



# Tenth Follow-Up Report

## Trinidad and Tobago

May 29, 2014

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## TRINIDAD AND TOBAGO – TENTH FOLLOW-UP REPORT

### I. Introduction

1. This report presents an analysis of measures taken by Trinidad and Tobago to comply with the CFATF follow-up procedures and the recommendations made in the third round Mutual Evaluation Report (MER). The MER of Trinidad and Tobago was adopted by the CFATF Council of Ministers in May 2007 in Guatemala. The first written follow-up report on Trinidad and Tobago was presented to the Plenary in May 2009. As a result of a decision taken by the Plenary in October 2009, three subsequent reports on recently enacted legislation, a proposed action plan submitted to the Plenary, and the feasibility of proposed deadlines were prepared by the CFATF Secretariat and distributed to Plenary delegates during the last two months of 2009 and the first month of 2010. Subsequently, Trinidad and Tobago has submitted eight follow-up reports in May and October of 2010, 2011, 2012, and 2013 respectively.

2. Trinidad and Tobago was rated partially compliant or non-compliant on fifteen (15) of the sixteen (16) Core and Key Recommendations and 26 other Recommendations. The Core and Key recommendations were rated as follows:

**Table 1; Ratings of Core and Key Recommendations**

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

3. With regard to the remaining Recommendations, Trinidad and Tobago was rated partially compliant or non-compliant on twenty-six (26) as indicated below:

**Table 2: Non Core and Key Recommendations rated Partially Compliant and Non-Compliant**

Partially Compliant (PC)	Non-Complaint (NC)
R. 2(ML offence – mental element and corporate liability)	R. 6 (Politically exposed persons)
R. 11(Unusual transactions)	R. 7 (Correspondent banking)
R. 14 (Protection & no tipping-off)	R. 8 (New technologies & non face-to-face business)
R. 15 (Internal controls, compliance & audit)	R. 9 (Third parties and introducers)
R. 18 (Shell banks)	R. 12 (DNFBP – R.5,6,8-11)
R. 19 (Other forms of reporting)	R. 16(DNFBP – R.13-15 & 21)
R. 30 (Resources, integrity and training)	R. 17 (Sanctions)
R. 31 (National co-operation)	R. 21 (Special attention for higher risk countries)
R. 32 (Statistics)	R.22 (Foreign branches & subsidiaries)
R.33 (Legal persons – beneficial owners)	R. 24 (DNFBP – regulation, supervision and

	monitoring)
	R. 25 (Guidelines & Feedback)
	R. 29 (Supervisors)
	R. 34 (Legal arrangements – beneficial owners)
	SR. VI (AML requirements for money value transfer services)
	SR. VII (Wire transfer rules)
	SR. VIII (Non-profit organizations)

4. The following table gives some idea of the level of risk in the financial sector by indicating the size and integration of the sector in Trinidad and Tobago.

**Table 3: Size and integration of Trinidad and Tobago's financial sector  
August 2013 – January 2014**

		<b>Banks</b>	<b>Other Credit Institutions*</b>	<b>Securities***</b>	<b>Insurance</b>	<b>TOTAL</b>
<b>Number of institutions</b>	Total #	8	17	61	33	119
<b>Assets</b>	US\$Mn	19,703	1,477.3	16,733.5	6,719	44,633
<b>Deposits</b>	Total: US\$	14,762	348.29		n.a.	
	% Non-resident	% of deposits 2.03	2.11		n.a.	
<b>International Links</b>	% Foreign-owned:	% of assets 45	% of assets 39.8	% of assets 16.26	% of assets 9.9	% of assets
	#Subsidiaries abroad**	13	5	26	5	23

\* Refers to non-bank financial institutions licensed under the Financial Institutions Act.

\*\* Refers to financial subsidiaries

\*\*\* Includes 19 entities which are dual registrants of both the Central Bank of Trinidad and Tobago and the Trinidad and Tobago Securities Exchange Commission and would also be captured under "Banks" and "Other Credit Institutions"

## **II. Scope of this Report**

5. The Plenary in November 2013 decided that all members in the follow-up process will be required to complete their reform measures by the November 2014 Plenary. In accordance with present procedures the following is a report on measures taken by Trinidad and Tobago since August 2013 to deal with the recommended actions in those Financial Action Task Force (FATF) Recommendations rated partially compliant (PC) or non-compliant (NC).

## **III. Summary of progress made by Trinidad and Tobago**

6. Shortly after the mutual evaluation visit of Trinidad and Tobago in June 2005, the Anti-Terrorism Act, 2005 (ATA) was passed on September 13, 2005. In an effort to address some of the major recommended actions made by the examiners, the authorities in Trinidad and Tobago enacted in subsequent years the following legislation:

- The Proceeds of Crime (Amendment) Act, 2009 (POCAA),
- The Financial Intelligence Unit of Trinidad and Tobago Act, 2009 (FIUTTA)
- The Financial Obligations Regulations, 2009 (FOR)
- The Anti-Terrorism (Amendment) Act, 2010 (ATAA)
- The Financial Intelligence Unit of Trinidad and Tobago (Amendment) Act No 3 of 2011
- The Financial Intelligence Unit of Trinidad and Tobago Regulations, 2011 (FIUTTR)
- The Financial Obligations (Financing of Terrorism) Regulations, 2011 (FOFTR)
- The Financial Intelligence Unit of Trinidad and Tobago (Amendment) Act No 8 of 2011(FIUTTAA 2011)
- The Anti-Terrorism (Amendment) Act 2011 (ATAA 2011)
- Trafficking in Persons Act (TPA)
- The Miscellaneous Provisions (Financial Intelligence Unit of Trinidad and Tobago and Anti-Terrorism) Act, 2012(MPFIU&ATA)

7. In addition to the above legislation, the Securities Act 2012 (SA 2012) was enacted in December 2012 Other legislative measures continue to be prepared i.e. the Credit Union Bill. . Statistics have been presented demonstrating the continuing implementation of the suspicious transaction reporting system and functioning of certain law enforcement authorities.

8. As a result of the enactment of the above legislation and other measures, it was noted in previous follow-up reports that Trinidad and Tobago had addressed substantial deficiencies identified in fourteen (14) Core and Key Recommendations (R.1, R.3 – R.5, R.10, R.13, R.26, R. 40, and SR.I – SR.V) and seventeen other Recommendations (R.2, R.6 – R.8, R.11, R.12, R.14, R.15 – R.18, R.20, R.21, R.25, R.32, SR. VI and SR.VII) in Trinidad and Tobago's MER. As indicated in the last report, seven (7) of the Core and Key Recommendations have been fully met. These Recommendations are R.3, R. 26, R. 35, R. 40 and SR. I, SR. IV and SR. V.

## **Core Recommendations**

### **Recommendation 1**

9. With regard to Rec 1, the only outstanding deficiency is the fact that the implementation of the money laundering legislation does not appear to be effective as there have been no convictions. The authorities have advised that measures are being considered to address problems in the effectiveness of the criminal justice system. These measures include legislation to abolish preliminary enquiries in indictable offences. Efforts are being made to increase the number of judicial officers and there is a move towards the increasing use of plea bargaining. Such measures should enhance the speed and efficiency of criminal trials. Nevertheless, the situation has remained unchanged therefore resulting in this recommendation not being fully compliant.

### **Recommendation 5**

10. As noted in previous follow-up reports while the FOR incorporated some of the examiners' recommended actions with regard to risk, timing of verification, failure to

satisfactorily complete customer due diligence (CDD) and retrospective CDD on existing customers, the following deficiencies remain outstanding;

- a. No requirement for information on provisions regulating the power to bind a legal person or arrangement as set out in criterion E.C. 5.4(b).
- b. Provision for the application of reduced or simplified CDD measures do not fully comply with criterion E.C. 5.9
- c. No provision to allow financial institutions except for insurance companies to complete verification of the identity of the customer and beneficial owner following the establishment of a business relationship.
- d. No prohibition against simplified CDD measures whenever there is suspicion of money laundering or terrorist financing or specific higher risk scenarios as required under criterion 5.11

11. In relation to no requirement for information on provisions regulating the power to bind a legal person or arrangement, the authorities have advised that sub-regulations 16(2) and 17(1) of the FOR require a financial institution or listed business to obtain the articles of incorporation and bye-laws where applicable for legal persons and a certified copy of the deed of trust for legal arrangements. The referenced documents would contain information on provisions regulating the power to bind a legal person or arrangement. Consequently this requirement has been met.

12. With regard to the deficiency of no provision to allow financial institutions except insurance companies to complete verification of the identity of the customer and beneficial owner following the establishment of a business relationship, it is noted that regulations 11 and 12 of the FOR require the identification and verification of the customer and beneficial owner at the start of the business relationship. This requirement is applicable to all situations except in cases as stipulated in sub-regulation 24(2) of the FOR where insurance companies for sound business reasons have to enter into an insurance contract before verification of the identity of the customer can be completed. These provisions are in compliance with FATF standards.

13. In addition to the above, the requirement for financial institutions or listed businesses to perform enhanced due diligence for higher risk categories of customers, business relationships or transactions, has been set out in section 12 of the Central Bank AML/CFT Guidelines which require financial institutions to apply enhanced CDD measures to higher risk categories of customers, business relationships and transactions. The Central Bank AML/CFT Guidelines are considered other enforceable means. While this addresses the deficiency above it is only applicable to those financial institutions under the supervision of the Central Bank and does not include listed businesses. A similar requirement is set out in paragraph 64 of the TTSEC Guidelines on AML/CFT. Additionally, the authorities have advised that similar requirements are included in the sector specific guidelines issued by the FIU. Under section 90 of the SA 2012 the Chief Executive Officer of the TTSEC can issue compliance directions for breaches of the TTSEC Guidelines on AML/CFT. These compliance directions can specify measures to be taken to remedy the situation or minimize the prejudice. Failure to comply with compliance directions is an offence under section 90(8) of the SA 2012 which is liable on conviction on indictment to a fine of five hundred thousand

dollars and to imprisonment for two years. Additionally following prosecution, a registrant can be subject to a warning, private reprimand, public censure or suspension under section 57(1) of the SA 2012 and revocation of registration under section 58(2) of the SA 2012. Given the applicable range of sanctions the TTSEC Guidelines on AML/CFT can be considered other enforceable means. As such, the above requirement is also applicable on securities institutions. While a range of sanctions can be applied under section 18G of the FIUA for breach of the FIU guidelines, it is not as broad as pertains for other supervisory authorities and does not include suspension or revocation of the registration of a listed business. Given the above and the fact that no citation for the relevant sections of the guidelines have been provided the FIU guidelines are not acceptable for compliance with this requirement. As such, this deficiency is partially outstanding.

14. At present, the authorities have advised that an amendment to the FOR is being proposed to extend the requirement of regulation 19(2) of the FOR to cover both financial institutions and listed businesses. The provision requires where a new account is opened or a new service is provided by a financial institution and the customer purports to be acting on his own behalf but the financial institution suspects otherwise, the institution shall verify the true identity of the beneficial owner and if not satisfied with the response, it should terminate relations with the customer. Based on the above, two of the deficiencies are still outstanding and one has been addressed partially. Given the above this recommendation is not fully compliant.

#### **Recommendation 10**

15. It was noted in the May 2010 report that all the examiners' recommendations were met except for the requirement for the maintenance of records of account files and business correspondence by financial institutions. The situation remains unchanged and this recommendation is not fully compliant.

#### **Recommendation 13**

16. The situation as indicated in a previous follow-up report remains the same in relation to the legal provisions. The outstanding requirement is the exclusion of one-off transactions from the suspicious transaction reporting requirement as noted in the follow-up report of May 2010. The authorities have advised that amendments to POCA will allow for the reporting of suspicious one-off transactions of whatever size. With regard to implementation, the following table gives a breakdown of the types of reporting entities which submitted SARs for the period August to January 2014.

**Table 4: Breakdown of Types of Reporting Entities Submitting SARs from August 2013 to January 2014**

Sectors Entity	SARs submitted
Banking	123
Insurance	6
Investment Companies,	16

Securities Companies, Broker Dealers, Investment Advisors & Trust	
Mortgage Companies	2
Credit Unions	20
Money or Value Transfer Services	182
Accountants/Attorneys-at- Law/Other Independent Legal Professional	6
Motor Vehicles Sales	10
Real Estate	1
Private Members Clubs	1
Exchange Bureaux	1
<b>TOTAL</b>	<b>368</b>

17. The level of reporting for the seven month period ending July 2013 as noted in the previous report was 328, while the figure indicated in the table above for the seven month period ending January 2014 is 368, a 12.2% increase. An analysis of the breakdown of reporting entities highlights the continuing dominance of the banks and remittance companies in submitting SARs due to the volume of transactions conducted by the very nature of the businesses. Total SARs submitted by listed businesses was 200 with four remittance companies accounting for 182. As such, only 18 SARs have been submitted from a combined number of over 1,400 registered listed businesses as indicated in this report. This suggests that reporting by listed businesses continues to be ineffective. Given the above, this Recommendation is not fully compliant.

### **Special Recommendation II**

18. The examiners' recommendations required the enactment of proposed legislation criminalizing the financing of terrorism, terrorist acts and terrorist organizations and making such offences money laundering predicate offences. Assessment of this recommendation was done in the follow-up report of May 2010 against the criteria of SR. II. It was noted that the provisions of the ATA and the ATAA substantially comply with the criteria of SR II. The only deficiencies were the absence of the ability for the intentional element of the FT offence to be inferred from objective factual circumstance and the disproportionately low and possibly dissuasive fines for FT offences for legal persons.

19. With regard to the deficiency concerning the absence of the ability for the intentional element of the FT offence to be inferred from objective factual circumstance the authorities have advised that the intentional element of the FT offence can be inferred from

circumstantial evidence on the basis of case law. References with regard to the relevant case has been provided.<sup>1</sup> Consequently this recommendation has been met.

20. The deficiency regarding the disproportionately low and possibly dissuasive fines for FT offences for legal persons remains outstanding. The authorities have advised that section 42 of the ATA provides penalties for financial institutions or listed businesses on summary conviction of a fine of five hundred thousand dollars and to imprisonment for two years and on conviction on indictment, a fine of two million dollars and imprisonment for seven years. However as noted in the May 2010 follow-up report, under section 53 of the POCA, a person guilty of ML offences is liable on conviction on indictment to a fine of twenty-five million dollars (approximately US\$3,937,000) and to imprisonment for fifteen years. The penalty for tipping off with regard to ML is on summary conviction a fine of five million dollars (approximately US\$833,300) and imprisonment for five years. The fine for FT offences are disproportionately low compared to the fines for ML offences outlined above. Consequently, this deficiency remains outstanding.

## **Key Recommendations**

### **Recommendation 4**

21. The examiners' recommendation that the relevant competent authorities in Trinidad and Tobago have the ability to share information locally and internationally has been met. The authorities have advised that a Memorandum of Understanding (MOU) to provide for the sharing of information between the TTSEC and the CBTT was signed on January 4, 2014. Similar MOUs are due to be signed with the FIU and TTSEC as well as the FIU and CBTT in early May 2014. Based on previous follow-up reports the only outstanding examiners' recommendation is to amend legislation to require that no financial secrecy law will inhibit the implementation of the FATF Recommendations. The authorities have advised that legislative amendments have been proposed which will address outstanding issues. Consequently, this examiners' recommendation remains outstanding and the recommendation is not fully compliant.

### **Recommendation 23**

22. With regard to the first examiners' recommendation as indicated in the follow-up report dated April 2011, while relevant supervisory agencies had been designated for ensuring compliance by their licensees with AML obligations, the FOFTR stipulates that the obligations, prohibitions and offences contained in the FOR apply *mutatis mutandis* to a financial institution or a listed business, in relation to the financing of terrorism. While the application of *mutatis mutandis* effectively provides for inclusion of CFT obligations within the responsibility of the supervisory agencies, the authorities should be mindful that the blanket extension of AML obligations, prohibitions and offences to include financing of terrorism could result in inconsistencies which could affect implementation or form the basis for legal challenge. The authorities should consider conducting an in-depth review of the relevant statutes to ensure that financing of terrorism obligations, prohibitions and offences as created by the FOFTR are consistent, valid and constitutional.

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<sup>1</sup> Ravenga v Mackintosh (1824) 2 B & C 693



23. In relation to ensuring compliance by licensees with AML/CFT obligations, as part of the implementation of its supervisory regime, the FIU had registered 1,465 listed businesses by end of January 2012. The FIU reported an increase of 80 registrants for the period July to December 2012 and 44 registrants for August 2013 to January 2014. As noted in the follow-up report of May 2012, the FIU had implemented its supervisory regime approving compliance programs submitted by the listed businesses and entities and commenced on-site examinations of listed businesses. During the seven month period from January to July 2013 the FIU received 191 compliance programs and approved 193. For the period August 2013 to January 2014, 143 compliance programs were submitted and 114 were reviewed. The above figures demonstrate a significant improvement over 2012 figures of 63 compliance programs received and 9 approved as indicated in the follow-up report of May 2013. The FIU also carried out 17 onsite visits during the first seven months of 2013 and 38 during the period August 2013 to January 2014, a significant improvement over a total of 9 inspections carried out during 2012. The on-site inspections have been done on a risk-based approach which targets the large and higher risk institutions in the relevant sectors which has resulted in an improved coverage of these sectors. While the increased numbers of examined compliance programs and inspections demonstrate the improved supervisory function of the FIU, the number of registrants which total over 1,500 still poses a challenge for effective supervision of all the FIU's registrants.

