due diligence has been included in the P&Gs for DNFBP since October 2012.</p>

			<p>auditors.</p> <ul style="list-style-type: none"> Authorities should effectively demonstrate employ of instructions regarding countermeasures for transactions and business relationships with countries that do not apply or insufficiently apply the FATF Recommendations. 	
22. Foreign branches & subsidiaries	C	This Recommendation has been fully observed.		
23. Regulation, supervision and monitoring	LC	Financial institutions engaged in factoring services were only recently subject to the NOIS and NORUTT and subject to supervision by the Central Bank.	<ul style="list-style-type: none"> The new framework for prudential supervision of MTCs should be implemented as soon as possible. 	<p>The information in the columns ‘Summary of Factors for Rating’ and ‘Recommended Actions’ do not correlate.</p> <p>.....</p> <p>The National Ordinance on the Supervision of the Money Transfer Companies has been adopted by the Parliament on September 22, 2014 and came into force on March 1, 2015.</p>
24. DNFBP - regulation, supervision and monitoring	NC	<p>No supervision of internet casinos for compliance with AML/CFT obligations</p> <p>The FIU (MOT) has not implemented an</p>	<ul style="list-style-type: none"> The Authorities should implement an AML/CFT regime for supervision of and 	<p>A new supervisory law for internet gambling has been submitted to the Advisory Council, but will be resubmitted because of the constitutional reform after October 10, 2010.</p> <p>A draft supervisory law for internet gambling is in administrative process.</p>

		<p>effective supervisory regime.</p> <p>The FIU (MOT) lacks resources to effectively supervise DNFBPs subject to AML/CFT obligations.</p> <p>Deficiencies identified in section 3.10 with regard to R. 17 and 29 are also applicable to DNFBPs under the Central Bank.</p>	<p>compliance by Internet casinos.</p> <ul style="list-style-type: none"> The FIU (MOT) should implement and effective supervisory regime as soon as possible. The FIU (MOT) should be given more resources to fulfil their supervisory role for the relevant DNFBP sector. The deficiency identified in section 3.10 (R. 29) with regard to the supervisory function of the Central Bank should be remedied. 	<p>The FIU has organized regular audits pursuant to the NORUT and the NOIS since January 2013.</p> <p>The FIU's has started the procedure to employ new supervisors.</p> <p>Please refer to the response on R.29. Moreover, all onsite examinations conducted on the DNFBPs supervised by the Central Bank are in the area of AML/CFT.</p>
25. Guidelines&F	PC	The FIU (MOT) annual reports do not include adequate information on trends	<ul style="list-style-type: none"> Reporting entities should receive 	

feedback		<p>and typologies.</p> <p>P&G for providers of factoring services not in place to assist in implementing and complying with AML /CFT requirements.</p> <p>No P&Gs for Internet Casinos.</p>	<p>more general and case-by-case feedback on reports submitted to the FIU.</p> <ul style="list-style-type: none"> • The annual report (or other reports) of the FIU (MOT) should include more information on ML and FT trends and typologies. • In light of the recent National Decree Designating Services, Data and Supervisors under the NOIS (when Providing Services), a framework, inclusive of a P&G should be implemented. • Provisions and Guidelines should be developed for Internet Casinos. • The FIU (MOT) should provide the DNFBPs that it 	<p>The FIU is reviewing its annual reports to make the trends and typologies more visible.</p> <p>The Central Bank conducted a risk assessment of the factoring service providers sector. The preliminary findings indicate that the factoring service providers are exposed to very limited risk. The business is not cash based. Payments to customers, salaries and other expenses are done through transfer on their bank accounts or through issuance of cheques.</p> <p>In the meantime, P&G for the factoring services have been drafted by the Central Bank and need to be submitted to the 2 factoring service providers for their review and comments prior to formal implementation.</p>
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			supervises with more ML/FT feedback.	
Institutional and other measures				
26. The FIU	PC	<p>Provisions of Articles 4, 16 and 22 of the NORUT present a risk to the proper protection of information.</p> <p>Articles 4, 16 and 22 of the NORUT contain provisions that risk the interference in the operation of the FIU (MOT):</p> <p>Possibility of undue influence and interference by the Minister of Finance who can directly manage the FIU (MOT) database under the provisions of the NORUT (Articles 4 and 22).</p> <p>Current composition of the Guidance Committee for the FIU (MOT) could lead to undue influence or interference. (Article 16).</p> <p>Insufficient trends and typologies in the FIU (MOT's) annual reports.</p> <p>Effectiveness issues:</p> <p>Lack of sufficient human resources is limiting the FIU (MOT's) effectiveness.</p> <p>Systems and procedures in</p>	<ul style="list-style-type: none"> The Authorities should consider revising the composition and mandate of the Guidance Committee (Article 16 of the NORUT) to avoid any possibility of undue influence or interference. Article 22 of the NORUT should be revised in order to better protect the access to the database from individuals being the object of UTRs. The process of having most cases presented by an analyst to the Head of the FIU should be revised with consideration being given to 	<p>This recommendation will be addressed in the revision of the NORUT. The draft revision of the NORUT has been adopted by Parliament on November 9, 2015.</p> <p>This recommendation has been addressed in the revision of the NORUT. The draft revision of the NORUT has been adopted by Parliament on November 9, 2015.</p>

		<p>place result in a low level of UTRs being analysed.</p> <p>The approval process of the FIU (MOT) with regard to cases appears to be burdensome.</p> <p>Important limitation to indirect access to law enforcement database (requirement of a letter on a case by case basis).</p>	<p>using the process in exceptional circumstances. In addition, other officials than the Head of FIU (MOT) should have the authority to approve the disclosure of cases on a regular basis.</p> <ul style="list-style-type: none"> • The Curaçao Authorities should consider amending Articles 4, of the NORUT to remove provisions that could potentially lead to the risk of interference or undue interference. ☐ The annual report (or other reports) of the FIU (MOT) should include more information on ML and FT trends and typologies- 	<p>This recommendation has been addressed in the revision of the NORUT. The NORUT has been adopted by Parliament on November 9, 2015.</p>
27. Lawenforcem entauthorities	LC	<p>Effectiveness:</p> <p>The UFCB is facing important issues with regard to structure, resources and operations.</p>	<ul style="list-style-type: none"> • The Curacao Authorities should review the functions and method of operation of the UFCB, and 	<p>The decision to acquire (new) Financial Crime Investigators has been taken by the relevant authorities. Based on this decision four Financial Crime Investigators have already been selected.</p> <p>According to the approved Arrangement Plan of KPC (police force)flexibility and multi-functionality of the employees are guiding principles within the Division of</p>

		<p>BFO is also facing resources issues as there are six (6) vacant positions out of a total of fifteen (15) positions.</p> <p>Domestic recruitment of officers is an issue for law enforcement authorities in general. The level of experience and knowledge can limit the ability to undertake complex money laundering cases.</p> <p>Limited training on ML to law enforcement authority officers.</p> <p>No specific training is provided to law enforcement authority officers on terrorist financing.</p>	<p>depending on the outcome of that review provides the Unit with adequate human and economic resources.</p> <ul style="list-style-type: none"> The BFO is also facing recruitment challenges. Authorities should deploy efforts to find additional resources domestically that will be able to handle increasingly complex cases of ML and, potentially, FT. 	<p>Organized Crime (DOC). This means that at all times, depending on the operational needs (flexibility) within all tactical units of the Investigation and Information Service employees may be deployed (multi-employability) on all themes.</p>
28. Powers of competent authorities	LC	<p>Effectiveness: competent authorities can face challenges in obtaining warrants to search persons or premises or Court orders to compel production of documents or information held by reporting entities.</p>	<ul style="list-style-type: none"> The process for obtaining a Court order to compel production of documents or information from reporting entities and warrant for the search of persons and premises should be amended so that it can be more easily available to law enforcement in the investigation of 	

			(ML and FT matters.	
29. Supervisors	LC	Limited number of AML onsite inspections do not definitively demonstrate adequacy of supervisory powers.	<ul style="list-style-type: none"> Albeit the risk-based approach, the onsite supervision programme should cover more licensed financial institutions and include a file review. 	<p>The Central Bank conducts thematic reviews in the area of ML/FT. These thematic reviews are not based on safety/soundness deficiencies identified at the supervised institutions. A bank may very well be selected for an AML/CFT review by the Central Bank if there are AML/CFT deficiencies, despite a low risk classification in the area of safety and soundness. For the international banking sector, for example, the thematic reviews in the area of ML/FT conducted in 2010 and 2015 comprised approximately 80% of the total assets of the international banking sector.</p> <p>Factors, such as AML/CFT deficiencies identified during previous examinations and in reporting documentation received and management letters, are also essential elements that are taken into consideration by the Central Bank in the execution of its AML/CFT risk assessment of the supervised institutions. Based on the Central Bank's overall risk assessment conducted in light of the qualitative factors and supervisory concerns, the Central Bank will determine the appropriate supervisory strategies and the intensity of the supervision and on-site examinations to be applied to a particular supervised institution.</p> <p>Although the ratio of the size of the staff of the various supervision departments of the Central Bank compared to the number of conducted on-site examinations is lower for certain sectors under supervision than others, the risk-based approach applied by the Central Bank allows the Central Bank to effectively monitor adherence to the AML/CFT requirements. The application of the risk-based approach allows the Central Bank to allocate and use its resources more efficiently and effectively among supervised institutions, while at the same time it allows the Central Bank to distinguish those institutions that pose a higher risk to the achievement of supervisory objectives. The monitoring of controls to combat ML and FT also forms an integral part of the supervisory risk-based regime applied by the Central Bank.</p> <p>The risk-based approach applied by the Central Bank allows the Central Bank to effectively monitor adherence to the AML/CFT requirements. The Central Bank has given instructions for non-compliance with AML/CFT requirements.</p> <p>The onsite supervision program covers all financial institutions that are licensed by the Central Bank. In addition, the supervision program includes a file review, refer to table 8 of the MER: incomplete files regarding</p>

NOIS/P&G, clearly provides an overview of the file reviews that were conducted during onsite examinations.

The risk based approach of the Central Bank is primarily based on the nature of the institutions' business. A significant number of the credit institutions (in 2010: credit unions (15), specialized credit institutions (6), savings and credit funds (7)) are regarded as low risk due to the nature of their business. Subsequent to eliminating these low risk institutions from the total licensed institutions, all high and medium risk credit institutions have been subjected to onsite reviews for verification of compliance with AML/CFT.'

	2012	2013	2014	2015
Examinations without AML/CFT components	0	0	0	0
Examinations with AML/CFT components	18	10	10	27
Total Examinations conducted	18	10	10	27
Total licensed credit institutions	48	47	45	45
Domestic commercial banks	13	12	12	11
International banks	33	33	31	30
Credit unions	1	1	1	1
Specialized credit institutions	0	0	0	0
Savings bank	1	1	1	1
Savings and credit funds	0	0	0	0

Based on the total examinations with AML/CFT components conducted during 2015 and the total high and medium risk licensed credit institutions as indicated above, these credit institutions have been examined approximately every 2 years by the Central Bank.

45	=	1.7
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				27		
				<p>In light of the risk based approach of the Central Bank, there are high and medium risk licensed credit institutions that have been visited on more than 1 occasion during this time frame.</p> <p>Despite our risk-based approach, all life insurance companies under the supervision of the Central Bank were submitted to an AML/CFT examination. As was indicated before, a file review forms part of the examination program.</p>		
30. Resources, integrity and training	PC	<p>Lack of adequate resources has resulted in a lower percentage of analysed UTRs.</p> <p>High number of vacant positions in the FIU (MOT) reduces its capacity to analyse and supervise.</p> <p>Insufficient human resources at the BFO.</p> <p>Insufficient lawyers at the Public Prosecutor's Office (PPO).</p> <p>Need to strengthen domestic capacity with regard to specialist prosecutors and judiciary.</p> <p>Insufficient amount of officers in the PPO that are assigned to handle mutual legal assistance requests.</p> <p>Potential challenges with resources available for AML/CFT supervision and regulation of the financial institutions.</p>	<ul style="list-style-type: none"> The human resources of the BFO should be enhanced significantly so that they can properly handle increasingly complex cases of ML. The Curaçao Authorities should give consideration to assigning more lawyers to deal with mutual legal assistance requests. 	<p>According to the approved Arrangement Plan of KPC(police force)flexibility and multi-functionality of the employees are guiding principles within the Division of Organized Crime (DOC). This means that at all times, depending on the operational needs (flexibility) within all tactical units of the Investigation and Information Service employees may be deployed (multi-employability) on all themes.</p> <p>(i)</p> <p>(ii)</p>		

			<ul style="list-style-type: none">• The PPO should continue to build up its specialist prosecutorial resources and the Authorities should continue their efforts to attract more local legal professionals into the prosecutorial and judicial services.	<p>The PPO works according to his establishment plan. The PPO is arranged around two teams. Each team focuses on the primary tasks of the prosecution. The teams are each led by a team leader who is leading a number of prosecutors, assistant to the prosecutors and legal assistants. Each team is also supported by a secretary. The team leader is responsible for ensuring quality, integrity and knowledge. A prosecutor in the teams is designated as investigation officer. An execution officer is also appointed from the team.</p> <p>The PPO is doing its utmost to upgrade the personnel. The PPO offers its staff an internal training program in order to fulfil the need for more officers and increased ability to perform under the assistant to the prosecutors (the target is to invest in the development of its own staff). More internal mobility of staff makes the PPO a more dynamic organization that fully exploits the potential of its employees (the target is to invest in the development of its own staff). More internal mobility of staff makes the PPO a more dynamic organization that fully exploits the potential of its employees.</p> <p>The idea is to provide employees with strong legal understanding - basically the assistant to the prosecutors but possibly also policy makers – retraining and giving them the opportunity to get acquainted and get experienced with different aspects of prosecution in Money Laundering cases and cases dealing with the Financing of Terrorism. Subject to satisfactory performance, they can then be appointed as deputy prosecutor, or to current Dutch PPO example, as an assistant prosecutor.</p>
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			<ul style="list-style-type: none"> • The FIU (MOT) should be given more resources to fulfil their supervisory role of the relevant DNFBP sector. • The Authorities should review and strengthen as necessary, the resources available to supervise financial institutions. 	<p>Employee recruitment by the FIU is a priority. New staff have been recruited for the analyst department of the FIU.</p> <p>The FIU's request to the Minister of Finance regarding the necessity of additional human resources for the supervision department is being addressed.</p> <p>Being one of the Strategic goals of the Central Bank, (financial) resources are being allocated annually to hire new staff if necessary and to properly train available staff members. Supervision departments are required to annually prepare their policy memorandum in which they indicate their short, medium and long term goals. These memoranda contain the activities that will be carried out during the next year and also the resources necessary to carry out these activities. Additionally, the number of staff needed is being indicated and the funds necessary to provide for continuing education of the staff members.</p> <p>In the past year the number of new staff recruited for the supervision departments amounted to 4. Most of them were people with some years of relevant working experience. In addition, the CBCS has changed its traditional supervisory approach to a risk based approach and as such enabling her to use her resources more effectively and efficiently.</p> <p>In 2015, one new staff member has been added to the Banking Supervision Directorate.</p>
31. National cooperation	PC	The national committee on AML/CFT measures (CIWG) lacks structure and organization.	<ul style="list-style-type: none"> • There should be a clear structure, governance and terms of reference 	The current legislation regarding the structure and organization of the committee (CIWG) has been revised. The draft revision of mentioned legislation includes a clear structure and the possibility for the committee to draft terms of reference that will assist with the organization. Moreover, mentioned draft legislation includes