24. The authorities also advised that there is need for regulation 2(1) (a) of the FOR to be amended to allow for the Central Bank to be the designated supervisory authority for money transmission or remittance business. It should be noted that the definition of financial institution pursuant to the POCAA includes a person who is registered to carry on cash remitting services under the Central Bank Act. The Central Bank has advised that this terminology is limiting as its remit extends to payments systems generally, including money transmission and remittance business. With regard to other examiners' recommendations for the Trinidad and Tobago Securities Exchange Commission (TTSEC) to apply the International Organization of Securities Commissions (IOSCO) Core principles for the supervision of the securities sector with regard to AML/CFT, the SA incorporates the principles relating to the regulator as set out in the "Objectives and Principles of Securities Regulation" These principles are incorporated in sections 6 – 8, 10-12, and 14 of the SA and comply with the examiners' recommendation.

25. The examiners' recommendation for measures in the FIA to prevent criminals or their associates from gaining control or significant ownership of financial institutions to be duplicated in relevant legislation governing the supervision of other financial institutions is still largely outstanding. Section 20 of the Insurance Act gives the Central Bank power of approval over any change in controllers or chief executive officers of insurance companies. The TTSEC has proposed amendments to the SA 2012 to specifically address this issue with fit and proper criteria also contained in draft bye-laws. Similar requirements for the credit union sector are still outstanding.

26. Additionally, AML/CFT supervision of the securities sector was authorized by the enactment of the SA in December 2012 (section 89 of the SA provides for the TTSEC to conduct on-site compliance reviews of its registrants' AML/CFT systems) and the TTSEC has begun an on-site inspection programme which includes AML/CFT compliance. The TTSEC also monitors compliance through off-site surveillance. Information on the numbers of inspections and results with regard to any AML/CFT breaches and applied sanctions should be included in the next follow-up report in order to ascertain effectiveness.

27. With regard to recommendation that money transfer companies and cash couriers being subject to AML/CFT supervision the authorities advised in the last report that the CBTT had developed a draft AML/CFT supervisory framework for money remitters and bureau de change. Additionally, the CBTT was working on guidelines and legislation to regulate money remittance business. At present, the authorities have advised that the FIU conducts AML/CFT supervision of money remitters. While the examiners' recommendations refers to cash couriers being subject to AML/CFT supervision, this is not a requirement of the Methodology and as such will not be considered in assessing compliance with Recommendation 23. Given the above, the examiners' recommended actions are partially outstanding.

### **Special Recommendation III**

28. As indicated in the follow-report dated June 2010, assessment of the compliance with the examiners' recommended action focused on the measures to address the identified deficiency of lack of implementation of S/RES/1267(1999) and S/RES/1373(2001). While the legislation as enacted by Trinidad and Tobago substantially complies with the criteria of SRIII, there are still some outstanding issues which are set out below.

29. As noted in the previous follow-up report, section 22 of the ATA provides for procedures for freezing assets of designated entities i.e. individuals or entities and their associates designated as terrorists by the Security Council (b) of the United Nations. However, it is noted that with regard to the Attorney General being able to apply for a freezing order for anyone other than UN designated entities, that section 22B(1)(b) of the ATA limits such orders to entities and does not include individuals. The ATA was amended in 2012 and section 22B (1) (b) has been extended to include individuals. Consequently this issue is no longer outstanding.

30. As stated in previous follow-up reports, section 34 of the ATA was amended to allow a customs officer, immigration officer, or police officer above the rank of sergeant who reasonably believes that property in the possession of a person is property intended to be used for the purpose of a terrorist act or for financing terrorism, terrorist property or property of a person or entities designated by the United Nations Security Council to apply for a restraint order for the property concerned.

31. Section 34 of the ATA as indicated above provided for the restraining of property involved in terrorism or terrorist financing rather than all property of individuals or entities engaged in terrorism as stated in the resolution. The ATA was amended in 2012 and section 34 was extended to include all property of individuals or entities engaged in terrorism. As such, the scope of the above provision is in compliance with the resolution.

32. S/RES/1373(2001) also requires countries to examine and give effect to, if appropriate, the actions initiated under the freezing mechanisms of other countries. Such procedures should ensure the prompt determination, according to applicable national legal principles, whether reasonable grounds or a reasonable basis exists to initiate a freezing action and the subsequent freezing of funds or other assets without delay.

33. In Trinidad and Tobago, the above procedures are governed by the Mutual Assistance in Criminal Matters Act. As indicated in Trinidad and Tobago's mutual evaluation report, section 30 of the referenced statute allows for assistance to countries for confiscating or forfeiting property orders and orders that restrain dealings with property derived or obtained

from the commission of a specified serious offence. One of the requirements for providing assistance is dual criminality. The criminalization of terrorism and terrorist financing under the ATA therefore provides the basis for the authorities in Trinidad and Tobago to incorporate assistance in giving effect to freezing mechanisms of other jurisdictions under the procedures established by the Mutual Assistance in Criminal Matters Act. The amendments of the ATA as indicated above would allow for the authorities to give effect to actions initiated under the freezing mechanisms of other countries in accordance with the Security Council resolutions. Given the above, this recommendation is fully compliant

## **Other Recommendations**

### **Recommendation 6**

34. As indicated in the Follow-Up Report of May 2010, provisions of the FOR substantially comply with the examiners' recommendations which included all of the criteria of Recommendation 6. The only outstanding requirement is that the approval of senior management of a financial institution be required for continuing a relationship with a customer or beneficial owner who becomes a politically exposed person (PEP) or is subsequently found to be a PEP. Section 12.3.2 (vii) of the CBTT AML/CFT Guidelines require financial institutions to obtain senior management approval to establish a relationship where a customer is found to be a PEP. This is also applicable to the existing client base when PEPs have been identified. This provision is only applicable to financial institutions regulated by the Central Bank which includes the banking and insurance sectors. The CBTT AML/CFT Guidelines are considered other enforceable means. A similar provision is included in paragraph 67 of the TTSEC Guidelines on AML/CFT, however the wording limits the application to the establishment of a relationship and does not extend to approval for continuing a relationship when a customer is subsequently found to be a PEP. Given the above, the measure is only partially compliant since it is acceptable for the banking and insurance sectors.

### **Recommendation 7**

35. The Follow-Up Report of May 2010 indicated that except for the requirement that a respondent institution be able to provide relevant identification data upon request to the correspondent institution for "payable-through accounts", all the examiners' recommendations which include all criteria of Recommendation 7 were met. The situation remains unchanged for this report.

### **Recommendation 8**

36. The Follow-Up Report of May 2010 noted that except for the requirement for financial institutions to be required to have measures for managing risks including specific and effective CDD procedures that apply to non-face to face customers, all the examiners' recommendations which include all criteria of Recommendation 8 were met.

37. Section 12.3.2 (v) of the Central Bank of Trinidad and Tobago Guidelines (CBG) requires financial institutions to have policies and procedures in place to prevent the misuse of technology for money laundering and terrorist financing schemes. Additionally, financial institutions are required to ensure that their policies and procedures address non-face to face transactions which have an inherent risk of fraud or forgery. While the above measure complies with the outstanding requirement it is only applicable to the financial institutions

under the supervision of the Central Bank. The TTSEC has equivalent provisions in paragraphs 62 and 72 of the TTSEC Guidelines on AML/CFT. As already noted, the TTSEC Guidelines on AML/CFT are considered other enforceable means which therefore makes the requirement also applicable to registered securities institutions.

38. The authorities have advised that amendments to the relevant regulation of the FOR have been proposed. Given the above, the outstanding recommendation has only been partially met.

### **Recommendation 9**

39. The examiners' recommended actions for third parties and introducers include all the essential criteria of Rec. 9. While regulations 13 and 14 of the FOR were intended to meet the criteria of Rec. 9, the follow-up report of May 2010 indicated that the regulations were unclear and did not comply with the criteria. The authorities have advised that amendments to regulation 13 of the FOR have been proposed to clarify requirements. Consequently, the level of compliance is unchanged and the Recommendation remains outstanding.

### **Recommendation 11**

40. It was noted in the May 2010 report the requirement for the POCA to be amended for financial institutions to examine and record findings in writing on the background and purpose of all complex, unusual large transactions or unusual patterns of transactions and to keep such findings available for competent authorities and auditors for at least five years was outstanding. The situation remains unchanged for this report.

### **Recommendation 12**

41. As indicated in previous follow-up reports DNFBPs, motor vehicle sales, money or value transfer services, gaming houses, pool betting, national lotteries, on-line betting games, private members clubs and art dealers are defined as listed business and have been subjected to the same AML/CFT requirements as financial institutions. However, it was noted that with regard to the activities subject to AML/CFT requirements, that the creation, operation or management of legal persons or arrangements by accountants, attorneys at law and independent legal professionals were not included. With regard to the activities of trust and company service providers, acting as (or arranging for another person to act as) a trustee of an express trust has also not been included. The authorities have cited the schedule in the POCAA which detail the activities of listed businesses including DNFBPs and in particular accountants, attorneys at law and independent legal professionals as meeting the outstanding requirement. The activities include the organization of contributions for the creation, operation or management of companies, legal persons or arrangements. It is noted that this activity is already listed in the FATF methodology as a separate function while the creation, operation or management of legal persons or arrangements is another distinct function which is not included in the POCAA schedule. Consequently this deficiency remains outstanding.

42. With regard to the examiners' recommended action that the requirements of Recommendations 5, 6 and 8-11 should be applied in circumstances detailed in Recommendation 12, it was noted in the follow-up report of May 2010 that the FATF requirement that casinos should be subject to above Recommendations when their customers engage in financial transactions equal to or above USD3,000 had not been included in the enacted legislation. At present the applicable transaction threshold for gaming houses, pool

betting, national lotteries on-line betting games and private members' clubs is the same as all financial institutions and listed businesses i.e. TTS90,000 and over or US\$14,285 for one-off transactions. No update has been provided with regard to this issue. The requirements of Recommendations 5, 6 and 8-11 as enacted are applicable to all the listed businesses and while the examiners recommended actions for Recs. 5, 6, 8, 10 and 11 have been substantially met those of Rec. 9 are still largely outstanding as indicated in this report.

43. A previous follow-up report noted that while the FIU was responsible for supervising listed businesses, this supervision was limited to AML obligations, since combating of the financing of terrorism was not included in section 34 of POCAA. However, as noted under Recommendation 23 in this report, supervisory agencies are now responsible under the FOFTR for ensuring compliance of financial institutions and listed businesses with the obligations, prohibitions and offences relating to the financing of terrorism. Information on the establishment and implementation of an AML supervisory regime by the FIU can be found in sections of this report dealing with Recs. 23 and 24.

44. In accordance with the examiners' recommendation to educate and inform the DNFBPs and persons engaged in relevant business activities about their legal responsibilities, the authorities have carried out and continue to carry out a number of training sessions, conferences and outreach measures. During the period August 2013 to January 2014, the FIU conducted 15 awareness training sessions on AML/CFT for DNFBPs.

#### **Recommendation 15**

45. As noted in the May 2010 report the only recommendation outstanding was the requirement for information on new developments in methods and trends in money laundering and financing of terrorism to be included as part of training to be provided by financial institutions to their staff. The situation remains unchanged for this report.

#### **Recommendation 16**

46. As already noted under Recommendation 12, while "listed business" has been extended to include all FATF DNFBPs, the list of detailed activities subject to AML/CFT obligations does not include all FATF requirements. Since listed businesses are subject to the same AML/CFT requirements as financial institutions the situation as noted in the analysis of the requirements of Recommendations 13 to 15 are also applicable to DNFBPs.

47. With regard to Recommendation 13, the situation as indicated in last follow-up report remains the same in relation to the legal provisions. The outstanding requirement is the exclusion of one-off transactions from the suspicious transaction reporting requirement.

48. With regard to Recommendation 14, the examiners' recommended actions to prohibit the disclosure of reporting to the designated authority/FIU and ensure that the confidentiality requirements in POCA apply to the personnel of the FIU were all met by enactment of POCAA and the FIUTTA as indicated in previous follow-up reports.

49. With regard to Recommendation 15, the examiners' recommended measures with regard to internal controls, compliance, training and hiring procedures have been addressed in the FOR and the FOFTR except as noted under Recommendation 15 in this follow-up report.

50. As part of ensuring implementation of the above measures, section 55(5) of POCA requires every financial institution or listed business to develop and implement a written compliance program approved by the FIU. In tandem with this provision, regulation 31(1) of the FIUTTR requires financial institutions and listed businesses to submit compliance programs to the FIU within three months of the coming into effect of the FIUTTR. The FIUTTR became enforceable on February 10, 2011.

51. For the period February, 2011 to January 2012, the FIU received 159 compliance programs, consisting of 96 from financial institutions and 63 from listed businesses. From January to December 2012, the FIU received 63 compliance programs and approved 9. During the seven months period from January to July 2013, the FIU received 191 compliance programs and approved 193. For the period August to December 2013, the FIU received 143 compliance programs and examined 114.

52. While the above figures demonstrate a significant improvement in 2013 in the rate of submission and approval of compliance programs, a considerable number of listed businesses are in breach of regulation 31(1) as stated above. From January to December 2012, the FIU issued 2744 warning letters to listed businesses registered with the FIU concerning non-compliance with respect to regulation 31(1) of the FIUTTR. From January to July 2013, the FIU issued 36 similar letters and took enforcement action against 36 entities. As a result of the action, 30 entities responded positively. During the period July 2013 to January 2014, the FIU issued 114 warning letters and 10 directives. While the number of warning letters is small in comparison with the number of listed businesses in breach of regulation 31(1), the FIU has taken further enforcement action in accordance with the FIUA.

53. With regard to the reporting of suspicious transactions the authorities advise that 368 SARS have been submitted by listed businesses for the period August 2013 to January 2014. However, it should be noted that 182 of the SARs came from one category of listed businesses money or value transfer service providers and the remaining 18 from five other categories. This suggests that the reporting of suspicious transactions and activity by listed businesses is ineffective.

### **Recommendation 17**

54. The Follow-Up Report of October 2010 noted that the examiners' recommendation for considering the amendment of the provisions for sanctions in the POCA to allow for penalties to be applied jointly or separately was dealt with under section 68(3) of the Interpretation Act which allows for the imposition of the stipulated fines in the penalties in POCA separately on companies.

55. With regard to the other outstanding recommendation for increasing the range of sanctions for AML/CFT non-compliance to include disciplinary sanctions and the power to withdraw, restrict or suspend the financial institution's licence where applicable, the Central Bank's range of sanctions for non-compliance with AML/CFT laws was extended for banks and insurance companies under the FIA and the Insurance Amendment Act 2009 respectively.

56. The authorities have advised that sections 10 and 12 of the FIA further provide for the Central Bank to issue AML/CFT guidelines and to be able to impose compliance directions for breaches of the guidelines. Section 57 of the SA allows the TTSEC to consider issuing a warning, private reprimand or public censure or suspend the registration of a registrant for

various reasons including prosecution for the breach of any law relating to the prevention of money laundering and combating the financing of terrorism. Section 58 of the SA goes on to allow the TTSEC to revoke a registration on the basis of a conviction for a similar breach. Additionally, section 90 of the SA provides for the TTSEC to issue compliance directions to any registrant found to be in breach of any provisions of relevant statutes including AML/CFT legal obligations during an onsite compliance review. The above measures appear limited to warnings, censure or suspension and does not afford a wide range of possible sanctions particularly in relation to restricting activities or management of registrants. As such, this recommendation is partially met.

57. The FIU's range of sanctions include the issuing of directives to non-regulated financial institutions or listed businesses which are violating or are about to violate provisions of the FIUTTAA 2011, the FOR, the ATT, the FIUTTA, the FIUTTR and any other guidelines issued by the FIU. These directives will be in addition to the penalties already available under the mentioned statutes. Failure to comply with a directive can result in the FIU applying to the High Court for an Order requiring the unregulated financial institution or listed business to comply with the directive.

58. Since enactment in May 2011 the FIU has issued warning letters to listed businesses concerning non-compliance with regulation 31(1) of the FIUTTR, non-registration, and failure to submit quarterly terrorist reports. During the period July 2013 to January 2014, the FIU issued 10 directives and 104 warning letters. During the period August 2013 to January 2014, the Central Bank sanctioned one institution due to AML/CFT deficiencies.

#### **Recommendation 19**

59. The situation is unchanged from the previous follow-up report which noted that while measures substantially comply with the examiners' recommended actions, documentation regarding the consideration of the feasibility and utility of a large currency transaction reporting system needs to be submitted for verification.