		<p>Important concerns with frequency of meetings of the CIWG.</p> <p>Operational competent authorities are not represented on the CIWG</p> <p>No national committee or working group for competent authorities only.</p>	<p>in place that would assist with the organization of the CIWG.</p> <ul style="list-style-type: none"> • The composition of the CIWG should include more operational competent authorities such as FIU (MOT), the PPO and other law enforcement authorities. • Consideration should be given to having a forum where only competent authorities can work together on policy and legislative changes that will contribute to improve the national AML/CFT regime. • An assessment of the adequacy of resources assigned to competent authorities should be undertaken to ensure that they keep pace with a dynamic financial 	<p>i.a. more operational competent authorities such as FIU, the PPO and other law enforcement authorities in the composition of the committee and a forum where competent authorities can work together on policy and legislative changes to improve the AML/CFT regime.</p> <p>This draft revised legislation is in administrative preparation in order to start with the official legislative process.</p> <p>Being one of the Strategic goals of the Central Bank, (financial) resources are being allocated annually to hire new staff if necessary and to properly train available staff members. Supervision departments are required to annually prepare their policy memorandum in which they indicate their short, medium and long term goals. These memoranda contain the activities that will be carried out during the next year and also the resources necessary to carry out these activities. Additionally, the number of staff needed is being indicated and the funds necessary to provide for continuing education of the staff members.</p> <p>In the past year the number of new staff recruited for the supervision departments</p>
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			sector.	<p>amounted to 4. Most of them were people with some years of relevant working experience. In addition, the CBCS has changed its traditional supervisory approach to a risk based approach and as such enabling her to use her resources more effectively and efficiently.</p> <p>In 2015, one new staff member has been added to the Banking Supervision Directorate.</p> <p>The FIU's request to the Minister of Finance regarding the necessity of additional human resources for the supervision department is being addressed.</p> <p>Capacity and capability of the Gaming Control Board Capacity increase.</p> <p>To ensure effective supervision of the casinos, the capacity of the Audit Division has been increased. The Audit Division now consists of a Division Head, an Audit Supervisor, an Audit Senior and two Auditors.</p> <p>The Technical & Operational Control Division has in 2013 been expanded by a total of four new inspectors.</p> <p>Per September 2012 the Gaming Control Board has been reorganised, creating room for a new Enforcement Division, in an attempt to address the issue of sanctions in a more definitive way.</p> <p>AML-training and -updating.</p> <p>In accordance with the new policy that as of June 2012 CAMS-certification is mandatory for all GCB auditors, the Division Head, the Supervisor and the Audit Senior are now CAMS-certified after passing the CAMS-exams with very good results. The other auditors are scheduled to take the CAMS-exam this year.</p> <p>In 2013, four auditors have attended training at the GLI University to update their knowledge of technical aspects of the casino industry. They have also attended the courses on Casino Auditing I and II at the International Gaming Institute of the University of Las Vegas, to ensure that the audits of the financial statements meet the current standards and criteria.</p> <p>Of the Technical & Operational Control Division, two inspectors have attended the training at the GLI University in June 2013.</p> <p>A training program for existing and new inspectors is being devised to ensure</p>
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				<p>that they are up to date with developments in the sector.</p> <p>In order to keep up with the latest AML/CFT-developments, the GCB attended the 9th CFATF Conference on Anti-Money Laundering and Combating the Financing of Terrorism, held in Trinidad and Tobago on 2-3 December 2013.</p> <p>Systems and equipment.</p> <p>To further improve the Audit Division's operations, the newly developed Audit Methodology and Approach now includes AML work programs, and the Case ware Working Paper for Auditors will be acquired to automate audit methodology and work programs and to digitalize audit working papers. The latter has been included in the draft budget for 2014.</p> <p>In order to improve supervision on money flow, the GCB plans to introduce an Online Monitoring & Control System. Casinos have already committed themselves through a Memorandum of Understanding signed with the Government to connect to this system, that will supply the GCB with timely data from all slot machines and automated table games.</p> <p>The introduction of the Online Monitoring & Control System has been included in a project plan for 2015 and has been included in the budgets for 2014 and 2015.</p> <p>The GCB is in the process of automating the work programs of the GCB Inspectors.</p>
32. Statistics	PC	<p>No statistics being kept on the exchange of information between law enforcement Authorities other than those related to mutual legal assistance.</p> <p>No segregation of the PPO database with regard to its different activities</p> <p>No statistics on reports filed for cross</p>	<ul style="list-style-type: none"> The PPO must segregate its database with regard to its different activities. 	<p>Between the Curacao police and police abroad there is an almost unrestricted exchange of information. When it comes to using the information submitted by the police in any proceedings, the information should be requested formally thru a request for mutual legal assistance.</p>

border bearer negotiable instruments.

No statistics kept on the type of legal assistance that was requested and the time required to respond to the request in accordance with E.C.32.2 (c).

- Statistics for the exchange of information (other than the mutual legal assistance process) between law enforcement authorities should be kept.
- Customs or other relevant competent authority should maintain statistics with regard to cross border bearer negotiable instruments.

- The Curaçao Authorities should keep statistics with regard to the nature of the request made and the time required to respond to mutual legal

Update Customs:

Customs keeps records in order to develop statistics of everything regarding cross border. Up till now there was no case of cross border negotiable instruments. Please refer to the following table:

Customs	2010	2011	2012	2013	2014
Cross border cash movement UTRs	640	153	538	1148	606
Cross border bearer negotiable instruments UTRs	0	0	0	0	0
Total UTRs	640	153	538	1148	606

Update Statistics as requested in the letter of CFATF dated July 6, 2015.

Update FIU:

The FIU of Curaçao, in the conduct of its supervisory function, conducted nine (9) full fledge audits and nineteen (19) management meetings with the designated non financial businesses and professions (DNFBP). One warning letter was issued to a car dealer because of the fact that it did not report an unusual transaction within the period prescribed by law.