#### **Recommendation 21**

60. As indicated in a previous follow-up report, all the examiners' recommended measures were addressed in POCAA and the FIUTTA except for the requirement for financial institutions to give special attention to business relationships with persons (including legal persons and other financial institutions) from or in countries which do not or insufficiently apply the FATF Recommendations. The authorities have referred to section 30 of the POCAA which requires financial institutions or listed business to pay special attention to all business transactions with persons and financial institutions in or from other countries which do not or insufficiently comply with the recommendations of the FATF. This requirement will include business relationships and therefore complies with the recommendation.

61. The Follow-Up Report for May 2012 noted that the recommendation for effective measures to be put in place to ensure that financial institutions are advised of concerns about weaknesses in the AML/CFT systems of other countries was mandated by subsection 17(1) (a) of the FIUTTA requiring the FIU to publish a list of countries identified by the FATF as non-compliant or not sufficiently compliant. The FIU and the CBTT have published on their respective websites FATF's Public Statements dated February 16, 2012, June 22, 2012, October 19, 2012, February 22, 2013, June 21, 2013 and October 18, 2013. Additionally, the

CFATF Public Statement of May 30, 2013 and November 20, 2013 have also been published on the FIU and the CBTT websites. Consequently this recommendation is fully compliant.

## **Recommendation 22**

62. The situation remains unchanged as noted in the previous report. All of the examiners' recommendations concerning Recommendation 22 have been imposed on financial institutions under the supervision of the Central Bank via the AML/CFT Guidelines. However, with regard to other financial entities, all of the examiners' recommended measures remain outstanding except for the requirement for branches of financial institutions to apply the higher AML/CFT standard where minimum host and home country AML/CFT requirements differ. The authorities have advised that amendments to the FOR have been proposed to deal with the outstanding examiners' measures.

## **Recommendation 24**

63. The situation as noted in the last Follow-Up Report has remained unchanged. With regard to the examiners' recommendation that gaming houses (or private member clubs), pool betting and the national lottery on line betting games should be subject to a comprehensive regulatory and supervisory regime, previous follow-up reports noted that the FIU was designated in the FOR as the competent authority responsible for ensuring compliance by listed businesses which includes DNFBPs, gaming houses (or private member clubs), pool betting and the national lottery on line betting game with AML/CFT obligations.

64. Regulation 28(1) of the FIUTTR requires supervised entities to register with the FIU within three (3) months of the FIUTTR coming into force. The total number of registrants at the end of January 2012 was 1,465 listed businesses. The total number of registrants listed as at the end of 2012 is 1,581. The above measures provides for the FIU to implement a regulatory and supervisory regime to ensure that gaming houses or private members clubs are effectively implementing the required AML/CFT measures. The on-site inspections have been done on a risk-based approach which targets the large and higher risk institutions in the relevant sectors, which has resulted in an improved coverage of these sectors. The FIU has commenced on-site examinations of private members clubs having carried out 6 during the first seven months of 2013 and 5 for the period August 2013 to January 2014. To date 22% of the sector has been covered with the remaining 78% to be conducted by September 2014. For the period February to April 2014 five (5) on-site examinations have been conducted and eighteen (18) are proposed by September 2014. The FIU should continue to submit information in future follow-reports with regard to the number of on-site inspections being conducted and the results regarding any AML/CFT breaches.

65. The situation remains unchanged with the recommendation for regulatory measures to prevent criminals or their associates from holding or being the beneficial owner of a significant or controlling interest, holding a management function in, or being an operator of a gaming house (or private members club), pool betting and the national lottery on line betting games still outstanding. The authorities have advised that a working group has been developed to propose a policy position regarding identified deficiencies in the gaming industry from a regulatory perspective. Proposals for reform will follow. The projected timeframe is by year end 2014. Legal or regulatory measures to prevent criminals or their



associates from holding or being the beneficial owner of a significant or controlling interest, holding a management function in, or being an operator of a gaming house will be considered.

66. In accordance with the recommendation that competent authorities should establish guidelines to assist DNFBPs to implement and comply with their respective AML/CFT requirements, regulation 30 (1) of the FIUTTR requires the FIU to provide guidelines and standards to supervised entities. While there is a general provision in the FIUTTR for sanctions for financial institutions or listed businesses committing offences for which there is no specified penalty, breach of the guidelines issued under regulation 30(1) is not specified as an offence. However, section 18G of the FIUA provides for the FIU to issue a directive to any non-regulated financial institution or listed business which in its opinion has violated or is about to violate any provisions of the POCA, the FOR, the ATA, the FIUA, the FIUTTR and any other guidelines issued by the FIU. Additionally, section 18G further provides that the FIU can obtain a court order to compel compliance with its directive. Failure to comply with a court order carries a penalty on summary conviction of fine of two hundred and fifty thousand dollars and imprisonment of three years.

67. Guidance Note on Suspicious Transaction/Activity Reporting Standards and Guidance Note on Procedure for Reporting Terrorist Funds have been issued by the FIU. The FIU has also created sector specific guidelines for motor vehicles dealers, real estate, private members clubs, attorneys-at-law, accountants and jewelers. The last of the sector specific guidance for trust and company service providers has been issued and guidance for gaming houses/pool betting operators and art dealers has been drafted and circulated to the sector for comments in early May 2014. In September 2013 the FIU issued a Guidance Note on Politically Exposed Persons (PEPs) for Reporting Entities. The FIU also created and published guides for Supervised Entities on Structuring an AML/CFT Compliance Programme, Customer Due Diligence Guide No. 1 of 2011, Notice to Financial Institutions on Quarterly Terrorist Property Reporting and General Information to Financial Institutions. The above measures are initial steps in the development of an effective supervisory regime for DNFBPs. Given the above outstanding requirements, this Recommendation is partially compliant.

## **Recommendation 25**

68. A previous follow-up report noted that the recommendation for the designated authority/FIU to have a structure in place to provide financial institutions that are required to report suspicious transactions, with adequate and appropriate feedback, was met by section 10 of the FIUTTA. For the period January to July 2013 the FIU provided feedback to financial institutions and listed business that filed STR/SAR with the FIU acknowledging receipt and the action taken. Further the FIU wrote 12 feedback letters listing deficiencies in the completion (e.g. missing information or poor narrative provided) of the STR/SAR form and have held face-to-face meeting with Reporting Entities giving feedback on STR/SAR filed. During the period August 2013 to January 2014 the FIU received 368 STRs/SARs and gave feedback to all.

69. Under section 8(3) (d) of the FIUTTA, the FIU is required to set reporting standards to be followed by financial institutions and listed businesses in furtherance of section 55(3) of the POCA which deals with suspicious transaction reporting. Guidance Note on Suspicious Transaction/Activity Reporting Standards and Guidance Note on Procedure for Reporting Terrorist Funds have been issued by the FIU and are available on its website.

70. With regard to the Central Bank AML/CFT Guidelines being enforceable and having sanctions for non-compliance a previous follow-up report noted that sections 10 and 86 of the FIA create a legal basis for the enforceability of the Central Bank AML/CFT Guidelines. Effective implementation of this enforceability still has to be demonstrated by the Central Bank. Many of the requirements in Central Bank's 2005 Guidelines have been codified in the FOR 2010. As a result, the Central Bank issued revised Guidelines as of October 2011. The Guidelines have been published on the Central Bank's website.

71. With regard to the recommendation that guidelines similar to the CBTT AML/CFT Guidelines should be issued by the relevant authorities for all financial institutions and persons engaged in relevant business activity stipulated in the POCA, regulation 30 (1) of the FIUTTR requires the FIU to provide guidelines and standards to supervised entities. Guidelines for motor vehicles dealers, private members clubs, real estate, attorneys-at-law, accountants and jewelers have been published on the FIU website. These guidelines only cover some of the entities included as listed businesses. Sector specific guidance for trust and company service providers has been issued. Sector specific guidance for gaming houses/pool betting operators and art dealers have been drafted and circulated to the sectors for comments. The TTSEC Guidelines on Anti-Money Laundering and Combating the Financing of Terrorism were publicly launched in April 2012 and are available on the TTSEC's website. The above measures substantially comply with the examiners' recommendations. The outstanding requirement is for the FIU to complete the issuance of guidelines to the remaining listed businesses i.e. gaming houses/pool betting operators and art dealers. Given the above, this Recommendation is largely compliant.

## **Recommendation 29**

72. Concerning the recommended action that the Credit Union Supervisory Unit (CUSU) have adequate powers to supervise credit unions for compliance with AML/CFT obligations, the authorities advised in a previous follow-up report that a decision had been taken to place the supervision of credit unions under the Central Bank and that legislation was being developed to accommodate this change. The CUSU ceased operation in 2006. The authorities advised since June 2010 that a credit union bill was been drafted and under review. The situation remains unchanged for this report.

73. It was noted in the previous follow-up report, until enactment of the proposed Credit Union Bill, the FIU is the designated supervisory authority for credit unions for AML obligations. As indicated in a previous report, the FIU had registered 175 credit unions and received thirty-six (36) compliance programs from credit unions since the enactment of the FIUTTR in February 2011. There are one hundred and seven (107) credit unions and sixty-one (61) co-operative societies under the supervisory remit of the FIU. As at January 2014, one hundred and sixty-eight (168) entities are registered as credit unions and sixty-two (62) compliance programmes have been submitted to the FIU. The FIU has risk ranked the entities and onsite examinations are being conducted on the top ten highest ranked entities in the sector. The FIU has conducted five onsite examinations on credit unions since 2011 which represent 62% of the top 10 credit unions. During the first seven months of 2013, the FIU received 10 compliance programs from credit unions and conducted two (2) on-site visits. During the period August 2013 to January 2014, the FIU received nine (9) compliance programs, reviewed 17 and conducted five (5) onsite visits. As at January 2014, nine (9) on-site examinations have been conducted denoting 57% of the sector. For the period February

to April 2014, the FIU received two (2) compliance programmes, reviewed three (3) and conducted two (2) onsite visits. Thirteen (13) training sessions have been conducted with the sector. The FIU did not conduct training sessions with credit unions during the same period. While the numbers of submitted compliance programs have increased, the total number submitted to date is only sixty-two (62) which leaves some one hundred and six (106) in breach of regulation 31(1) of the FIUTTR. As at January 2014, sixty-four (64) warning letters have been issued to the credit union sector, one warning letter concerning the non-submission of compliance programmes and sixty-three (63) for the non-submission of quarterly terrorist reports. While the risk-based on-site inspection function of the FIU has resulted in improved coverage of the credit union sector, the time taken to achieve the coverage and the issuance of only one (1) warning letter regarding the non-submission of compliance programs suggest that effective AML/CFT supervision of credit unions has not been fully achieved.

74. As noted in a previous follow-up report, the recommended actions for all supervisors to have adequate powers of enforcement and sanctions against financial institutions, their directors or senior management and the need to have systems in place for combating ML and FT and to review the effectiveness of these systems addressed specific deficiencies of the TTSEC and the CUSU. As already mentioned concerns about the CUSU are being dealt with by transferring supervisory responsibility to the Central Bank in new legislation.

75. With regard to the TTSEC, section 89 of the SA empowers the SA to carry out on-site examinations of its registrants, i.e. compliance reviews. These reviews include assessing compliance with the provisions of the SA, POCA, and any other written law in relation to the prevention of money laundering and combating the financing of terrorism. Section 90 of the SA gives the chief executive officer of the TTSEC the power to issue directions to take such measures that may be considered necessary to remedy any breaches of the provisions of the Act, guidelines made thereunder and any law in relation to the prevention of money laundering and combating the financing of terrorism or unsafe or unsound practice in conducting the business of securities revealed during a compliance review or any other inspection. Section 90(8) of the SA specifies a penalty for failure to comply with directions on conviction on indictment of a fine of TT\$500,000 (US\$77,600) and imprisonment for two years. Additionally sections 57 and 58 of the SA provide for the suspension of registration, warning or censure as well as the revocation of registration of a registrant if the registrant has been convicted by a court for a contravention of the POCA or any other AML/CFT law or any other law administered or supervised by the TTSEC. The measures above provide for limited sanctions, the suspension or revocation of registration and the application of a specific fine and term of imprisonment. There is no provision for a range of sanctions to be applied proportionately nor specific sanctions against the directors and senior management of the financial institution. As such, this recommendation has only been partially met. Given the above, only one of the examiners' recommendations has been partially complied with.

### **Recommendation 30**

76. The main recommended actions under this Recommendation address deficiencies in resources and training in the FIU, the Director of Public Prosecutions (DPP), the Magistracy, Customs Division, the Police, the Strategic Services Agency (SSA), TTSEC and CUSU. At present the DPP Office is in the process of re-organization. A plan for re-structure contemplates the setting up of Units such as the Financial/Proceeds of Crime Unit. Cabinet has approved the creation of a further one hundred (100) legal posts in the DPP Office. This will allow for the training and allocation of prosecutors in specialist areas such as Proceeds of

Crime. It is anticipated that the Unit will be set up within the next 3-4 months when the DPP's Office has completed installation of a new case management system. The first meeting for the installation of the case management system is scheduled for May 1, 2014 and the installation of the system is estimated to take three (3) months. Recruitment of staff for the unit is on-going.

77. The situation with regard to the Financial Investigations Branch (FIB) dedicated to the investigation of money laundering offences remains unchanged from the last Follow-Up Report. The FIB was transferred to the Trinidad and Tobago Police Service and re-established. The FIB is currently located at the old Special Anti-Crime Unit of Trinidad and Tobago (SAUTT) Headquarters and the resources of the former unit are now being used by the FIB. There are currently twenty-four (24) staff members within the FIB, comprising a Director, Assistant Director, eighteen (18) investigators and four (4) ancillary staff members.

78. With regard to the FIU, it was noted in previous follow-up reports that the FIU had instituted a continuing training program for staff. Details on AML/CFT training undergone during the period August to December 2013 by the Director, Deputy Director, Senior Legal Officer and members of the Compliance Division and the Analytical Division are set out in the attached matrix to this report and demonstrate the FIU's continuing commitment to ensure that staff is appropriately trained in current AML/CFT matters.

79. With regard to the staffing of the FIU, in August 2011, Cabinet approved the strengthening of staffing complement of the FIU with the creation of a Compliance and Outreach Division which has a staff complement of seven (7). The Analytical Division of the FIU has an approved structure of six (6) analysts. During the period July to December 2012, the Analytical Division was fully staffed. A Senior Legal Officer was also appointed. The Compliance and Legal Divisions were to be further augmented by the recruitment of five (5) contract officers in August 2013. The authorities have advised that the FIU has sought Cabinet approval for an increase in staff of five (5) compliance officers, three (3) legal officers and two (2) administrative officers.

80. In keeping with the restructure and re-organization of the DPP's Office all staff members are currently receiving training relative to Proceeds of Crime. In this regard all prosecutors received training in Proceeds of Crime matters in the week of August 12 – 16, 2013. The training was arranged by the Criminal Justice Advisor from the Crown Prosecutor Service, UK. The Deputy DPP also attended a World Bank risk assessment workshop in the British Virgin Islands in December 2013. Several other officers attended an AML/CFT seminar hosted by the FIU.

81. AML/CFT training provided to staff of the FIB during the period August 2013 to January 2014 included investigative procedures in money laundering offences, gang investigations and prosecutions, an AML/CFT workshop, intelligence for organized crime, statement analysis, initial investigations and induction training in financial investigations. This training was facilitated by various agencies including but not limited to the FIU, the DPP, the National Security Training Academy, Trinidad and Tobago Police Service, the US Department of State, the Federal Bureau of Investigations (FBI), Caribbean Regional Drug Training Academy (REDTRAC) and the Drug Enforcement Agency (DEA). The Director of the FIB also attended the International Symposium on Economic Crime in the United Kingdom in September 2013.

82. With regard to the TTSEC, the enforcement arm of the Division of Legal Advisory and Enforcement has staff members with AML/CFT training. In addition the TTSEC has established a cross functional working group for AML/CFT issues and several members of staff have received training in this area through attendance at conferences and workshops hosted by the Association of Certified Anti-Money Laundering Specialists (ACAMS), CFATF and the FIU.

83. The authorities advise that the mandate of maintaining AML/CFT compliance with the FATF Recommendations was transferred from the SSA to the AML/CFT Compliance Unit of the Ministry of National Security in March 2010. The unit is staffed with a Director, Deputy Director, Legal Officer, Research Officer and Operations Officer. Members have completed training in the Certified Anti-Money Laundering Specialist (CAMS) designation and also attained the Florida International Bankers Association (FIBA) Anti-Money Laundering Certified Associate (AMLCA) qualifications. The staff members have attended various training sessions and conferences. A member of the AML/CFT Compliance Unit attended the ACAMS 18<sup>th</sup> Annual International AML & Financial Crime Conference. The Legal Executive attended the Trinidad and Tobago Transparency Institute Anti-Corruption Conference on March 8, 2013. Staff members attended the Inspections and Compliance Seminar hosted by the TTSEC with support from the United States Securities and Exchange Commission in September 2013, the Commonwealth/United Nations Counter-Terrorism Executive Directorate (CTED) Regional Workshop on freezing requirements pertaining to Security Council Resolution 1373/(2001) in November 2013, the CFATF Conference on AML/CFT in December 2013 and the CFATF Assessor Training in January 2014.