After every audit conducted by FIU Curaçao the DNFBP receives an audit report which also contains an action list mentioning all the shortcomings that were detected and the action that must be taken by the DNFBP within a

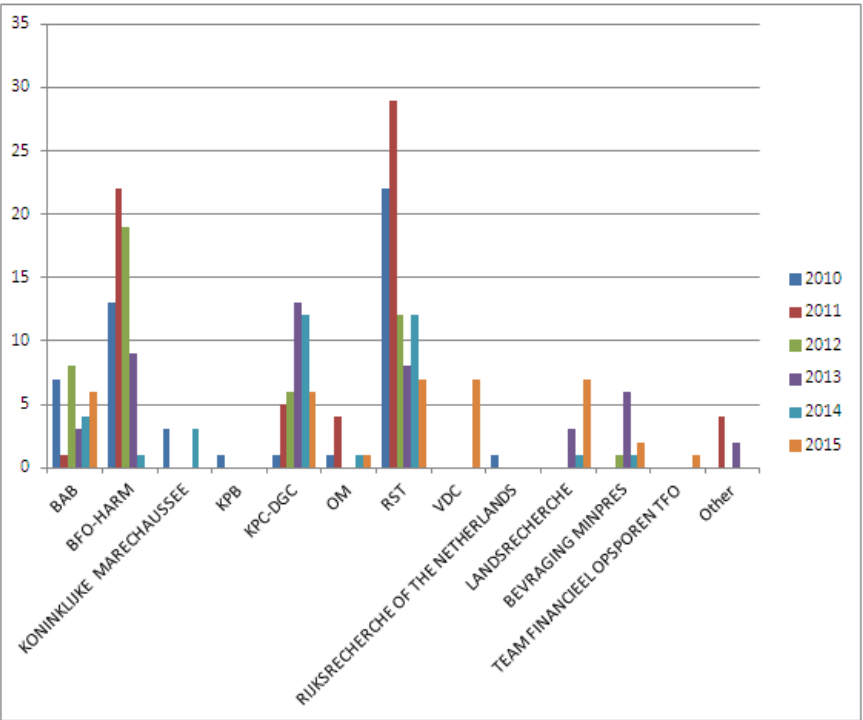
			assistance requests.	<p>certain period to remedy the shortcomings. The FIU Curaçao also started the follow-up process regarding the audits that had been conducted since august 2010. A total of thirteen (13) DNFBP (tax advisor, accountant, lawyers, notary at law and real estate dealer) received a letter enquiring about the actions they have taken in order to restore the shortcomings that were found during the audits that were conducted at their organization. FIU Curaçao also held several presentations for all 8 categories DNFBP resorting under her supervision.</p> <p>Requests to MOT/FIU regarding unusual transactions of subjects (possibly) involved in money laundering / terrorist financing over the last five years (2010 – 2015 to date).</p> <p>Local requests All local request to MOT/FIU are done by local crime detecting authorities with the approval of the PPO, and by local intelligence security authorities, all for intelligence purposes. If information is to be used for criminal prosecution purposes, a request can be made to the Head of the MOT/FIU regarding such. Standard reaction time to a local request is 2-3 working days, but actual throughput time may depend on the scale of the request that is made and the number of subjects information is requested on. The scale of the request may imply that other (local and international) organizations need to be requested for information by the MOT/FIU. Since this request procedure is paper based and depending on the reaction time of other organizations, actual throughput time may take longer. A local request can also be made by the Prime Minister or the person who is charged with the formation of a Ministerial Cabinet, in the course of screening of persons regarding fitness for a Ministerial position. Standard reaction time is 2-3 working days.</p> <p>International requests All international requests to MOT/FIU are done by FIU's that are a member of the Egmont Group and/or with whom the MOT/FIU has signed an MOU for the exchange of information for intelligence purposes. (requests of international crime detecting authorities are done through local PPO). Standard reaction time to an international request is 2-3 working days, but actual throughput time may depend on the scale of the request that is made and the number of subjects information is requested on. The scale of the request may imply that other (local) organizations need to be requested for</p>
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information by the MOT/FIU. Since this request procedure is paper based and depending on the reaction time of other organizations, actual throughput time may take longer.

Please refer to the following tables and graphics for the statistics of the requests to MOT/FIU:

	2010	2011	2012	2013	2014	2015(to date 11-11-2015)
Local requests	49	65	46	42	35	37
International requests	56	77	44	60	40	31
Total	105	142	90	102	75	68

Requesting Instance local	2010	2011	2012	2013	2014	2015
BAB (Tax Auditors Bureau)	7	1	8	3	4	6
BFO-HARM (Bureau of Financial Investigations/Hit and Run ML)	13	22	19	9	1	
KONINKLUKE MARECHAUSSEE (Royal Marechaussee)	3	0	0	0	3	
KPB (Police Force Bonaire)	1			1		
KPC-DGC (Police Force Curacao – Division Organized Crime)	1	5	6	13	12	6
OM (Public Prosecutors Office)	1	4	0	0	1	1
RST (Special Task Force Curacao)	22	29	12	8	12	7
VDC (Security Services of Curacao)						7
RIKSRECHERCHE OF THE NETHERLANDS (Dutch National Police Internal Investigation Department)	1					
LANDSRECHERCHE (Investigative Service of the Government)				3	1	7
BEVRAGING MINPRES (requests by Prime Minister)			1	6	1	2
TEAM FINANCIEEL OPSPOREN TFO (Financial Investigations Team)						1
Other	0	4	0	2		
Total	49	65	46	44	35	37



Update CBCS:
During 2014 the Central Bank conducted ten (10) onsite examinations with AML/CFT component. Up to August 2015 a number of twenty seven (27) onsite examinations were performed with AML/CFT component as part of the thematic reviews scheduled. Based on the onsite examination conducted during 2014, a number of ten (10) sanctions were proposed, whilst in 2015 a number of twenty two (22) sanctions have been proposed up till August 2015. Please note that these sanctions were proposed for a total of 2 institutions in 2014 and 4 institutions in 2015. After each audit conducted by the Central Bank, the