84. With regard to the recommendations concerning the training and shortage of staff at the Customs Division, the authorities advised in the previous report that staff members of the Customs and Excise Division had access to Certified Fraud Detection and Investigation training and also training in financial investigation. Additionally, the Customs and Excise Division had adequate training and internal capacity to carry out their functions. There is ongoing training of officers in the detection and investigation of ML and FT offences. Officers recently participated in IPIS – International Passenger Interdiction System hosted by the US Customs and Border Protection in August 2013. Additionally, officers attended an Advance Anti-Money Laundering Workshop hosted by the Arthur Lok Jack Graduate School of Business in June 2013 and training at the Caribbean Regional Drug Enforcement training Centre (REDTRAC). During the period August 2013 to February 2014, officers attended the Tactical and Strategic Analysis Workshop hosted by the Canadian High Commission and FIU, a workshop hosted by the FIU in November 2013 and the Financial Investigation Course at REDTRAC in February 2014.

85. With regard to staffing constraints faced by the Magistracy, the authorities submitted information that as of 2013 there were one (1) Chief Magistrate, one (1) Deputy Chief Magistrate, thirteen (13) Senior Magistrates and forty-two (42) Magistrates. No information as to whether this figure is an increase or decrease over former levels or whether the length of time for resolving cases has improved has been submitted to make an evaluation on effectiveness. On May 18, 2013 the FIU hosted a judicial sensitization seminar for the Magistracy at the Hyatt, Trinidad.

86. The above demonstrates that increased resources are being provided to the FIU along with appropriate AML/CFT training. There is need to provide more relevant information on the FIB, the Compliance Unit, the Magistracy and Customs Division for an evaluation of effectiveness.

### **Recommendation 31**

87. With regard to the recommendation concerning the establishment of the legal framework necessary to formulate a National Anti-Money Laundering Committee as noted in previous follow-up reports an AML/CFT Committee was established in November 2010 and has been active in addressing issues of implementation of Trinidad and Tobago's AML/CFT regime, reviewing AML/CFT legislation, securing technical assistance and drafting AML/CFT policy among other functions. During the period August 2013 to January 2014, the AML/CFT Committee reviewed, commented on and finalized policies on proposed amendments to the FOR, POCA and the ATA. Comments and revisions were also made on a concept paper to guide the conduct of a National Risk Assessment for Trinidad and Tobago. An Action Plan identifying all outstanding AML/CFT deficiencies was similarly reviewed and revised. Four (4) members of the AML/CFT Committee attended the World Bank National Risk Assessment training conducted in the British Virgin Islands in December 2013 and three (3) members were trained in Jamaica in January 2014 as CFATF assessors in the 4<sup>th</sup> Round FATF Methodology.

88. With regard to the recommendation for the introduction of MOUs between the CBTT, the TTSEC and the FIU, section 8(3) of the FIA 2008 allows the CBTT to enter into MOUs with the Deposit Insurance Corporation, other regulatory bodies and the designated authority i.e. the FIU to share information. The CBTT already has a multilateral MOU to share information with other regional regulators. A MOU with the TTSEC was signed effective January 6, 2013. MOUs between the Central Bank and the FIU and TTSEC and FIU are scheduled to be signed in May 2014.

89. Section 19 of the SA provides for information sharing between TTSEC and the Central Bank, FIU or any other agency which exercised regulatory authority under law. It also permits information sharing with specified foreign entities. In June 2013, the TTSEC became an A-List signatory to the IOSCO MOU which governs information sharing with appropriate measures for confidentiality.

90. In relation to the recommendation for improved co-operation amongst law enforcement and other competent authorities, as noted in the previous report measures were in place to allow for the sharing of information between the FIU, the Criminal Tax Investigation Unit (CTIU), the Customs & Excise Division, the investigation of all reports sent by the FIU to the COP and the receipt of analysed reports from the FIU and the investigation and subsequent feedback by the Board of Inland Revenue (BIR).

91. As noted in the previous follow-up report consultations between the various law enforcement agencies (LEAs) are being held regularly. The first of such meetings was held in August 2011, with the FIB. For the period January to July 2012, the FIU, Customs, Immigration, DPP, FIB, Criminal Tax Investigations Unit and BIR held three meetings to discuss SARs and the coordination of work. Four similar meetings were held with the same agencies during the period July to December 2012. For the period January to July 2013, two (2) formal meetings were held by the FIU and the LEAs as well as 2 training sessions were

conducted with LEAs and the FIU on tactical analysis and intelligence reports. For the period August 2013 to January 2014, there were five (5) meetings between the FIU and LEAs. One of the meeting comprised the regularly held LEAs group meetings. Between the end of 2013 and April 2014, several joint investigative teams were established in respect of particular criminal investigations. These teams include members of TTPS Task Force, FIB, FIU, Counter Trafficking Unit and DPP.

92. Letters of Exchange/MOUs between law enforcement authorities have been drafted. The FIU and CBTT held their first meeting in August 2011 to discuss the approval of compliance programmes of financial institutions and proposed to have quarterly meetings of supervisory authorities. The most recent meeting was held in July 2013.

93. The examiners' recommended action also referred to cooperation amongst other competent authorities. The FIU has held two (2) meeting with the Transport Commissioner during the period January to July 2013 to formalize procedures for receiving and responding to requests from the FIU for information held on the database at the Licensing Department. A MOU between the Registrar General, the Ministry of Legal Affairs, the COP and the Ministry of National Security for the sharing of information has been established. Meetings are also held with the DEA to collaborate as well as share information.

94. Concerning the last recommendation for the composition of the FIU to be expanded to include personnel from different relevant entities, the enactment of the FIUTTA and the formal establishment of the FIU have resulted in the development of hiring procedures which would not allow for the direct assignment of personnel from different relevant entities as set out in the recommendation. However, hiring practices as set out should result in the employment of appropriate staff. The above measures demonstrate substantial compliance with the examiners' recommendations with increased co-operation among law enforcement authorities and implementation of a National Anti-Money Laundering Committee.

### **Recommendation 32**

95. With regard to the recommendation to review the effectiveness of the FIU systems to combat ML and FT, section 9 of the FIUTTA requires the FIU to implement a system for monitoring the effectiveness of its anti-money laundering policies by maintaining comprehensive statistics on suspicious transaction or suspicious activity reports received and transmitted, money laundering investigations and convictions, property frozen, seized and confiscated and international requests for mutual legal assistance or other cooperation. While the above provision did not include FT, section 3(f) of the MPFIU&ATA amends section 9 to incorporate financing of terrorism policies. The authorities have advised that the FIU has implemented a monthly data collection system using a defined template to collect information on the progress of intelligence reports submitted to law enforcement and requests on ML/FT enquiries. The outcome of the intelligence reports submitted to LEAs resulted in twenty (20) production orders and one restraint obtained by the FIB. There are four (4) ongoing investigations by the Customs and Excise Division.

96. Statistics with regard to the operations of the FIB in 2013 have been submitted for this report. It should be noted that SARs submitted to the FIU are analyzed and intelligence reports based on these analyses are forwarded to the FIB as reflected in the table below. For the period August 2013 to January 2014, a breakdown of the activities of the FIB is presented in the following table.

**Table 5: Activities of the FIB for the August 2013 to January 2014**

<b>Activities</b>	<b>Number</b>
Intelligence reports received from FIU	41
Intelligence reports investigated	41
New ML investigations for the period	16
Non-SARs related investigations	17
On-going ML investigations	8
Assistance in external investigations	0
New cash forfeiture investigations	3
Ongoing forfeiture investigations	8
Ongoing cash forfeiture investigations	10

97. In addition to the above, the FIB reported three (3) cash seizures totaling TT\$227,045, three (3) detention orders concerning the same cash and one forfeitures order for TT\$94,532 from the same cash. The FIB also applied for ninety-five (95) production orders during the period August 2013 to January 2014. Of the fifty-eight (58) investigations conducted by the FIB during the period, four (4) were parallel investigations. One (1) investigation was submitted to the DPP and one (1) did not merit further investigation after review. One (1) matter concerning restraint was also referred to the DPP. No information concerning the money laundering prosecution begun in August 2012 was submitted for this report.

98. The Central Authority made one (1) mutual legal assistance request for the period August 2013 to January 2014, and received one (1) such request and two (2) extradition requests. All the above requests are in various stages of being resolved.

99. In addition to the provision for the maintenance of statistics by the FIU, section 18(1) of the FIUTTA requires that annual reports on the performance of the FIU be prepared and submitted to the Minister within two months of the end of the financial year. The financial year end of the FIU is September, 30. The Annual Reports for 2010 to 2013 have been published on the FIU website.

100. While section 9 of the FIUTTA requires the FIU to implement a system for monitoring the effectiveness of its anti-money laundering policies by maintaining comprehensive



statistics on suspicious transaction or suspicious activity reports received and transmitted, money laundering investigations and convictions, property frozen, seized and confiscated and international requests for mutual legal assistance or other cooperation, it is noted that the Annual Reports only contained information on suspicious transaction or suspicious activity reports received and transmitted. While the provisions address the FIU, the examiners' recommended action refers to tangible results from other relevant stakeholders in the system. The authorities advised in a previous follow-up report that the office of the DPP generates an annual report that is statistically based. Tangible results and co-operation matters from other stakeholders in the AML/CFT system accounted for one (1) arrest, charge and sentencing in a foreign jurisdiction in December 2013. Further, four (4) matters classified as ongoing are being investigated by foreign LEAs and FIUs based on spontaneous reporting by the FIU. Two (2) matters are being investigated by local LEAs as part of joint operations.

101. For the period August 2013 to January 2014, the Customs and Excise Division sent information on three hundred and sixty-three (363) currency declaration forms to the FIU, provided assistance in five (5) investigations, comprising two (2) foreign and three (3) local. During the same period no detention orders were served or charges laid for making a false declaration. Additionally, two (2) intelligence reports were disseminated by the FIU to the Customs and Excise Division which was also investigating one (1) SAR.

102. The following table was submitted to show the number of incoming and outgoing requests received and sent by the FIU for the period August 2013 to January 2014.

**Table 6: No of requests received and responses sent by FIU from August 2013 to January 2014**

Type of Agency	No. of Incoming Requests	No of Responses	No. of Outgoing Requests	No of Responses
Local LEAs	26	20	8	8
Foreign FIUs	7	7	6	4
Foreign LEAs	4	4	1	1
Local FIs and DNFBPs			505	475
Total	37	31	520	488

103. As can be seen from the above table, six (6) incoming requests for local LEAs are pending while, thirty-two (32) outgoing requests are outstanding. On the basis of the total numbers, the figures suggest effective co-operation between the agencies and the FIU. During the period, the FIU sent thirty (30) intelligence reports to the FIB, two (2) to Customs and Excise Division and eleven (11) to the Criminal Tax Investigation Unit. Information on the number of SARs submitted to the FIU and a breakdown of the types of reporting entities can be found in the section of this report dealing with Rec. 13. Information about on-site examinations conducted by the FIU is reported under Rec. 23.

104. No information was provided in the last follow-up report with regard to the examiners' recommended action that measures be instituted to review the effectiveness of Trinidad and Tobago's ML and TF systems. The situation remains unchanged.

105. The Central Bank has conducted five (5) on-site inspections for the period August 2013 to January 2014, two (2) each in the banking and insurance sectors and one on a bureau de change.

106. No information was provided in the last follow-up report or has been provided for this report on the examiners' recommended action for a review of the effectiveness of the systems for AML/CFT extradition cases. At present, the above statistics demonstrate implementation on the part of the FIU, the FIB, the CBTT and the Customs and Excise Division. Further information with regard to certain details of the submitted statistics as referred above should be forwarded in future reports. There is also the need to submit information with regard to measures instituted to review the effectiveness of Trinidad and Tobago's ML and TF systems. The level of compliance has remained at the same level as noted in the last report.

### **Recommendation 33**

107. The recommendation required the authorities to undertake a comprehensive review to determine ways to ensure that adequate and accurate information on beneficial owners can be available on a timely basis. In the previous follow-up report, the authorities advised that the FIU and the Registrar General's Office had entered into a MOU making the exchange of information in respect of beneficial owners easier and accessible on a timely basis. Furthermore, the Registrar General had computerized its information system thereby making access to information easier. Additionally, the authorities advised that the FIB is also able to access information from the Registrar General's Office by virtue of an MOU. The Central Bank has online access to the Companies Registry. The above measures should allow for easier access by the FIU, FIB and the Central Bank to information held by the Registrar General.

108. While the above measures improve access to beneficial ownership information held by the Registrar General, the recommendation also requires that the information be adequate and accurate. In this regard the authorities have advised that the Registrar General stated as of November 14, 2013 in a memorandum that the provisions of the Companies Act were being enforced and that sanctions were being imposed upon companies which failed to comply and that over 78 % of companies were compliant. Information on the number of registered companies and the sanctions imposed for not submitting updated information on beneficial ownership should be submitted to demonstrate enforcement of the Companies Act.

### **Recommendation 34**

109. The only recommended action for Rec. 34 required the Trinidad and Tobago authorities to take steps to implement a mechanism to prevent the unlawful use of legal arrangements in relation to money laundering and terrorist financing by ensuring that its commercial, trust and other laws require adequate transparency concerning the beneficial ownership and control of trusts and other legal arrangements.

110. It was noted in the follow-up report of October 2010, that regulations in the FOR would require all financial institutions and listed businesses to identify and verify the identities of the parties to a trust. Trust service providers are included in listed businesses and are

therefore required to comply with the above provisions. However, as noted in the section of this report dealing with Rec. 12 trust and company service providers, acting as (or arranging for another person to act as) a trustee of an express trust and the creation, operation or management of legal persons or arrangements by accountants, attorneys at law and independent legal professionals are not included as part of the activities subject to AML/CFT obligations. As such, while financial institutions are required to maintain information on the beneficial ownership and control of trusts and other legal arrangements, such requirements are not applicable to accountants, attorneys at law, independent legal professionals and trust and company service providers.

111. The authorities have advised that an amendment to the First Schedule of POCA to deal with above issue is to be proposed and the Compliance Unit was preparing the policy for the approval of Cabinet by November 2012. No information on the current status of this matter was submitted for this report. As such adequate transparency concerning the beneficial ownership and control of trusts and other legal arrangements has only been partially met.

### **Special Recommendation VI**

112. As noted in the previous follow-up reports, money or value transfer service operators were included as listed businesses in POCAA and therefore subject to the same AML/CFT requirements as financial institutions. Additionally, it was reported that the Central Bank was responsible for licensing and supervising money remitters and that an appropriate framework was being developed. The authorities advised that a regulatory and supervisory framework for money remitters is being developed, however given that money value transfer service providers are defined as listed businesses under POCA, the FIU is the supervisory authority for these institutions in accordance with the FOR.

113. With regard to the examiners' recommended action requiring the implementation of a system of monitoring money transfer companies, the authorities advised that the Central Bank conducted AML/CFT on-site examinations on cambios and that money remitters were registered with the FIU as the POCAA includes remittance business as listed businesses. The Central Bank revised its AML/CFT Guidelines to include sector specific guidance to cambios. It was indicated that the Central Bank had acquired the services of a technical expert from the Office of the Technical Assistance, United States Department of the Treasury to assist with the finalizing and implementation of a regulatory framework for money remitters and a supervisory framework for insurance brokers, cambios and money remitters. The Central Bank has developed draft AML/CFT regulations and licensing guidelines for money remitters. During the period July to December 2012, the Central Bank inspected one (1) bureau de change and the FIU one money remitter. During the first seven months of 2013 the FIU conducted one (1) on-site visit on a money remitter. The two inspected money remitters represented 99% of the money remitters sector. The other two (2) money remitters which make up the other one percent (1%) is scheduled for onsite examination in the third quarter of 2014. The above figures demonstrate the start of onsite AML/CFT inspections of cambios and money remitters by the Central Bank and the FIU. The authorities should continue to submit figures in future to demonstrate ongoing effective implementation.

114. The other outstanding recommendations requiring money transfer companies to maintain a current list of agents and the authorities to implement measures set out in the Best Practice Paper for SR VI remain as reported in the follow-up report dated October 2010. At the time authorities advised that the National Anti-Money Laundering Committee and the

Compliance Unit of the Ministry of National Security were reviewing them and would be proposing an appropriate amendment.

#### **IV. Conclusion**

115. As noted in the last Follow-Up Report, the measures put in place since the Fifth Follow-Up Report, have dealt with the continuing efforts of the FIU to achieve effective operations and implement a supervisory regime for DNFBPs through identifying and registering listed business, commencing an on-site inspection function and enforcing AML/CFT requirements. While these measures have been put in place, some of them are problematic, such as the supervisory function of the FIU which from the start has posed an enormous challenge given resources and the number of listed businesses. It is noted that measures for ensuring that criminal elements are not involved in the ownership or management of private members clubs which conduct casino operations are to be considered.

116. Statistics have been submitted in relation to MLAT requests, international exchange of information, on-site AML/CFT inspections, and money laundering investigations, cash seizures, restraint orders and STR reporting. These demonstrate continuing implementation in the areas of international co-operation and the functions of the law enforcement authorities and the Central Bank.

117. As noted in the last follow-up report, developments with the Credit Union Bill have slowed and it is still outstanding. This is particularly important in relation to supervision for compliance with AML/CFT obligations for credit unions. Finally while a confiscation/forfeiture regime with regard to terrorist financing has been legally established, there is need to demonstrate implementation.

118. As a result of the measures implemented above Trinidad and Tobago is now fully compliant with SR. III and Rec. 21. At present, eight Core and Key Recommendations R.3, R.26, R.35, R. 40, SR.I, SR. III, SR. IV and SR.V can be considered fully compliant. While the majority of the outstanding deficiencies linked with the examiners' recommended measures for the Core and Key Recommendations can be considered minor those related to R.5, R. 13 and R.23 are not and these Recommendations can be considered to be partially compliant. Additionally, deficiencies in R. 9, R. 12, R. 16, R. 24, R. 29, R. 31 and SR. VI should also be considered with regard to the Plenary decision that all members in the follow-up process should complete their reform measures by November 2014. Based on the foregoing it is recommended that Trinidad and Tobago be required to report back to the Plenary in November 2014.



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<b>Legal systems</b>				
1.ML offence	NC	<ul style="list-style-type: none"> <li>For money laundering offences the POCA only recognizes property as being the proceeds of crime where a person has been convicted of a predicate offence.</li> <li>Terrorism, including terrorist financing and piracy is not covered under Trinidad and Tobago legislation as predicate offences;</li> <li>Predicate offences for ML do not extend to conduct occurring in another jurisdiction that would have constituted an offence had it occurred domestically.</li> <li>The Mission concluded that AML offences are not effectively investigated, prosecuted and convicted. There were no ML convictions to date of the on site visit.</li> <li>The money laundering legislation does not appear to be effective as there have been no convictions in 6 years.</li> </ul>	<ul style="list-style-type: none"> <li>Consider defining the term money laundering in the POCA and also, for completeness sake, broadening the scope of section 43 beyond drug trafficking to include "or a specified offence".</li> <li>Terrorism, including terrorist financing, and piracy should be covered under Trinidad and Tobago legislation.</li> </ul>	<ul style="list-style-type: none"> <li>The examiners' recommendation regarding the definition of the term money laundering being included in the Proceeds of Crime Act, 2000 (POCA) and broadening the scope of section 43 beyond drug trafficking to include "a specified offence" has been incorporated in the POCAA.</li> <li>Section 43 of the Proceeds of Crime Act 2000 is amended by deleting the words "drug trafficking" and substituting the words "a specified offence", thereby broadening the scope of section 43 beyond drug trafficking. Accordingly, Section 43 of Proceeds of Crime Act 2000 has been amended by virtue of Section 22 of the Proceeds of Crime (Amendment) Act 2009 and states the following:</li> <li><i>"A person is guilty of an offence who conceals, disposes, disguises, transfers, brings into Trinidad and Tobago or removes from Trinidad and Tobago and money or other property knowing or having reasonable grounds to suspect that the money or other property is derived, obtained or realized, directly or indirectly from a specified offence"</i></li> <li>A specified offence has been defined in the POCAA to include an indictable offence and any act committed or omitted to be done outside of Trinidad and Tobago.</li> <li>With regard to piracy, section 2 of the Criminal Offences Act Chapter 11:01 states that every offence which if done or committed in England, would amount to an offence in common law shall, if done or committed in Trinidad and Tobago, be taken to be an indictable offence and shall be punished in the same manner as it would be in England, under or by virtue of any special</li> </ul>

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				<p>or general statute providing for the punishment of such offence, or if there be no such statute, by common law. In the UK, piracy is criminalized as the common law offence of piracy jure gentium and under section 2 of the Piracy Act 1837 as noted in the UK MER. In accordance with section 2 of the Criminal Offences Act, these provisions make piracy an indictable offence in Trinidad and Tobago. Additionally, section 6 of the Civil Aviation (Tokyo Convention) Act Chapter 11:21 provides for the jurisdiction of a Court in Trinidad and Tobago with respect to piracy committed on the high seas to be extended to piracy committed by or against an aircraft.</p> <ul style="list-style-type: none"> <li>• The financing of terrorism is criminalized under Section 22A. (1-4) of the Anti-Terrorism (Amendment) Act, 2010 as follows:  22A. (1) Any person who by any means, directly or indirectly, willfully provides or collects funds, or attempts to do so, with the intention that they should be used or in the knowledge that they are to be used in whole or in part-  (a) in order to carry out a terrorist act; or  (b) by a terrorist; or  (c) by a terrorist organisation, commits the offence of financing of terrorism.   (2) An offence under subsection (1) is committed irrespective of whether –  (a) the funds are actually used to commit or attempt to commit a terrorist act;  (b) the funds are linked to a terrorist act; and  (c) the person alleged to have committed the offence is in the same country or a different country from the one in which the terrorist or terrorist organisation is located or the terrorist act occurred or will occur.   (3) A person who contravenes this section commits an offence and is liable on conviction on indictment –</li> </ul>

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			<ul style="list-style-type: none"> <li>Predicate offences for ML in the POCA should also be extended to conduct occurring in another jurisdiction that would have constituted an offence had it occurred domestically.</li> <li>Include in the POCA that where it is proven that property is obtained from the proceeds of crime it should not be necessary that a person be convicted of a predicate offence in order for the court to make a confiscation order in relation to such property.</li> </ul>	<p>(a) in the case of an individual, to imprisonment for twenty five years; or (b) in the case of a legal entity, to a fine of two million dollars.</p> <p>(4) A director or person in charge of a legal entity who commits an offence under this section is liable on conviction on indictment be to imprisonment for twenty-five years</p> <ul style="list-style-type: none"> <li>Predicate offences for money laundering under the POCA no.55 of 2000 are extended to conduct occurring in another jurisdiction that would have constituted an offence had it occurred domestically by expanding the meaning of specified offence under section 5 (g) to include, among other things; Any act committed or omitted to be done outside of Trinidad and Tobago which would constitute an indictable offence in Trinidad and Tobago;</li> <li>POCA as drafted meets the perceived deficiency. This conclusion is based on the fact that confiscation of proceeds can only occur on the basis of conviction for a specified offence. While this procedure does recognize proceeds of crime on the basis of a conviction, this is only absolutely necessary for confiscation purposes.</li> <li>Sections 18 to 20 of POCA allows for restraint and charging orders to be made against realizable property prior to a person being charged with an offence under POCA. There is no specific provision in POCA requiring conviction of a specified offence as a pre-condition for the application for a restraint or charging order to be made against realizable property i.e. criminal proceeds. Applications for such orders are required to be supported by affidavits which may contain statements of information or belief with sources and grounds.</li> </ul>



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				<ul style="list-style-type: none"> <li>The above provisions would suggest that for money laundering offences under POCA it is not necessary that a person be convicted of a predicate offence to recognize property as being the proceeds of crime and thereby dealing with the deficiency which forms the basis for the recommended action.</li> <li>The Trafficking in Persons Act was assented to on the 9<sup>th</sup> June 2011. This Act gives effect to the UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, Supplementing the UN Convention Against Transnational Organized Crime. This Act will now make the trafficking in persons a specified offence and is therefore a predicate offence to money laundering. See Appendix 1</li> </ul> <p>No further action is required under this recommendation. Statistics in respect of ML are addressed and the attached appendices.</p> <ul style="list-style-type: none"> <li>Legislation to abolish Preliminary Enquiries in Indictable Offences is currently being actively piloted by the current administration.</li> <li>Further, there is a move to increase judicial officers in order to deal with the increasing levels of criminal matters.</li> </ul>
2.ML offence – mental element and corporate liability	PC	<ul style="list-style-type: none"> <li>There is no dissuasive criminal or administrative sanctions for money laundering against a company directly</li> <li>The Mission concluded that AML offences are not effectively investigated, prosecuted and convicted. There were no ML convictions up to date of the on site visit.</li> </ul>	<ul style="list-style-type: none"> <li>Fast track the Proceeds of Crime (Amendment) Bill 2005, which will seek to strengthen the application of the POCA.</li> <li>Introduce the Financial Obligations Regulations to strengthen their AML regime.</li> </ul>	<ul style="list-style-type: none"> <li>The Proceeds of Crime (Amendment) Act 2009 came into effect on 9<sup>th</sup> October, 2009</li> <li>The Financial Obligation Regulations were made by the Minister of Finance in January 2010. There is dissuasive criminal or administrative sanctions for money laundering against a company directly.</li> </ul>

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				<ul style="list-style-type: none"> <li>The corresponding underlying deficiency identified by the examiners in respect of a lack of dissuasive criminal or administrative sanctions for money laundering against a company directly has been addressed.</li> <li>Section 68(3) of the Interpretation Act provides that where in any written law more than one penalty linked by the word “and” is prescribed, the penalties can be imposed alternatively or cumulatively. This provision therefore allows for the imposition of the stipulated fines in the penalties in POCA separately on companies. The penalties applicable under the POCAA through amendment of section 53(1) are for offences under sections 43, 44, 45 and 46 of POCA on conviction on indictment to a fine of twenty-five million TT dollars approximately US\$3,950,000 and imprisonment for fifteen years and for offences under section 51 on summary conviction to a fine of five million TT dollars approximately US\$790,000 and imprisonment for five years and offences under section 52 to a fine of TT\$250,000 approximately US\$39,500 and imprisonment for three years.</li> </ul> <p>No further action is to be taken under this recommendation. Statistics are included and the attached appendices.</p>
3. Confiscation and provisional measures	PC	<ul style="list-style-type: none"> <li>Confiscation is limited to persons convicted of predicate offence. Therefore, the courts cannot make a confiscation order where the property in question is found to be the proceeds of crime unless there is a conviction with respect to such property (s. 3 of POCA).</li> <li>Provision for confiscation under the POCA is not widely used/implemented. There has been no confiscation of assets under POCA for ML offences.</li> </ul>	<ul style="list-style-type: none"> <li>The T&amp;T authorities should consider expanding/widening the scope of offences that are subject to production orders and search warrants by expanding the definition of a “specified offence” contained in section 2(1) of the POCA.</li> </ul>	<ul style="list-style-type: none"> <li>The definition of “a specified offence” in section 2 of POCA has been amended to include as noted above, an indictable offence thereby extending the range of offences subject to production and search orders.</li> <li>The scope of offenses that are subject to production orders and search warrants has been widened by expanding the definition of “specified offense” under section 2 POCA no55 2000.</li> </ul>

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		<ul style="list-style-type: none"> <li>Law enforcement agencies are limited in their powers to obtain production orders and search warrants under POCA in order to identify and trace property that may become subject to confiscation. Such orders can only be obtained for offences under the Dangerous Drug Act or Part 2 of POCA (ML offences) [pursuant to the definition of “specified offence” contained in section 2 of the POCA].</li> </ul>		<p>“Specified offence” now means:  <i>(a) an indictable offence committed in Trinidad and Tobago whether or not the offence is tried summarily; No. 10 Proceeds of Crime (Amendment) 2009 5</i>  <i>(b) any act committed or omitted to be done outside of Trinidad and Tobago, which would constitute an indictable offence in Trinidad and Tobago; or</i>  <i>(c) or an offence specified in the Second Schedule.”;</i></p> <p>It is submitted that under this recommendation confiscation without conviction is an additional element. At this point in time there is no civil forfeiture regime in Trinidad and Tobago. However the utility of implementing a civil forfeiture regime in Trinidad and Tobago is actively being researched by the Compliance Unit of the Ministry of National Security. The ICRG has accepted the legal opinion in respect of this matter and is no longer a deficiency.</p> <p>At the March 2012 meeting of the NAMLAC consideration was given to the implementation of a civil forfeiture system. The AML/CFT Committee directed the Compliance Unit to conduct further research on the suitability of two civil forfeiture regimes within the constitutional framework of Trinidad and Tobago. This research is on-going.</p>
<b>Preventive measures</b>				
4. Secrecy laws consistent with the Recommendations	PC	<ul style="list-style-type: none"> <li>While most of the competent authorities have access to information, there are no measures allowing for the sharing of information locally and internationally.</li> <li>There are no measures for the sharing of information between financial institutions as required by Recommendations 7 and 9 and Special Recommendation VII.</li> </ul>	<ul style="list-style-type: none"> <li>The mission recommends that the relevant competent authorities in Trinidad and Tobago be given the ability to share locally and internationally, information they require to properly perform their functions.</li> </ul>	<ul style="list-style-type: none"> <li>Section 8 of the Financial Intelligence Unit of Trinidad and Tobago Act No. 11 of 2009, facilitates efficient execution of information sharing duties on the part of the competent authorities of Trinidad and Tobago. The sharing of information is achieved at the domestic and international level. This will be elaborated upon.</li> </ul>

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			<ul style="list-style-type: none"> <li>▪ It is recommended to amend the legislation to specifically require that no financial institution secrecy law will inhibit the implementation of the FATF Recommendations (or a similar requirement).</li> </ul>	<p>Please see Appendix 1 for the number of requests received and sent by the FIUTT for the period January – July, 2013.</p> <ul style="list-style-type: none"> <li>▪ Section 8 (3) (e) of Act no. 11 2009, empowers the FIU to engage in the exchange of financial intelligence with members of the Egmont Group</li> <li>▪ Section 8 (3) (f) of Act no. 11 2009, empowers the FIU to disseminate at regular intervals, financial intelligence and information to local and foreign authorities and affiliates within the intelligence community, including statistics on recent money laundering practices and offences.</li> <li>• Sec 26. of the FIU Act 2009 states 'Notwithstanding any other law pertaining to the disclosure of personal information, the power of the FIU to collect, disseminate or exchange information under this Act, shall prevail. This in effect overrides any existing law regarding disclosure of information and ensures that the FATF recommendations can be implemented without inhibition</li> <li>• Section 8(2) of the Financial Institutions Act empowers Central Bank of Trinidad and Tobago to engage in information sharing practices with international regulatory bodies as well as the designated authority i.e. the FIU under Proceeds of Crime Act No 55 of 2000. Similar sharing of information provisions have been included in the new Insurance Bill and the draft Credit Union Bill.</li> <li>• Section 6 of the Insurance Act 1980 was amended by the Insurance Amendment Act of 2009 to facilitate sharing of information with any local or foreign regulatory agency or body that regulates financial institutions for purposes</li> </ul>

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				<p>related to that regulation.</p> <ul style="list-style-type: none"> <li>The <b>Securities Act, 2012</b>, No. 17 of 2012 was proclaimed on December 31, 2012. This Act provides protection to investors from unfair, improper or fraudulent practices; foster fair and efficient securities markets and confidence in the securities industry in Trinidad and Tobago and reduce systemic risk.</li> <li>Section 19(2)(a) of the SA2012 provides that the Commission may cooperate with, provide information to and receive information from any of the following entities, whether in TT or elsewhere: other securities or financial regulatory authorities, exchanges, clearing agencies, self-regulatory bodies or organizations, law enforcement agencies and other government agencies or regulatory organizations.</li> <li>MOU signed between TTSEC/CBTT on January 6, 2014. An MOU between FIU to be signed in early 2014</li> </ul>
5.Customer due diligence	NC	<ul style="list-style-type: none"> <li>None of the CDD requirements are included in legislation, regulations or other enforceable means and existing requirements are only applicable to financial institutions supervised by the CENTRAL BANK OF T&amp;T.</li> </ul>	<ul style="list-style-type: none"> <li>The T&amp;T authorities may wish to consider to set out measures in laws or implementing regulations with sanctions for non-compliance for the following:</li> <li>Financial institutions should not be permitted to keep anonymous accounts or accounts in fictitious name</li> <li>Financial institutions should be required to undertake customer due diligence measures when establishing business relations, carrying out occasional or linked transactions above US 15,000,</li> </ul>	<ul style="list-style-type: none"> <li>Regulation 19 (1) of the Financial Obligation Regulations, 2010, prohibits the keeping of anonymous accounts or accounts in fictitious names by financial institutions. Such institutions are compelled to identify and record the identity of customers.</li> <li>Regulation 11 (1) of the Financial Obligation Regulations, 2010, requires financial institutions to apply customer due diligence procedures in the following instances:</li> </ul>