				<p>financial institutions receive an audit report which also contains an action list mentioning all the shortcomings that were detected, the action that must be taken within a certain period to remedy the shortcomings and an overview of outstanding items, if any. Sanctions are calculated based on the type, severity of the shortcomings noted onsite and whether the institution has made sufficient progress with the follow up process.</p> <p>No requests for mutual legal assistance regarding ML/TF have been received by the Central Bank over the period 2010 – 2014.</p> <p>The GCB keeps records in order to develop statistics of mutual legal assistance requests, regarding the nature of the request and the response time.</p> <p>With regard to landbased casinos, no such requests have reached the GCB to date.</p>
33. Legal persons–beneficial owners	PC	<ul style="list-style-type: none"> • There is no system in place to register the information about the ultimate beneficial owner. • • The Chamber of Commerce has no administrative sanctioning power against legal persons who fail to provide accurate and up to date information. • • There is no certainty that the information at the Commercial Register is current or updated on a regular basis. • • There is no procedure in place to have the UBO available and in a timely manner to all competent authorities. • • There are still some bearer 	<ul style="list-style-type: none"> • Law or regulation should establish a requirement for all legal persons to register the information on the UBO at the Commercial Register of the Chamber of Commerce. 	<p>The information relative to the UBO's are registered at their respective service provider(s). In addition, the tax law requires that all that have the obligation to pay taxes should, administer who the beneficial owners are of the assets (Article 45 of the National Ordinance on the amendment of the sales tax, formal tax law, and related national ordinances on taxes (N.G. 2013, no. 50).</p> <p>The respective service providers should at all times adhere to the NOIS and NORUT. For non compliance to the aforementioned legislations, different sanctions and fines apply.</p> <p>The supervisors should ensure that all service providers have procedures in place relative to providing adequate, accurate and on a timely fashion UBO information in place, when requested by the competent authorities. These procedures should be reviewed and "tested" during the on-site examinations.</p> <p>Registration of UBO information is a FATF requirement. However registration of such at the</p> <p>Chamber of Commerce is not. FATF leaves it to the country to decide on the</p>

		<p>shares in circulation.</p> <ul style="list-style-type: none"> • Effectiveness has not been demonstrated. • • 	<ul style="list-style-type: none"> • The Chamber of Commerce should establish procedures to ensure that all the information at the Commercial Register is up to date and periodically reviewed and that the information is complete and accurate. 	<p>mechanism to be used for this purpose. For security reasons other ways to comply with this recommended action are being contemplated by Curaçao.</p> <p>The procedure for filing information with the registry is concise, as required by law (in detail described in the Trade Registry Decree 2009), and is limited to what is necessary for the surety required for participation of businesses in the legal and economic processes in Curaçao. Crucial in this participation is the objective identification of the business and its officials representing it in accordance with its legal goals (and thus boundaries), which since 1945 is done satisfactorily through the public registry of the Chamber of Commerce.</p> <p>The system of this public registry is a so called positive system, meaning that if a required information is not registered or not correctly registered, the civil law sanction is that the third party consulting the registry can rely on the facts that are registered with the registry (a tort), unless he is not acting in good faith, which should be proven in a court of law. This system offers the Chamber the possibility to make sure that the one filing information is the one whom is required to do so by law. Besides that the Chamber is legally allowed to passively check if the information offered for filing is in accordance with the facts or incomplete, while the Chamber is allowed by law to require proof if in that process there is any doubt that the information may not be correct and/or complete, in which latter case the Chamber refuses the registration. If notwithstanding the opinion of the Chamber the specific filing is insisted upon, the Chamber is required to accept the filing and has the possibility to request the Court in First Instance to instruct the company official involved to file the information in accordance with the facts. Moreover, not filing the required information, or willfully file information that is</p>
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			<ul style="list-style-type: none"> • The Authorities should provide the Chamber of Commerce with administrative sanctioning power against natural and legal persons who fail to provide accurate and up-to-date information. • There should be better procedures with regard to the 	<p>not correct, is punishable under the laws of the registry. (i.a. up to ANG. 50.000,= for intentionally filing incorrect information, up to ANG. 20,000 for not filing a required information, ANG. 50,000 for not filing the business. The first and the latter are considered felonies, while the second a misdemeanor).</p> <p>In view of this system it is stated that the information provided by the Chamber is 100% accurate as registered with the Registry; all records are public records. The information on the website is an excerpt!. The website is a service of the Chamber to its clients and to promote the usage of formal documents through ready availability. The database of the website is the exact same database which is currently being used internally to produce excerpts. Excerpts are issued daily: 23,822 in 2011, while 29,085 updates were filed and processed with the registry (see attachment). Each and every filing is sequentially numbered, dated and certified before processing and filed with the physical dossier of the entities.</p> <p>The register held by the Chamber is a public register; the register is accessible to everyone, local and foreign. All filings are available upon request, copied</p>
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			<p>exchange of information in the Commercial Register.</p> <ul style="list-style-type: none"> The Authorities must ensure the immobilization of bearer shares. 	<p>electronically or physically. The provision of information is regulated in the Trade Registry Decree 2009).</p> <p>Supervision on the compliance of the relevant national decree is being exercised. The results of the follow up process conducted by the Central Bank indicate that the institutions under its supervision, which previously did not comply with the law regarding immobilization of bearer shares, are now in compliance with this law.</p> <p>A proposal to change/update the legislation to include elimination of bearer shares will be presented to the Parliament. At the moment the draft is being submitted to the Advisory Council.</p>
34. Legal arrangements – beneficial owners	LC	<ul style="list-style-type: none"> Not all competent authorities have information on UBOs in a timely fashion. 	<ul style="list-style-type: none"> There should be better procedures to access the information on UBOs in a timely fashion. 	<p>The information relative to the UBO's are registered at their respective service provider(s). In addition, the tax law requires that all that have the obligation to pay taxes should, administer who the beneficial owners are of the assets (Article 45 of the National Ordinance on the amendment of the sales tax, formal tax law, and related national ordinances on taxes (N.G. 2013, no. 50).</p> <p>The respective service providers should at all times adhere to the NOIS and NORUT. For non compliance to the aforementioned legislations, different sanctions and fines apply.</p> <p>The supervisors should ensure that all service providers have procedures in place relative to providing adequate, accurate and on a timely fashion UBO information in place, when requested by the competent authorities. These procedures should be reviewed and "tested" during the on-site examinations.</p>
International Cooperation				