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			<p>carrying out occasional wire transfers as covered in Special Recommendation VII, when there is suspicion of ML or FT regardless of exemptions or amounts, and when there is doubt about the veracity or adequacy of previously obtained customer identification data.</p> <ul style="list-style-type: none"> <li>Financial institutions should be required to identify the customer (whether permanent or occasional, and</li> </ul>	<p>(a) pursuant to an agreement to form a business relationship;  (b) as a one-off or occasional transaction of ninety thousand dollars or more;  (c) as two or more one-off transactions, each of which is less than ninety thousand dollars but together the total value is ninety thousand dollars or more and it appears, whether at the outset of each transaction or subsequently that the transactions are linked; or  (d) as a one-off or occasional wire transfer of six thousand dollars or more or two or more one-off transactions, each of which is less than six thousand dollars, but together the total value is six thousand dollars or more and it appears, whether at the outset of each transaction or subsequently that the transactions are linked,</p> <ul style="list-style-type: none"> <li>Additionally sub regulation (11)(2) specifies that whenever a financial institution or listed business has reasonable grounds to suspect that the funds used for a transaction are or may be the proceeds of money laundering or any other specified offence, procedures and policies identified in the regulation should be applied. The procedures and policies referred to are requirements for customer due diligence as detailed in Part III of the FOR.</li> <li>Regulation 11(2) does not deal explicitly with terrorist financing as required by E.C. 5.2, however the term specified offence with its definition in POCA including an indictable offence would incorporate terrorist financing.</li> <li>The threshold of TT\$90,000 for occasional transactions and TT\$6,000 for occasional wire transfers are equivalent to US\$14,285 and US\$950 respectively. The stipulated thresholds are within the Methodology limits of US\$15,000</li> </ul>

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			whether natural or legal persons or legal arrangements) and verify that customer's identity using reliable, independent source documents, data or information.	<p>and US\$1,000.</p> <ul style="list-style-type: none"> <li>• With regard to the remaining requirement for customer due diligence whenever financial institutions have doubts about the veracity or adequacy of previously obtained customer identification data, regulation 18(1) of the FOR which requires financial institutions and listed businesses to perform due diligence procedures when there is doubt about the veracity of any information previously given by a customer, complies with the requirement.</li> <li>• Regulation 11 of the FOR makes it mandatory for the FI/LB to identify the customer (whether permanent or occasional, and whether natural or legal persons or legal arrangements) and verify that customer's identity using reliable, independent source documents, data or information.</li> <li>• The recommendation for financial institutions to identify the customer and verify that customer's identity using reliable, independent source documents is incorporated in regulation 11(3) which requires evidence of the identity of the customer in accordance with the compliance program established under regulation 7(a). This regulation requires that procedures governing customer identification, documentation and verification of customer information and other customer due diligence measures form part of a financial institution and listed business' compliance program. Specific information and documentation requirements for individuals, corporate entities and trust fiduciaries are detailed in regulations 15, 16 and 17. Regulation 15 requires full name, address and proof thereof, date and place of birth, nationality, nature and place of business/occupation where applicable,</li> </ul>

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				<p>occupational income, purpose of proposed business relationship or transaction and source of funds and any other appropriate information. A valid photo identification document is also required as well as a bank reference for foreign customers. Only certified copies of unavailable original documents are acceptable.</p> <ul style="list-style-type: none"> <li>Regulation 16 outlines the requirements for business customers. It is noted that regulation 16 states that the requirements in regulation 15 shall also be applicable to a business customer. Additionally, the regulation requires financial institutions and listed businesses to verify the identity of the directors and other officers of a company, partners of a partnership, account signatories, beneficial owners and sole traders by means of documentary evidence. Thus, Financial institutions and listed businesses are also required to obtain; <ul style="list-style-type: none"> <li>Certificates of Incorporation or Certificates of Continuance</li> <li>Articles of Incorporation</li> <li>Copy of the by-laws, where applicable</li> <li>Management accounts for the last three years for self-employed persons and businesses in operation for more than three years</li> <li>Information on the identity of shareholders holding more than ten per centum of the paid up share capital</li> <li>Where management accounts are not available, other forms of proof of the integrity of the source of funds to be used for transactions can be requested.</li> </ul> </li> <li>With regard to trustees, nominees or fiduciary customers, regulation 17 stipulates in addition to the requirements outlined in regulation 15, financial institutions or listed businesses must obtain evidence of the appointment of the</li> </ul>



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			<ul style="list-style-type: none"> <li>Financial institutions should be required to verify that any person purporting to act on behalf of a legal person or legal arrangement is so authorised, and identify and verify the identity of that person.</li> </ul>	<p>trustees by means of a certified copy of the Deed of Trust, information on the nature and purpose of the trust and verification of the identity of the trustee. Trustee in this regulation is defined to include the settlor, protector, person providing the trust funds, controller or any person holding power to appoint or remove the trustee.</p> <ul style="list-style-type: none"> <li>The criterion for financial institutions to verify that any person purporting to act on behalf of a legal person or legal arrangement is so authorized, and identify and verify the identity of that person forms part of the customer due diligence (CDD) procedures for customers who are legal persons or legal arrangements. This criterion is addressed in regulation 12(2), which states that where a beneficial owner or customer is a legal person or where there is a legal arrangement, the financial institution or listed business shall:</li> <li>verify that any person purporting to act on behalf of the legal person or legal arrangement is so authorized and identify and verify the identity of that person;</li> <li>verify the legal status of the legal person or legal arrangement;</li> <li>understand the ownership and control structure of the legal person or legal arrangement; and</li> <li>determine who are the natural persons who have effective control over a legal person or legal arrangement.</li> <li>Legal arrangement has been defined for this regulation to include an express trust in accordance with the Methodology.</li> </ul>

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				<ul style="list-style-type: none"> <li>In relation to the examiners' recommendation concerning the identification of beneficial owners, regulation 12(1) states that a financial institution or listed business should record the identity of the beneficial owner of any account held at the financial institution or listed business or potential account and shall request original identification documents, data or other information from an applicant for business. Additionally, regulation 19(2) requires where a new account is opened or a new service is provided by a financial institution and the customer purports to be acting on his own behalf but the financial institution suspects otherwise, the institution shall verify the true identity of the beneficial owner and if not satisfied with the response, it should terminate relations with the customer. Beneficial owner is defined as a person who ultimately owns and controls an account or who exercises ultimate control over a legal person or arrangement.</li> <li>The Compliance Unit has noted that regulation 19(2) refers only to financial institution and does not include listed businesses which would cover DNFBPs. This is a drafting error and a submission will be made to the Office of the Attorney General to correct this.</li> </ul> <p>Discussions were held by the Supervisory Working Group of the National AML/CFT Committee on this issue. It was concluded that this regulation should include listed businesses. Consideration will also be given to adding a requirement to report the anonymous accounts or accounts in fictitious names to the Compliance Officer whom shall consider whether a suspicious activity report be submitted to the FIU.</p> <p>This was considered by the Supervisory Working</p>

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				<p>Group and the appropriate amendments to the FOR proposed.</p> <p>It was also concluded that the Financial Obligations Regulations (FOR) need to be revised to address other areas of concern raised by the Examiners and accordingly a comprehensive review of the FOR is now being undertaken. It is anticipated that this will be completed by October 2012.</p> <ul style="list-style-type: none"> <li>The examiners' recommendation that financial institutions should be required to determine the natural persons who ultimately own or control customers that are legal persons or legal arrangements is met by regulation 12(2)(d). (above).</li> <li>With regard to the examiners' recommendation for financial institutions to conduct due diligence on business relationships regulation 12 (3) requires a financial institution to conduct on going due diligence on or continuous review of the business relationship and monitor transactions undertaken during the course of the relationship, to maintain up to date records of information and ensure consistency with their business and risk profile and where necessary its source of funds..</li> <li>Regulation 11 (5) specifies measures that should be taken when there is doubt about the veracity or adequacy of previously obtained customer identification data. In such cases the Financial Institution or listed business is compelled to discontinue the transaction and report same to the Compliance Officer in accordance with Regulation 7 (1) (b), (c) and (d).</li> </ul>

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				<ul style="list-style-type: none"> <li>Regulation 7 speaks of the following:               <ul style="list-style-type: none"> <li>(a) procedures governing customer identification, documentation and verification of customer information, and other customer due diligence measures.</li> <li>(b) methods for the identification of suspicious transactions and suspicious activities</li> <li>(c) guidelines for internal reporting of suspicious transaction and suspicious activities</li> <li>(d) guidelines for adopting the risk-based approach to monitoring financial activity. This includes categories of activities or business that are considered to be of a high risk.</li> </ul> </li> <li>Regulation 12 (2) considers that where the beneficial owner of an account is a legal person or a person acting pursuant to a legal arrangement, the Financial Institution or listed business shall:               <ul style="list-style-type: none"> <li>(a) verify that any person purporting to act on behalf of the legal person or legal arrangement is so authorized and identify and verify the identity of that person;</li> <li>(b) verify the legal status of the legal person or legal arrangement;</li> <li>(c) understand the ownership and control structure of the legal person or legal arrangement; and</li> <li>(d) Determine who are natural persons who have effective control over a legal person or legal arrangement.</li> </ul> <p>Note that for the purpose of this Regulation, “beneficial owner” means the person who ultimately owns and controls an account, or who exercises ultimate control over a legal person or arrangement.</p> <p>Regulation 15 of the Financial Obligation Regulations, 2010, states that relevant identification records shall be obtained by the Financial Institution or listed business upon the initiation of a business relationship. The detailed information to be recorded are as follows:</p> <ul style="list-style-type: none"> <li>(a) full name of the applicant(s)</li> <li>(b) permanent address and proof thereof</li> </ul> </li> </ul>

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			<ul style="list-style-type: none"> <li>Financial institutions should be required to identify the beneficial owner, and take reasonable measures to verify the identity of the beneficial owner using relevant information or data.</li> </ul>	<p>(c) date and place of birth (d) nationality (e) nature and place of business/ occupation where applicable, occupational income (f) signature (g) purpose of the proposed business relationship or transaction or source of funds (h) any other information deemed appropriate by the Financial Institution or listed business.</p> <ul style="list-style-type: none"> <li>The following points are noteworthy: <ul style="list-style-type: none"> <li>- a valid photo bearing identification shall be subject to scrutiny. For this purpose, identification documents may include a passport, a national identification card or a license to drive a motor vehicle.</li> <li>- where the above documents are not available in its original form, copies shall be acceptable only where they are certified. Further identification documents, which are easily obtainable (example birth certificates) shall not be accepted as a sole means of identification.</li> <li>- where there is foreign customer involvement reference shall be sought from the foreign customer's bank.</li> </ul> </li> <li>Section 10 of the FIA 2008 allows the Central Bank to issue guidelines to aid compliance in POCA, Anti-Terrorism Act 2005 and the FOR 2010. Section 12 of the FIA allows the Central Bank to take action, for example, issue of compliance directions, for contravention of any guidelines issued under Section 10. Non-compliance with a compliance direction is an offence.</li> <li>Section 65 of the Insurance Act 1980 as amended by the Insurance Amendment Act of 2009 allows the Central Bank to issue compliance directions to an insurer, intermediary, controller, officer, employee or agent for inter alia that has violated or is about to violate any of the provisions of any law or Regulations made thereunder; if it has</li> </ul>
			<ul style="list-style-type: none"> <li>Financial institutions should be required to determine the natural persons who ultimately own or control customers that are legal persons or legal</li> </ul>	

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			<p>arrangements.</p> <ul style="list-style-type: none"> <li>Financial institutions should be required to conduct due diligence on the business relationship.</li> <li>The T&amp;T authorities may set out the following measures in laws, regulations or enforceable guidelines with sanctions for non-compliance:</li> </ul> <p>Financial institutions should be required to implement the other criteria of Recommendation 5 concerning remaining CDD measures, risk, timing of verification, failure to satisfactorily complete CDD and existing customers</p>	<p>failed to comply with any measure imposed by the Central Bank in accordance with the Act or Regulations; or if committing or pursuing unsafe and unsound practices. Consequently, the Central Bank can issue compliance directions to an insurer or intermediary for non-compliance with AML/ CFT requirements. A person who fails to comply with a compliance direction is liable on summary conviction to a fine of \$5 million.</p> <ul style="list-style-type: none"> <li>Part VII of the Financial Obligation Regulations, 2010, addresses the issue of penalties. Regulation 42 states that where a financial institution or listed business fails to comply with specific mandatory obligations (as outlined below), it shall be subject to penalties.</li> </ul> <p>These penalties are provided for by virtue of Section 57 (1) of the Proceeds of Crime Act No.55 of 2000, and carries the effect of imposing sanctions on any person who knowingly contravenes or fails to comply with the provisions.</p> <ul style="list-style-type: none"> <li>These mandatory obligations are as follows: <ul style="list-style-type: none"> <li>Regulation 3 makes the designation of a compliance officer mandatory. Detailed guidance regarding associated procedure is provided by the various sub-regulations.</li> <li>Regulation 7 makes the establishment of a compliance programme mandatory. Detailed guidance regarding measures and guidelines to be included in such a compliance programme is provided in the sub-regulations.</li> <li>Regulation 8 makes internal reporting mandatory. Detailed guidance regarding the precise rules which should underpin this exercise is provided in the sub-regulations that follow.</li> <li>Part III of the Financial Obligation Regulations, 2010, makes customer due diligence practice mandatory.</li> </ul> </li> </ul>

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				<ul style="list-style-type: none"> <li>Part IV of the Financial Obligation Regulations, 2010, provides for customer due diligence provisions that are applicable to the insurance sector.</li> <li>Part V of the Financial Obligation Regulations, 2010, makes sound and reliable record-keeping practice mandatory.</li> <li>Regulation 8 (2) of the Financial Obligation Regulations, 2010, states that the Financial Institution or listed business shall also ensure that the compliance officer and other employees, have timely access to customer identification data and other records and relevant information, to enable them to produce reports in a timely manner.</li> <li>Part III of the Financial Obligation Regulations, 2009, addresses the application of customer due diligence in all ascertainable customer categories encompassed within the overall spectrum of customers.</li> </ul>
6. Politically exposed persons	NC	<ul style="list-style-type: none"> <li>None of the requirements are included in legislation, regulations or other enforceable means and existing requirements are only applicable to financial institutions supervised</li> </ul>	<ul style="list-style-type: none"> <li>Financial institutions should be required to put in place appropriate risk management systems to determine whether a potential customer, a customer</li> </ul>	<ul style="list-style-type: none"> <li>Regulation 20 of the Financial Obligation Regulations, 2010, 20. (1) defines “politically exposed person” as a person who is or was entrusted with important public functions in a</li> </ul>
		<ul style="list-style-type: none"> <li>by the CENTRAL BANK OF T&amp;T.</li> </ul>	<ul style="list-style-type: none"> <li>or the beneficial owner is a PEP.</li> </ul>	<ul style="list-style-type: none"> <li>foreign country such as —</li> <li>(a) a current or former senior official in the executive, legislative, administrative or judicial branch of a foreign government, whether elected or not;</li> <li>(b) a senior official of a major political party;</li> <li>(c) a senior executive of a foreign government-owned commercial enterprise;</li> <li>(d) a senior military official;</li> <li>(e) an immediate family member of a person mentioned in paragraphs (a) to (d) meaning the spouse, parents, siblings or children of that person and the parents, siblings and additional children of the person’s spouse; and</li> </ul>

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			<ul style="list-style-type: none"> <li>Financial institutions should be required to obtain senior management approval for establishing or</li> </ul>	<p>(f) any individual publicly known or actually known to the relevant financial institution to be a close personal or professional associate of the person mentioned in paragraphs (a) to (d).</p> <ul style="list-style-type: none"> <li>In particular, the following sections are noteworthy: <ul style="list-style-type: none"> <li>Regulation 20(2) of the Financial Obligation Regulations, 2010 ensures that appropriate measures shall be put in place on the part of the financial institution or listed business to ascertain whether an applicant is in fact a Politically Exposed Person.</li> <li>Regulation 20(3) of the Financial Obligation Regulations, 2010 imposes mandatory obligation to impose Enhanced Due Diligence Procedures when dealing with a politically exposed person.</li> </ul> </li> <li>The sub-regulations provide detailed guidance regarding the various groups of persons that may be deemed high-risk and may warrant the application of customer due diligence procedures.</li> <li>In addition, Section 12.3.2 of the Central Bank's Guideline on Anti-Money Laundering and the Combating of Terrorist Financing suggests that financial institutions should consider extending enhanced due diligence to persons considered local PEPs in addition to foreign PEPs. See Appendix I for the Central Bank of Trinidad and Tobago Guidelines on AML/CFT</li> <li>Regulation 20 (4) of the Financial Obligation Regulations, 2010, stipulates that before entering into a business relationship with a politically exposed person, a financial institution or listed business must obtain the permission of a senior</li> </ul>



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			<p>continuing business relationships with a PEP.</p> <ul style="list-style-type: none"> <li>Financial institutions should be required to take reasonable measures to establish the source of wealth and funds of PEPs</li> <li>Financial institutions should be required to conduct enhanced ongoing monitoring of business relationships with PEPs.</li> </ul>	<p>management official within the said institution.</p> <ul style="list-style-type: none"> <li>Regulation 20 (5) of the Financial Obligation Regulations, 2010, stipulates that where the institution or business has entered into a business relationship with the politically exposed person, reasonable measures should be taken to ascertain the source of wealth.</li> <li>Regulation 20 (5) of the Financial Obligation Regulations, 2010, stipulates that where the institution or business has entered into a business relationship with the politically exposed person, it shall conduct enhanced on-going monitoring of that relationship.</li> </ul> <p>No further action is to be taken under this recommendation</p>
7. Correspondent banking	NC	<ul style="list-style-type: none"> <li>None of the requirements are included in legislation, regulations or other enforceable means and existing requirements are only applicable to financial institutions supervised by the CENTRAL BANK OF T&amp;T.</li> </ul>	<ul style="list-style-type: none"> <li>Financial institutions should be required to gather sufficient information about a respondent institution to understand fully the nature of the respondent's business and to determine the reputation of the institution and the quality of the supervision,</li> <li>including whether it has been subject to a ML or TF investigation or regulatory action.</li> </ul>	<ul style="list-style-type: none"> <li>Regulation 21 (2) (a) of the Financial Obligation Regulations, 2010, imposes mandatory obligations upon a correspondent bank to collect sufficient information about its respondent bank to understand fully the nature of the business which it is required to undertake and shall only establish correspondent accounts with a foreign bank, after determining that it is effectively supervised by the competent authorities in its</li> <li>Regulation 21 (4) states that A correspondent bank shall also ascertain whether the respondent bank has been the subject of money laundering investigations or other regulatory action in the country in which it is incorporated or in any other country. It is to be noted that this provision does not include terrorist financing investigations; however this will be addressed in Anti-Terrorism Regulations. The policy in respect of the Anti-Terrorism Regulations is to be presented to Cabinet and when approved thereafter they will be drafted.</li> </ul>

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			<ul style="list-style-type: none"> <li>Financial institutions should assess the respondent institution's AML/CFT controls, and ascertain that they are adequate and effective.</li> <li>Financial institutions should obtain approval from senior management for establishing new correspondent relationships.</li> <li>Financial should document the respective AML/CFT responsibilities of each institution in the correspondent relationship.</li> <li>In the case of "payable-through accounts", financial institutions should be satisfied that the respondent institution has performed all the normal CDD measures set out in Rec. 5 on customers using the accounts of the correspondent and the respondent institution is able to provide relevant customer identification data upon request to the correspondent.</li> </ul>	<ul style="list-style-type: none"> <li>Regulation 21 (2) (b) of the Financial Obligation Regulations, 2010, imposes mandatory obligations obligation upon a correspondent bank to collect sufficient information about its respondent bank to assess the anti-money laundering controls of the respondent bank.</li> <li>Regulation 21 (3a) of the Financial Obligation Regulations, 2010, imposes mandatory obligations on a correspondent bank to obtain approval from senior management before establishing new correspondent relationships.</li> <li>Regulation 21 (3b) of the Financial Obligation Regulations, 2010, imposes mandatory obligation on a correspondent bank to record the respective responsibilities of the correspondent and respondent banks.</li> <li>Regulation 21 (3d) of the Financial Obligation Regulations, 2010, imposes mandatory obligation on a correspondent bank to satisfy itself that the respondent bank has verified the identity of and performed on-going due diligence on the customer with respect to "payable-through accounts".</li> <li>Section 12.4 of the Central Bank's revised Guideline on Anti- Money Laundering and the Combatting of Terrorist Financing lists correspondent banking and payable through accounts as high-risk activities and recommends that financial institutions conduct enhanced due diligence on such activities.</li> </ul>
8.New technologies & non face-to-face business	NC	<ul style="list-style-type: none"> <li>None of the requirements are included in legislation, regulations or other enforceable means and existing</li> </ul>	<ul style="list-style-type: none"> <li>Financial institutions should be required to have policies in place or take such measures to prevent the misuse of technological developments in ML or</li> </ul>	<ul style="list-style-type: none"> <li>Regulation 23 (1) of the Financial Obligation Regulations, 2010, imposes mandatory obligation on a financial institution or listed business to pay</li> </ul>

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		requirements are only applicable to financial institutions supervised by the CENTRAL BANK OF T&T.	<p>TF schemes.</p> <ul style="list-style-type: none"> <li>Financial institutions should be required to have policies and procedures in place to address specific risks associated with non-face to face business relationships or transactions. These policies and procedures should apply when establishing customer relationships and conducting ongoing due diligence.</li> <li>Financial institutions should be required to have measures for managing risks including specific and effective CDD procedures that apply to non-face to face customers.</li> </ul>	<p>special attention to any money laundering patterns that may arise with respect to technological developments in the following respects:</p> <p>(a) new or developing technology that might favor anonymity</p> <p>(b) use of such technology in money laundering offences, and shall take appropriate measures to treat such patterns.</p> <ul style="list-style-type: none"> <li>Regulation 23 (2) of the FOR 2010 states that A financial institution or listed business shall put special know-your-customer policies in place to address the specific concerns associated with non-face-to-face business relationships or transactions.</li> <li>The Financial Obligations (financing of terrorism) Regulations 2011 have been made by the Honourable Minister of National Security and have been laid in Parliament. These Regulations prescribe the policies that financial institutions must require to have in place to pay attention to any TF patterns that may arise as a result of new technological advancements. Regulations are attached</li> </ul> <p>Section 12.3.2 (v) of the Central Bank's Guideline on AML/ CTF requires financial institutions to have policies and procedures in place to prevent the misuse of technology for money laundering or terrorist financing schemes.</p> <p>Institutions offering internet based and/or telephone products and services are required to ensure that reliable and secure methods to verify the identity of customers are instituted. Further financial institutions are required to ensure that their policies and procedures address non face to face transactions which have an inherent risk of fraud or forgery.</p>

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				<p>A discussion on implementation concerns arising from Regulation 23 of the FOR is scheduled to occur at the next Supervisory Working Group Meeting in August 2012. Thereafter, the results of this discussion will feed into the comprehensive review of the FOR which is now being undertaken. The review of the FOR is on-going.</p> <p>This review of Regulation 23 of the FOR was completed and relevant amendments have been proposed.</p>
9.Third parties and introducers	NC	<ul style="list-style-type: none"> <li>The requirements in place are not mandatory and are applicable only to the financial institutions supervised by the Central Bank.</li> </ul>	<p>The T&amp;T authorities may set out the following measures in laws, regulations or enforceable guidelines with sanctions for non-compliance:</p> <ul style="list-style-type: none"> <li>Financial institutions relying upon a third party should be required to immediately obtain from the third party the necessary information concerning the elements of the CDD process in criteria 5.3 to 5.6.</li> <li>Financial institutions should be required to take adequate steps to satisfy themselves that copies of identification data and other relevant documentation relating to CDD requirements will be made available from the third party upon request without delay.</li> <li>Financial institutions should be required to satisfy themselves that the third party is regulated and supervised and had measures in place to comply with the CDD requirements set out in Recommendations 5 and 10.</li> <li>Competent authorities should determine in which countries third parties meet the conditions by taking into account information available on whether these countries adequately apply the FATF Recommendations.</li> <li>The ultimate responsibility for customer identification and verification should remain with the financial institution relying on the third party.</li> </ul>	<ul style="list-style-type: none"> <li>Regulation 13 and 14 of the Financial Obligations Regulations were drafted to meet Recommendation 9 of the FATF.</li> <li>However, it has been recognized that the scope of these regulations are unclear and as such they are being reviewed by the Compliance Unit of the Ministry of National Security.</li> </ul> <p>Regulation 13 was discussed by the Supervisory Working Group and it was decided that consideration will be given to redrafting Regulation 13 to comply with FATF revised recommendation 10 (b) (4). To clarify subsection 3, it was suggested that regulations 15 (2) and 16 (2) be used as reference. To clarify subsection 4, it was suggested that this be split into two to deal separately with individuals and persons who are financial institutions or listed businesses.</p> <p>Regulation 14 was also discussed and it was concluded that consideration will be given to redrafting Regulation 14 to comply with FATF revised recommendation 17 (a) and (b).</p> <p>These proposals feed into the comprehensive review of the FOR which is now being undertaken. The review of the FOR is on-going.</p>

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				The Supervisory WG considered and proposed amendments to Regulation 13 of the FOR to clarify the requirements.
10.Record keeping	NC	<ul style="list-style-type: none"> <li>The requirements in place are not mandatory and are applicable only to the financial institutions supervised by the Central Bank.</li> </ul>	<ul style="list-style-type: none"> <li>The T&amp;T authorities may wish to introduce the proposed Financial Obligation Regulations as soon as possible and include the following;</li> <li>Financial institutions should be required to maintain all necessary records on transactions, both domestic and international, for at least five years following the completion of the transaction (or longer if requested by a competent authority in specific cases and upon proper authority). This requirement applies regardless of whether the account or business relationship is ongoing or has been terminated.</li> <li>Transaction records should be sufficient to permit reconstruction of individual transactions so as to provide, if necessary, evidence for prosecution of criminal activity.</li> <li>Financial institutions should be required to maintain records of the identification data, account files and business correspondence for at least five years following the termination of an account or business relationship ( or longer if requested by a competent authority in specific cases upon proper authority).</li> </ul>	<ul style="list-style-type: none"> <li>Regulation 31 (1) of the Financial Obligation Regulations, 2010, imposes a mandatory obligation on a Financial Institution or listed business to retain records of- (a) all domestic and international transactions; (b) identification data updated through the customer due diligence process.</li> </ul> <p>These records shall be maintained in either electronic format or in written form for a period of six years. This enables the financial institution or listed business to immediately and efficiently action lawful requests for information from auditors, other competent authorities and law enforcement authorities that request these records. These records may be used for the purpose of criminal investigations or the prosecution of persons charged with criminal offences.</p> <ul style="list-style-type: none"> <li>Regulation 32(1) specifies the contents of transaction and identification records to be maintained including original documents and details of a transaction such as amount and type of currency and copies of evidence of identity as required under regulations 15 to 17. The above records are to be maintained to allow financial institutions and listed businesses to comply with requests for information from auditors, other competent authorities and law enforcement authorities.</li> <li>Regulation 32 (2) of the Financial Obligation Regulations, 2010, requires that records be retained for a period of six years. The six year period is calculated as follows: (a) In the case where a financial institution or listed business and an applicant for business have formed a business relationship, at least six years from the date on which relationship ended.</li> </ul>

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			<ul style="list-style-type: none"> <li>Financial institutions should be required to ensure that all customer and transaction records and information are available on a timely basis to domestic competent authorities upon appropriate authority.</li> </ul>	<p>(b) in the case of a one-off transaction, or a series of such transactions, at least six years from the date of the completion of the one-off transaction or, as the case may be, the last of the series of such transactions.</p> <ul style="list-style-type: none"> <li>Regulation 31 (3) of the Financial Obligation Regulations, 2010, states that all transaction records shall be- (a) kept in the format specified by the FIU, and with sufficient detail to permit reconstruction of individual transactions.</li> <li>Regulation 31 (3) (b) of the Financial Obligation Regulations, 2010, imposes obligations on a financial institution or listed business to make transaction records available to the FIU upon its request. This capability to ensure availability and efficient transfer of records to the FIU upon request is achieved by virtue of Regulation 8 (2) of the Financial Obligation Regulation, 2009, which ensures that the Compliance Officer and other employees of the financial institution or listed business have timely access to customer identification data and other records and relevant information. This enables them to produce reports in a timely manner.</li> </ul> <p>The Securities Act 2012, section 87 of the SA2012 requires market actors to keep books and records for a period of at least six years. Such books records include those that are reasonably necessary in the conduct of its business operations including proper recording of the transactions that it executes on behalf of others. These documents would include proper records regarding beneficial ownership.</p> <p>In addition Section 88 of the Securities Act 2012 requires that a market actor deliver to the Commission any such books and records upon</p>

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				<p>request. Further Section 151 states that notwithstanding any other written law any person can be requires to supply to the Commission within the time and in the manner specified any book, record, document, information or class of information requested.</p> <p>No further action is to be taken under this recommendation.</p> <p>Supervisory authorities have not identified this requirement as being an issue in any of the onsite inspections. Similarly, law enforcement authorities have not encountered situations in which requested information to which this recommendation refers has not been available to them.</p>
11.Unusual transactions	PC	<ul style="list-style-type: none"> <li>There is no requirement for financial institutions to examine the background and purpose of all complex, unusual large transactions or unusual patterns of transactions that have no apparent or visible economic or lawful purpose, to set forth their findings in writing, and to keep such findings for competent authorities and auditors for at least five years.</li> </ul>	<ul style="list-style-type: none"> <li>The POCA should be amended to require financial institutions to examine and record their findings in writing on the background and purpose of all complex, unusual large transactions, or unusual patterns of transactions, that have no apparent or visible economic or lawful purpose, and to keep such findings available for competent authorities and auditors for at least five years.</li> </ul>	<ul style="list-style-type: none"> <li>The Proceeds of Crime (Amendment) Act 10 of 2009, amends Section 55 of the Proceeds of Crime Act No 55 of 2000. By virtue of Section 30 (2)(a) (ii) every financial institution or listed business shall pay special attention to all complex, unusual, or large transactions, whether completed or not, to, all unusual patterns of transactions and to insignificant but periodic transactions which have no apparent economic or visible lawful purpose. Further, Section 30 (2)(b) states that all complex, unusual or large transactions shall be reported to the FIU.</li> <li>There is a requirement under section 55(2)(c) for the examination of the background and purpose of all transactions which have no economic or visible legal purpose.</li> </ul> <p>However a drafting error occurred as this section refers to transactions covered in (a)(i) rather than (a)(ii) which deals with complex, unusual large transactions .</p>

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				<p>This drafting error is presently being reviewed by the Compliance Unit of the Ministry of National Security, with a view to addressing this error.</p> <p>This concern will be addressed in the revision of the POCA.</p>
12.DNFBP – R.5, 6, 8-11	NC	<ul style="list-style-type: none"> <li>The DNFBP's are not supervised or regulated for AML compliance.</li> <li>Lawyers, notaries, other independent legal professionals, accountants and trust and company service providers are not subject to AML/CFT obligations.</li> <li>Casino's, real estate agents, and jewellers have been designated under the law, but none of the requirements set out in Recommendations 5 – 10 have been implemented.</li> <li>No requirement to examine the background and purpose of the transactions and no requirement to keep the findings for DNFBP's.</li> <li>No requirement to pay special attention to complex – unusual large transactions or unusual patterns of transactions for DNFBP's.</li> </ul>	<ul style="list-style-type: none"> <li>Lawyers, notaries, other independent legal professions, accountants and trust and company service providers should be subject to AML/CFT FATF requirements.</li> <li>DNFBPs and persons engaged in relevant business activities should be supervised for AML/CFT compliance</li> </ul>	<ul style="list-style-type: none"> <li>The first schedule of the Proceeds of Crime Act No 55 of 2000 provided a limited list of businesses which conduct relevant business activity to be subject to AML/CFT FATF requirements.</li> </ul> <p>This list was later revised, by virtue of the Proceeds of Crime (Amendment) Act 10 of 2009, to include a wider spectrum of listed businesses to be subject to AML/CFT FATF compliance. Accordingly, The relevant business activity are now ascertained as follows:</p> <p>Real Estate Business Motor Vehicle Sales Gaming Houses Jewelers Pool Betting National Lottery On-line betting games Money or Value Transfer Services A Private Members' Club An Accountant, an Attorney-at-Law or other independent legal professional An Art Dealer Trust and Company Service Provider</p> <p>It is proposed that: Under the interpretation section referring to an Accountant, an Attorney-at-Law or other independent Legal Professional, the following will be included when the Schedule is amended :-</p> <ul style="list-style-type: none"> <li>management of securities account and the creation, operation or management of legal</li> </ul>



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Forty Recommendations	Rating	Summary of factors underlying rating	Recommended Actions	Undertaken Actions
			<ul style="list-style-type: none"> <li>The requirements of Recommendations 5 to 10 should be imposed on all DNFBPs as stipulated in the circumstances detailed in Recommendation 12.</li> </ul>	<p>persons or arrangements by accountants,  <ul style="list-style-type: none"> <li>attorneys at law and independent legal professionals, and</li> <li>under Trust And Company Service Providers, acting as (or arranging for another person to act as) a trustee of an express trust</li> </ul> </p> <p>be included in amendments to the First Schedule of POCA.</p> <p>For this Amendment to be done on the First Schedule of POCA, the Minister may by Order subject to an affirmative resolution of Parliament, amend the Schedule. The Compliance Unit is in the process of preparing the policy to guide the amendment of the schedule for the approval of Cabinet. This will be submitted to Cabinet by November 2012.</p> <p>The POCA under the type of business referring to, “An Accountant, an Attorney-at-law or other Independent Legal Professional” under the interpretation section it states that, “Such a person is accountable when performing the following functions on behalf of a client:  <i>(a)</i> buying and selling of real estate;  <i>(b)</i> managing of client money, securities and other assets;  <i>(c)</i> <b>management of banking, savings or securities accounts;</b>  <i>(d)</i> organisation of contributions for the <b>creation, operation or management of companies, legal persons or arrangements;</b>  <i>(e)</i> buying or selling of business entities”.</p> <ul style="list-style-type: none"> <li>Section 34 of The Proceeds of crime (Amendment) Act10 of 2009 states that until regulations are made under section 56 for the selection of the Supervisory Authority, the FIU shall be the supervisory authority for financial institutions (only Co-operative Societies; Cash</li> </ul>