35. Conventions	PC	Terrorism Financing not criminalized in accordance with the TF Convention.	<ul style="list-style-type: none"> • The offence of terrorism financing should be criminalized in accordance with the Terrorist Financing Convention. • The Vienna Convention should be fully implemented in Curacao law with regard to Article 15 of that Convention, as no measures regarding the Article were seen by the Examiners. • The Palermo Convention should also be fully implemented in Curacao law with 	<p>Article 2:55 of the Penal Code criminalizes the offence of terrorism financing according to article 2 of the Terrorism Financing Convention, while the punishment takes into account the gravity of the offence (see attachment).</p> <p>To improve the security situation in the Netherlands Antilles and to limit the influx of drug traffickers in the Netherlands on flights from the Netherlands Antilles, the Netherlands Antilles and the Netherlands decided in January 2005 to establish a so called common border control teams (GGCT). The cooperation was made within the framework of the Netherlands Antilles Security Plan (PVNA) and was further based on the Joint Declaration of 22 December 2004 and the Feasibility Study. The GGCT has been operational since mid-July 2005. The GGCT were placed at the international airports of the Netherlands Antilles and consist of staff of the Antillean Police and Customs supplemented by staff from the Royal Netherlands Military Police and Customs. The GGCT had two goals. 1. They are aimed at an effective control of goods, passengers and luggage (particularly drugs and related offenses) at least the direct flights from the Netherlands Antilles to the Netherlands. 2. The exchange of expertise between the two countries to ensure that even after termination of the cooperation, an effective and efficient implementation of the control will continue. For the execution of the work on each of the international airports, a special team has been established that had to report to the Task Force: The Flamingo team on Bonaire, on Curaçao, the Hato team and the team Juliana on St Maarten. Nowadays the Hato team consists only of Customs officers.</p> <p>It's the intention to establish the cooperation again with staff from the Royal Netherlands Military (KMAR), Police and Customs.</p> <p>The Palermo Convention is fully implemented in Curacao. Article 18: Vide art. 555-565 Code of Criminal Procedure on mutual legal assistance. Article 18, paragraph 9-29, of the Palermo Convention however is applicable when no treaty on mutual legal assistance exists between parties. This is</p>
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			<p>regard to Articles 18, 23 and 25-28 of that Convention as no measures regarding those Articles were seen by the Examiners.</p>	<p>important. Thus Parties to the Palermo Convention are bound to grant requests for mutual legal assistance solely on the basis of this article 18 (It is incorrect to state that a Party to the Convention shall take measures to implement article 18). The procedure described in paragraph 10-12, is not common practice in Curaçao. Curaçao makes use of a Rogatory Commission to interview a suspect or witness detained abroad.</p> <p>Article 23: The acts described in article 23 of the Palermo Convention are penalized as crimes according to article 2:132, 2:133 and 2:254 of the Penal Code.</p> <p>Article 25: Article 261, Code of Criminal Procedure, contains measures to protect a witness in criminal proceedings. Articles 374-380, Code of Criminal Procedure, provides access to compensation and restitution to victims. Article 1:78, Penal Code, entitles the government to advance the payment by the criminal in order to ease the burden of the victim. The victim is entitled to bring his case in Civil Court. The Bureau of Assistance to Victims provides necessary guidance and intermediation to victims of crimes.</p> <p>Article 26: Taking into account the discretionary powers of the prosecution it is possible to provide for the encouragement as described in article 26 of the Palermo Convention. Prosecution has the power to abstain from further prosecution (articles 272-283 Code of Criminal Procedure); Prosecution has the power to adapt its demand for punishment according to the contribution of the suspect. The government is considering regulation of a procedure regarding main witness in criminal cases.</p> <p>Article 27: This article in itself can be a basis for cooperation. No additional compliance measure is necessary.</p> <p>Article 28: The implementation of this article is safeguarded by Bureau Interpol Curacao (also the RST and the UFCB collect necessary information).</p>
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36. Mutual legal assistance (MLA)	LC	Terrorism Financing not criminalized in accordance with the TF Convention.		<p>Terrorism Financing is criminalized on the basis of article 2:55 of the Penal Code. In this article the financing of terrorism is punishable as a separate and independent offense. The article 2:55, is in fully in line with the UN Convention of the 9th of December 1999 (New York) for the suppression of the financing of terrorism (Treaty Series 2000, 12), which requires parties to punish all intentionally gathering and making available of funds with the intention or in the knowledge that they will be used to finance terrorist offenses, whether or not the terrorist crime actually took place.</p> <p>Furthermore, the criminalization of terrorist financing is not solely focus on the financing of one or more terrorist acts, but just as well as the financing of terrorist organizations and individual terrorists, as appears to be the definition of "another" contained in the second paragraph of article 2:55. Also, the terms "group" and "organization" are used separately because terrorist organizations can be active as associations for random acts of terrorism or as sustainable organizations.</p> <p>The term "funds" is very broad and covers essentially all active assets within the meaning of the civil law, that is to say all accruing to a person that are part of its assets.</p>
37. Dual criminality	LC	Terrorism Financing not criminalized in accordance with the TF Convention.		
38. MLA on confiscation and freezing	C	This Recommendation has been fully observed		
39. Extradition	LC	No requirement to commence prosecution against a national of Curacao (who is immune to extradition) where there is request from a foreign state	<ul style="list-style-type: none"> There is no requirement to commence prosecution against a national of Curacao (who is immune to extradition) where there is request 	<p>It should be noted that in the absence of prosecution local authorities could honour a request from a foreign state to commence criminal prosecution against a national of Curaçao (who is immune to extradition) based on article 15 of the Penal Procedures Code. The articles 2-7 stipulate that money laundering and terrorism related crimes are prosecutable in Curaçao when committed outside Curaçao.</p>

			from a foreign state.	
40. Other forms of co-operation	LC	<p>No clear mechanism in place for law enforcement authorities to exchange information with foreign counterparts.</p> <p>No authority for the FIU (MOT) to exchange information with supervisory authorities from other jurisdictions.</p> <p>Inability for the GCB to share information with foreign counterparts.</p> <p>No explicit provision authorizing the Central Bank, supervisory arm of the FIU (MOT) and GCB to conduct enquiries on behalf of foreign counterparts.</p>	<ul style="list-style-type: none"> The Authorities should establish clear mechanisms for the exchange of information between law enforcement and their foreign counterparts. 	<p>Curacao attaches great importance to multilateral and international relations. Curacao is internationally very active and has strong commitment with international cooperation and information sharing. Within their mandate all competent authorities are able to cooperate with their foreign counterparts. This cooperation takes place on several levels (operational, policy, administrative) and subjects. The PPO directive/guidelines with regard to the exchange of information between law enforcement and counterparts are as follows.</p> <p>For international assistance in criminal matters a difference is made between the so-called small legal assistances (requests seeking to hear witnesses, seizure with or without search, etc.) and extradition requests.</p> <p>1. Small legal assistance</p> <p>Within the Public Prosecutor Office there is a prosecutor appointed to coordinate the small legal assistance. This coordinator is a prosecutor working on Curacao. All incoming requests for legal assistance shall be initially assessed by the coordinator. Afterwards the requests are distributed among the members of the Public Prosecution Service. Small legal assistance is governed by treaties between the Dutch Kingdom and other jurisdictions. In cases where there are no treaties with other countries, assistance is given on the basis of reciprocity.</p> <p>2. Requests for extradition</p> <p>The execution of extradition requests is the responsibility of the Attorney General's Office. The coordinator is the policy maker of the Attorney General or another member of the Public Prosecutor's office designated by the Attorney General. The coordinator receives all extradition requests for further processing.</p> <p>With regard to the procedures regarding extradition requests, those are submitted to the Attorney General, after which the courts of Appeal will decide whether or not the individual to be extradited may be extradited.</p>

				<p>The GCB has included amendments to art. 25 IOCCS in a proposal to amend the IOCCS regarding several other pressing issues. The proposed change to art. 25 IOCCS declares the secrecy obligations not applicable to the Gaming Control Board and its personnel with regard to the exchange of information as regulated in the NOIS or NORUT or when required for criminal investigations as referred to in the Penal Procedures Code. The GCB has presented this proposal to the Minister of Finance on July 24, 2014. However, due to the amendment of the NORUT and NOIS the GCB will have the power to exchange/share information with both national and international supervisors. The draft revision of the NORUT and that of the NOIS have been submitted by the Council of Ministers to the Advisory Council. Hereafter, the draft revisions will be submitted to Parliament.</p>
			<ul style="list-style-type: none"> • The FIU (MOT) should be given the legal authority to exchange information with supervisory authorities from other jurisdictions. • The IOCCS should make provision for the sharing of information with foreign counterparts. 	<p>This recommendation has been addressed in the revision of the NORUT. The draft revision of the NORUT has been adopted by Parliament on November 9, 2015.</p> <p>This recommendation has been addressed in the revision of the NORUT. The draft revision of the NORUT has been adopted by Parliament on November 9, 2015.</p>

			<ul style="list-style-type: none"> Mechanism needed to facilitate all competent authorities (Central Bank, supervisory arm of the FIU (MOT) and GCB) undertaking enquiries on behalf of foreign counterparts. 	<p>With regard to the Central Bank it is noted that this recommendation is addressed in article 29 of the RFETCSM regarding the MTC. Moreover, regarding the other supervised institutions, this recommendation has also been addressed in the draft Harmonization supervision ordinances, which has been adopted by Parliament on November 9, 2015.</p> <p>In addition, this recommendation will also be addressed in the revision of the NORUT with regard to the other competent authorities. The draft revision of the NORUT has been adopted by Parliament on November 9, 2015.</p>
9 Special Recommendations				
SR.I Implement UN	PC	No provisions in law to deal with the requirements of paragraph 4(a) of UNSCR 1267.	<ul style="list-style-type: none"> The laws should be properly amended to give effect to 	<p>.....</p> <p>Based on the relevant resolutions the Law Department concluded that paragraph 4 (a) of UNSCR 1267 (1999) should not be included in the mentioned laws since the</p>

instruments		Freezing of the assets of locally designated terrorists cannot occur without delay as required by UNSCR 1373.	<p>paragraph 4(a) of UNSCR 1267.</p> <ul style="list-style-type: none"> Measures should be put in place that would allow for the freezing of assets without delay as they pertain to locally designated terrorists under UNSCR 1373. 	<p>measures imposed in paragraph 4 (a) of abovementioned resolution were terminated in UNSCR 1390 (2002) paragraph 1.</p> <p>A protocol has been drafted which includes automatic freezing of assets of terrorists whether locally designated or listed by the UN.</p> <ul style="list-style-type: none"> Draft revised protocol and related legal documents to execute these recommendations are being finalized and will be approved by the ministers concerned on a short term.
SR.II Criminalize terrorist financing	PC	<p>Offences for participation and financing of terrorism do not meet the requirements of the Terrorist Financing Convention. The Examiners could not evaluate effectiveness of the FT sanctions.</p>	<ul style="list-style-type: none"> The offences of participation (which would include the financing offences) should be criminalized in keeping with the requirements of the Terrorism Financing Convention 	<p>Translation of the Penal Code</p> <p>Offences regarding participation and financing of terrorism are punishable under various articles of the Penal Code. There are ancillary offences for terrorism and the financing of terrorism, for example articles 1:202-1:204 (terrorist offence, terrorist intent and preparing terrorist offence). Article 2:80 deals with the participation in a terrorist organization and article 2:55 makes the financing of terrorism punishable. All articles are in line with inter alia articles of the UN Convention on 9 December 1999 (New York) for the suppression of the financing of terrorism (Treaty Series 2000, 12) and Council of Europe Convention on the Prevention of Terrorism (Warsaw, 16.V.2005).</p> <p>(iii)</p>
SR.III Freeze and confiscate terrorist assets	PC	<p>Freezing of assets of locally designated terrorist cannot occur or be maintained without delay as required by UNSCR 1373.</p> <p>Procedures for de-listing and unfreezing not publicly known.</p>	<ul style="list-style-type: none"> Measures should be put in place that allow freezing without delay, and the maintenance of such freezes, as required by UNSCR 1373. 	<ul style="list-style-type: none"> This recommendation has been addressed in the Ministerial Sanctions Regulations, including the Ministerial Sanctions Regulation Al-Qaida c.s., the Taliban of Afghanistan c.s., ISIL c.s., ANF c.s., and terrorists to be designated locally (N.G. 2014, no 72) which have been replaced in the meantime by Sanctions National Decree regarding Al-Qaida cs, the Taliban of Afghanistan c.s, ISIL c.s., ANF c.s., and locally designated persons and organisations (N.G. 2015, no. 29).

		<p>Lack of guidance to non-financial entities and individuals.</p> <p>No structure for monitoring compliance outside of the financial sector</p> <p>No clear criteria for the exercise of the Minister's discretion to protect of third party rights.</p>	<ul style="list-style-type: none"> • Curaçao should make the procedures for de-listing publicly known. • Curaçao should have a mechanism for the issuance of Guidance to non-financial entities or individuals who may find themselves in possession of property or assets that may belong to terrorist or terrorist entities. <p>Clear criteria for the exercise of the Minister's discretion with regard to the protection of third party rights should be developed.</p> <ul style="list-style-type: none"> • A structure should be put in place for 	<ul style="list-style-type: none"> • There will no longer be separate protocols for the freezing of assets of locally designated terrorists and those of terrorists designated under UN listing. A protocol has been drafted which includes automatic freezing of assets of terrorists whether locally designated or listed by the UN. • Draft revised protocol and related legal documents to execute these recommendations are being finalized and will be approved by the ministers concerned on a short term. • A decision on publication of the de-listing procedures will follow on the approval of the revised protocol. <p>Based on the draft protocol not only the Central Bank but also the FIU and the Gaming Control Board will provide guidance to supervised institutions and individuals that find themselves in possession of funds or assets that should be frozen.</p> <p>.....</p>
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			monitoring compliance outside of the financial sector.	
SR.IV Suspicious transaction reporting	PC	<p>Effective implementation of reporting of suspicious reports is not demonstrated.</p> <ul style="list-style-type: none"> ➤ Subjective indicators for the filing of UTRs are rules based, which hinders the reporting entity's autonomy to decide whether to file a UTR ➤ Heavy reliance by the reporting entities on the prescriptive list of indicators provided by the Ministerial Decree. ➤ Insufficient flexibility for reporting entities to identify suspicion of ML or FT. 	<ul style="list-style-type: none"> • The Authorities should ensure that reporting entities from all sectors report UTRs. • Mechanisms should be put in place that would require all reporting entities to focus on identifying and reporting on transactions for which they can identify a suspicion. • Reporting entities should not rely only on the prescriptive list of indicators provided by the Ministerial Decree. • The relevant procedures should be revised to allow developing more flexibility for reporting entities to identify 	<p>Please be referred to actions taken under R. 13.</p> <p>Please be referred to actions taken under R. 13.</p> <p>Please be referred to actions taken under R. 13.</p> <p>Please be referred to actions taken under R. 13.</p>

			suspicion of ML or FT.	
SR.V International cooperation	LC	<p>No requirement to commence prosecution against a national of Curacao (who is immune to extradition) where there is request from a foreign state as it pertains to FT matters.</p> <p>No clear mechanism in place for law enforcement authorities to exchange information as it pertains to FT.</p>	<ul style="list-style-type: none"> The Curacao Authorities should have measures in place to ensure the early commencement of prosecution for FT offences against a national of Curacao (who is immune from extradition) where there is a request from a foreign state. The Curacao Authorities should have measures in place to ensure the early commencement of prosecution for FT offences against a national of Curacao (who is immune from extradition) where there is a request from a foreign state. 	<p>It should be noted that in the absence of prosecution local authorities could honour a request from a foreign state to commence criminal prosecution against a national of Curaçao (who is immune to extradition) based on article 15 of the Penal Procedures Code. The articles 2-7 stipulate that money laundering and terrorism related crimes are prosecutable in Curaçao when committed outside Curaçao.</p> <p>It should be noted that in the absence of prosecution local authorities could honour a request from a foreign state to commence criminal prosecution against a national of Curaçao (who is immune to extradition) based on article 15 of the Penal Procedures Code. The articles 2-7 stipulate that money laundering and terrorism related crimes are prosecutable in Curaçao when committed outside Curaçao.</p>

			<ul style="list-style-type: none"> There should be clear mechanisms in place for law enforcement authorities to exchange information as it pertains to FT. 	<p>It should be pointed out that any extradition treaty contains a list of all the facts for which someone can be extradited. Terrorism is one of them. See for example the European Convention on Extradition (Paris, December 13, 1975, 1965/9 Trb.) and Extradition Treaty between the Kingdom of the Netherlands and the United States of America (The Hague, June 24, 1980, Treaty Series 1980 / 111).</p>
SR.VI AML requirements for money and value transfer services	PC	<p>No legislative requirements for CDD when carrying out occasional wire transfers in the circumstances covered by the Interpretative Note to SR VII.</p> <p>No legislative requirements for service providers to conduct on-going due diligence on the business relationship.</p> <p>No explicit requirement in the P&G for MTCs requiring financial institutions to consider making a UTR where the requirements at E.C 5.3 to 5.6 are not met.</p> <p>See factors in sections 3.1 – 3.10 which apply to MTCs.</p> <p>A subjective indicator for identification problems is not specified for MTCs under the NORUT.</p> <p>The sector P&Gs do not conform to the NOIS as it relates to the timing of verification of non-resident clients.</p> <p>The P&G for MTCs should include an explicit requirement for MTCs to</p>	<ul style="list-style-type: none"> The P&G for MTCs should explicitly require that a financial institution consider making a UTR/STR where the requirements at E.C 5.3 to 5.6 are not met. The Authorities should create or indicate a subjective indicator for identification problems as it relates to MTCs under the NORUT. 	<p>The recommended action has been incorporated in the P&Gs</p> <p>The recommended action has been incorporated in the P&Gs</p> <p>One subjective indicator has been introduced: transactions which one can assume relates to ML or TF must be reported to the FIU. Identification problems will be incorporated as a red flag in the Provision & Guidelines of the supervisory authority.</p>

		maintain a current list of agents.	<ul style="list-style-type: none"> There should be an explicit requirement for MTCs to maintain a current list of agents. 	
SR.VII Wire transfer rules	LC	No explicit mandatory provisions in the P&Gs regarding requirements on beneficiary institutions to apply risk based procedures when identifying and handling wire transfers that are not accompanied by complete originator information. In addition, lack of complete originator information is not included as a subjective indicator in the NORUT in assessing whether a wire transfer or related transaction is suspicious and should be reported to the FIU (MOT).	<ul style="list-style-type: none"> The P&Gs should make it mandatory for beneficiary institutions to apply risk based procedures when identifying and handling wire transfers that are not accompanied by complete originator information. In addition, lack of complete originator information should be included as a subjective indicator to the NORUT in assessing whether a wire transfer or related transaction is suspicious and should be reported to the FIU (MOT). 	The P&Gs has been revised to comply herewith.

			<ul style="list-style-type: none"> Curacao should consider disclosing the requirements for cross-border wire transfers in a composite P&G document. 	
SR.VIII Nonprofitorga nizations	NC	<p>There has been no recent review of the NPO sector and no current identification of its vulnerabilities for FT.</p> <p>There is no supervision or monitoring specifically for the NPO sector.</p> <p>No supervisory programme in place to ensure NPO sector compliance with AML/CFT legal framework</p> <p>No outreach programmes in place.</p> <p>No training in place to the NPO sector or to the financial institutions with regard the risks of the NPO sector.</p> <p>There is no obligation for NPOs to keep financial information on transactions or to submit financial statements to the Chamber of Commerce or any other relevant authority.</p>	<ul style="list-style-type: none"> The Authorities should enact legislation to deal with the AML/CFT responsibilities of NPOs. Curaçao should consider designating a supervisory authority for the NPO sector. Curaçao authorities should conduct a new assessment on the risk with regard to the NPO sector. The authorities of Curaçao should undertake outreach programmes to the NPO sector with a view to protecting the sector from FT abuse. Ensure that training programs are in place for the 	The working group on NPOs is studying different possibilities to execute the recommended actions. The working group will conclude its recommendations in order to advise the Minister of finance.

			<p>NPO sector and supervised institutions with regard to the risks of the NPO sector.</p> <ul style="list-style-type: none"> There should be a requirement for NPOs to keep records of transactions for at least five years and Curaçao Authorities should consider requiring the NPOs to submit that information to a designated competent authority periodically. 	
SR.IX Cash Couriers	PC	<p>Ad hoc cross-border declaration system. Unexpected change from declaration system (declaration card) to disclosure system. As a result, the requirement to make a truthful disclosure is not clearly identified at the border.</p> <p>No process in place to identify the source, destination and purpose of movement of gold or other precious metal and stones.</p> <p>No power to stop or restrain currency where there is a suspicion of ML or FT.</p> <p>No indication that authorities are monitoring entities or individuals</p>	<ul style="list-style-type: none"> Authorities should further improve the way they inform travellers of their obligation in the arrival zone or revert to a declaration system by putting back a question on transportation of currency on the card distributed to all passengers. 	<p>In addition to the signs at the airport the public is now being informed through folders in the languages Dutch, Papiamentu, English and Spanish about their cross border declaration obligation on the transportation of currency. The folders are distributed to the passengers before landing.</p> <p>Customs keeps all the information regarding the source and the destination. .</p> <p>The Parliament adopted the amendments to the National Ordinance Obligation to Report Cross Border Money Transportation to include gold, precious metal and stone on September 22, 2014 (NG 2014 no 90)</p> <p>In the General Regulation, import, export and transit, it is mentioned that Customs do have the authority and power to stop or restrain currency where there is a suspicion of ML.</p> <p>Based on Article 184, Section 1, under c, of the Penal Procedures Code, Customs has the authority and power to stop or restrain currency where there is a suspicion of ML. Customs acts under guidance of a Public</p>

		<p>associated with terrorist activities listed by the United Nations.</p>	<ul style="list-style-type: none"> Customs should be obligated to better monitor the source, the destination or purpose of the movement of gold or precious metal and stones. <p>Curaçao Customs should have the power to stop or restrain currency where there is a suspicion of ML or TF.</p>	<p>Prosecutor. Customs has custom officers who also are extraordinary police officers.</p> <p>Art. 184 of the Penal Procedures Code</p> <p>1. The undermentioned officers shall be in charge of the investigation of criminal offences:</p> <p>a. the police officers;</p> <p>b. the officers of the National Criminal Department, as provided for by statutory provision;</p> <p>c. special investigating officers, in case they are appointed for this purpose;</p> <p>2. The Attorney General and the Public Prosecutor as well as the local heads of police have the power to investigate criminal offences;</p> <p>3. In the exercise of their official duties the officers mentioned in the second paragraph shall have the right to call the assistance of the public civil officers immediately.</p> <p>4. The public civil officers are under the obligation to comply with the demand immediately.</p>
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OtherMeasure s				
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