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			<ul style="list-style-type: none"> <li>Government should put more effort in educating and informing the DNFBPs and persons engaged in relevant business activities about their responsibilities under the legislation and about other relevant AML/CFT issues and developments.</li> </ul>	<p>Remittance Services and Postal Service) and listed businesses.</p> <ul style="list-style-type: none"> <li>The FIU Regulations, 2011 came into force in February 2011 and was made under Section 27 of the FIU Act. Part VIII of the FIU Regulations; Regulation 28 is a requirement for supervised entities to register with the FIU. The total number of registrants for the review period Jan- July 2013 is 80 (see Appendix VII for details).</li> <li>Currently, the overall threshold value of ninety-five thousand dollars and over is extrapolated in the context of pool betting, National Lottery On-line betting games and Private Members' Clubs.</li> <li>The FATF requirement that casinos should be subject to above Recommendations when their customers engage in financial transactions equal to or above USD3000 has not been included in the enacted legislation and at present the applicable transaction threshold for gaming houses, pool betting, national lotteries on-line betting games and private members' clubs is the same as all financial institutions and listed businesses i.e. TTS95,000 and over or US\$14,285 for one-off transactions.</li> <li>This is presently under review and policy direction in this respect is expected from the AML/CFT Compliance Unit of the Ministry of National Security in November 2010.</li> <li>The FIU is tasked with the education and training of DNFBP's. A training session was conducted with the Association of Real Estate Agents in April 2010 by the FIU in collaboration with the Compliance Unit of the Ministry of National Security. In May 2010 and June 2010 the FIU conducted training with a money remittance</li> </ul>

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Forty Recommendations	Rating	Summary of factors underlying rating	Recommended Actions	Undertaken Actions
			<ul style="list-style-type: none"> <li>The requirements of Recommendations 11 and 21 should be imposed on all DNFBPs as stipulated in the circumstances detailed in Recommendations 12 and 16.</li> </ul>	<p>company and real estate company respectively.</p> <p>Post the passage of the legislation the FIU has trained 1816 participants which includes 5 insurance companies, 1 Bank, 3 Investment companies, 2 Real Estate Agencies, 1 Remittance Company</p> <p>Post the passage of the legislation the FIU (February 2011 to August 2011) has trained 1933 participants which includes 5 insurance companies, 1 Bank, 5 Investment companies, 2 Real Estate Agencies, 1 Remittance Company, 1 Motor Vehicles Sales and 1 Private Members Club.</p> <p>With regards to outreach to the Listed Business (DNFBPs) the FIU had newspapers ads (6<sup>th</sup> 9<sup>th</sup> and 16<sup>th</sup> of May 2010) informing them of their obligations under the POCA and FOR concerning Compliance and STR/SAR reporting.</p> <p>The Ministry of National Security hosted the International Governance and Risk Institute (GovRisk) Regional Symposium from 12th – 16th August, 2010. This symposium was aimed at building institutional capacity and knowledge in the field of money laundering.</p> <p>Technical assistance was sought by the Ministry of National Security from <b>the United Nations Office on Drugs and Crime</b> (UNODC) and a specialized workshop on the Prevention and fight against Terrorism Financing was held from 24 to 27 August 2010. This workshop targeted listed businesses, financial institutions, prosecutors and judges in Trinidad and Tobago.</p> <p>On September 14, 2010 the FIU hosted an AML/CFT training seminar specifically geared at</p>

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				<p>Private Members' Clubs (PMCs).</p> <p>The FIUTT has undergone an outreach, awareness and training drive to make designated non-financial businesses and professionals and other listed entities that they regulate aware of their responsibilities under the various AML/CFT legislation that currently exists in Trinidad and Tobago.</p> <p>For the period Jan – Jul 2013 the FIU conducted 14 awareness training sessions for DNFBPs and for the general public. Two (2) sessions were conducted on financial fraud and scams for the general public. For the period Aug 2013 – Jan 2014 the FIU conducted fifteen awareness training sessions on AML/CFT for DNFBPs and the general public. Please see Appendix VIII for updated information on awareness training conducted by the FIU.</p> <ul style="list-style-type: none"> <li>• DNFBP's are defined as "listed business" and have been subjected to the same AML/CFT requirements as financial institutions in POCA, the FIUTTA, the FOR, FIU Regulations and the ATAA. Thus, the requirements of Recommendations 5, 6 and 8-11 are applicable to all the listed businesses</li> <li>• The FIU has published on its website, daily newspapers and in the official Gazette of Trinidad and Tobago a list of countries which do not or insufficiently comply with FATF Recommendations, the last publication for FATF being October 21, 2013 and for CFATF November 20, 2013.</li> </ul>
13.Suspicious transaction reporting	NC	<ul style="list-style-type: none"> <li>• The reporting agency is the designated authority rather than the FIU and suspicion is based on illicit activities</li> </ul>	<ul style="list-style-type: none"> <li>• The POCA should be amended to require reporting to the FIU rather than the designated authority of suspicious transactions related to the proceeds of all</li> </ul>	<ul style="list-style-type: none"> <li>• The recommendation for suspicious transaction reporting to the FIU is set out in section 55(3) of POCA as amended in POCAA and in section</li> </ul>

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				<p>This concern is before the Supervisory Working Group of the AML/CFT Committee for discussion. Pending the outcome of these discussions, appropriate provisions will be made to amend the FOR to include the reporting of suspicious one-off transactions.</p> <p>The amendments to POCA which is before the NAMLC will allow for the reporting of suspicious one-off transactions whether large or not.</p> <p>The FIU received 329 STRs/SARs for the period Jan - Jul, 2013. For the period Aug 2013 to Jan 2014 the FIU received 368 STR/SARs. Please see attached at Appendix III for entities that have submitted SARs to the FIU.</p>
14. Protection & no tipping-off	PC	<ul style="list-style-type: none"> <li>No prohibition of disclosure of the reporting of a suspicious transaction to the designated authority/FIU.</li> </ul>	<ul style="list-style-type: none"> <li>The POCA should be amended to prohibit the disclosure of reporting to the designated authority/FIU as stipulated in Section 55 (3) of the POCA.</li> </ul>	<ul style="list-style-type: none"> <li>The recommendation for POCA to be amended to prohibit the disclosure of reporting to the designated authority/FIU as stipulated in section 55(3) of POCA has been enacted in POCAA by inserting section 55(3A) which makes the disclosure by the director or staff of a financial institution or listed business of the submission of a suspicious transaction or suspicious activity report to the FIU an offence liable on summary conviction to a fine of TT\$250,000 approximately US\$39,500 and imprisonment for three years.</li> </ul> <p>The Financial Intelligence Unit of Trinidad and Tobago Act No 11 of 2009 addresses the ramifications of disclosure of information in two key respects:- on the part of any person and on the part of an FIU officer. These will be elaborated upon.</p> <p>With respect to the disclosure of information on the part of any person other than an FIU officer, Section 23 (1) of Act NO 11 of 2009 states that any person other than an FIU officer, who, in the</p>

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			<ul style="list-style-type: none"> <li>The POCA should be amended to ensure that the confidentiality requirement in Subsections 55(8) and (9) also applies to the personnel of the FIU.</li> </ul>	<p>course of his business obtains or receives information from the FIU, commits an offence if he knowingly discloses—</p> <p>(a) the information to any person; or</p> <p>(b) the fact that an analysis has been recommended by the FIU, is liable on summary conviction to a fine of two hundred and fifty thousand dollars and to imprisonment for three years.</p> <ul style="list-style-type: none"> <li>With respect to the disclosure of information on the part of a FIU officer, Section 24 of Act No 11 of 2009 states that a FIU officer or other person who discloses the fact that an investigation into a suspicious transaction or suspicious activity report has been recommended by the FIU or that an investigation has commenced, otherwise than in the proper exercise of his duties, is guilty of an offence, and is liable on summary conviction, to a fine of two hundred and fifty thousand dollars (\$ 250,000) and to imprisonment for three (3) years.</li> <li>Section 22 (1) of the Financial Intelligence Unit of Trinidad and Tobago Act No 11 of 2009 states that a FIU Officer who discloses information that has come into his possession as a result of his employment in the FIU to a person otherwise than in the proper exercise of his duties, commits an offence and is liable on summary conviction to a fine of two hundred and fifty thousand dollars and imprisonment for three years.</li> </ul> <p>No further action is to be taken under this recommendation</p>
15.Internal controls, compliance & audit	PC	<ul style="list-style-type: none"> <li>Internal controls requirements are too general and do not include FT.</li> <li>No requirement for the designation of a</li> </ul>	The T&T authorities may wish to amend legislative provisions for internal controls and other measures to include the following:	<ul style="list-style-type: none"> <li>These recommendations have been addressed in regulations 3 to 8 of the FOR.</li> </ul>

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		<p>compliance officer at management level</p> <ul style="list-style-type: none"> <li>No requirement for AML/CFT compliance officer and other appropriate staff to have access to relevant information</li> <li>Employee training is limited to the identification of suspicious transactions</li> <li>No requirement for financial institutions to place screening procedures when hiring employees.</li> </ul>	<p>Internal procedures, policies and controls to prevent ML and FT covering inter alia CDD, record retention, detection of unusual and suspicious transactions and the reporting obligation.</p> <ul style="list-style-type: none"> <li>Appropriate compliance management arrangements should be develop to include at a minimum the designation of an AML/CFT compliance officer at management level.</li> <li>The AML/CFT compliance officer and other appropriate staff should have timely access to customer identification data and other CDD information, transaction records, and other relevant information.</li> </ul>	<ul style="list-style-type: none"> <li>Regulation 7 provides for the establishment of a compliance programme to include procedures, methods and guidelines covering CDD, record retention, identification of suspicious transactions and suspicious activities and internal reporting obligations.</li> <li>Regulation 3(1) requires financial institutions and listed businesses to designate a manager or official at managerial level as Compliance Officer. Regulation 4 details the functions of the Compliance Officer.</li> <li>Regulation 8(2) requires financial institutions and listed businesses to ensure that the Compliance Officer and other employees have timely access to customer identification data and other records and relevant information to enable them to produce reports in a timely manner. Regulation 6 requires training for directors and all members of staff. Training is specified for obligations under the POCA, the FIUTTA, the FOR, the ATA and guidelines on the subject of money laundering issued in accordance with the FOR and understanding the techniques for identifying suspicious activity. Information on new developments in methods and trends in money laundering and financing of terrorism is not included.</li> <li>Regulation 5(1) requires financial institutions and listed businesses to utilize the industry best practices in determining their staff recruitment policy in order to hire and retain staff of the highest level of integrity and competence. The above provisions comply with a substantial number of the examiners' recommendations. However, as noted the training obligation does not cover new developments in method and</li> </ul>



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				<p>trends in money laundering and terrorist financing.</p> <ul style="list-style-type: none"> <li>• Regulation 4 (1) of the Financial Obligations Regulations 2010 imposes obligations on the designated compliance officer to ensure that the necessary compliance programme procedures and controls required by these regulations are in place with the financial institution or listed business.</li> <li>• Regulation 3 (1) of the Financial Obligations Regulations 2010, addresses the setting up of a sound compliance programme within an organization. Accordingly, a financial institution or listed business shall for the purpose of securing AML/CFT compliance, designate a manager or official employed at managerial level as the Compliance Officer of that institution or business. <ul style="list-style-type: none"> <li>- With respect to the designation of the compliance officer, the following criteria must be satisfied.</li> <li>- Where the financial institution or listed business employs five persons or less, the employee who occupies the most senior position, shall be the Compliance Officer.</li> <li>- Where the financial institution or listed business is an individual who neither employs nor acts in association with another person, that individual shall be the Compliance Officer. The Compliance Officer shall be trained by the financial institution or listed business.</li> </ul> </li> <li>• Regulation 4 (4) of the Financial Obligation Regulations, 2010, requires that guidelines to financial institutions be issued. The guidelines</li> </ul>

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			<ul style="list-style-type: none"> <li>Employee training should include information on new developments including current ML and FT techniques, methods and trends, clear explanations of all aspects of AML/CFT laws and obligations and requirements concerning CDD and suspicious transaction reporting.</li> </ul>	<p>shall indicate the circumstances that may be considered, in determining whether a transaction or activity is suspicious.</p> <ul style="list-style-type: none"> <li>Regulation 6 of the Financial Obligation Regulations, 2010, provides guidance on specific training issues to be adequately covered by directors and by extension all members of staff. These are as follows: <ul style="list-style-type: none"> <li>the Proceeds of Crime Act No 55 of 2000; the Proceeds of Crime (Amendment) Act No 10 of 2009</li> <li>the Financial Intelligence Unit of Trinidad and Tobago Act, 2009;</li> <li>these regulations; and</li> <li>guidelines on the subject of money laundering</li> </ul> </li> </ul> <p>In addition to this, Regulation 6 (1) (b) ensure that subsequent to the training staff should develop an overall understanding of the techniques for identifying any suspicious transactions or suspicious activities.</p> <p>Regulation 6 (2) outlines the envisaged effect of training. The essential idea here is that employees at all levels of the financial institution or listed business would become capable of detecting suspicious transactions and other suspicious activities.</p> <p>Regulation 6 (3) requires that records of the training programmes administered to its employees shall be kept.</p> <p>The requirement that training in current ML and FT should include information on new developments techniques, methods and trends was included in the CBTG Guidelines 2011 for Financial Institutions.</p> <p>Section 22.3 of the Guidelines requires Financial Institutions to “Develop an appropriately tailored training and awareness programme consistent with</p>

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Forty Recommendations	Rating	Summary of factors underlying rating	Recommended Actions	Undertaken Actions
			<ul style="list-style-type: none"> <li>Financial institutions should be required to put in place screening procedures to ensure high standards when hiring employees</li> <li>The AML/CFT compliance officer and other appropriate staff should have timely access to customer identification data and other CDD information, transaction records, and other relevant</li> </ul>	<p>their size, resources and type of operation to enable their employees to be aware of the risks associated with ML and TF. The training should also ensure employees understand how the institution might be used for ML or TF; enable them to recognise and handle potential ML or TF transactions; and to be aware of new techniques and trends in money laundering and terrorist financing”</p> <p>Consideration will be given when the FOR is amended to capture all supervised entities (financial institution and listed business) as discussed above.</p> <ul style="list-style-type: none"> <li>Regulation 5 (1) of the Financial Obligation Regulations, 2010, requires that the best practices of industry to be utilized with a view of determining its staff recruitment policy. It is intended that this approach ensures that staff of the highest levels of integrity and competence shall be hired and retained.</li> </ul> <p>In an attempt to achieve high standards regarding screening procedures of staff to be potentially hired, Regulation 5 (2) requires the following specific information to be maintained for a period of six years and made available to the Central Bank, the FIU and any Supervisory Authority when necessary:</p> <ul style="list-style-type: none"> <li>- the name</li> <li>- addresses</li> <li>- position titles and</li> <li>- other official information pertaining to staff appointed or recruited by the financial institution or listed business.</li> </ul> <ul style="list-style-type: none"> <li>Regulation 8 (2) of FOR 2010 states that The financial institution or listed business shall also ensure that the Compliance Officer and other employees have timely access to customer</li> </ul>

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			information.	<p>identification data and other records and relevant information to enable them to produce reports in a timely manner.</p> <p>The <b>Financial Obligations (financing of terrorism) Regulations</b> have been made by the Honourable Minister of National Security and have been laid in Parliament.</p> <p>The Financial Obligations (financing of terrorism) Regulations applies mutatis mutandis to the Financial Obligations Regulations and as such the requirements for internal controls and other measures under the FOR now extend to the financing of terrorism.</p>
16.DNFBP – R.13-15 & 21	NC	<ul style="list-style-type: none"> <li>No SAR's from DNFBP's have been submitted to the Designated Authority/FIU.</li> <li>No evidence that the DNFBP's are complying with legislated requirements of Rec. 15.</li> <li>See section 3.7.3 for factors relevant to Recs. 13 and 14.</li> <li>See section 3.8.3 for factors relevant to Rec. 15.</li> </ul>	<ul style="list-style-type: none"> <li>The requirements of Recommendations 13 and 14 as detailed in section 3.7.2 of this report should be imposed on all DNFBPs as stipulated in the circumstances detailed in Recommendation 16.</li> <li>The requirements of Recommendations 15 as detailed in section 3.8.2 of this report should be imposed on all DNFBPs as stipulated in the circumstances detailed in Recommendation 16</li> </ul>	<ul style="list-style-type: none"> <li>The first schedule of the Proceeds of Crime Act No 55 of 2000 provides a limited list of businesses which conduct relevant business activity to be subject to AML/CFT FATF requirements. The relevant business activity are ascertained as follows: <ul style="list-style-type: none"> <li>- Real Estate Business</li> <li>-Motor Vehicle Sales</li> <li>-Postal Services</li> <li>-Gaming Houses</li> <li>-Jewellers</li> <li>-Pool Betting</li> <li>-National Lottery On-line betting games</li> </ul> </li> <li>This list was later revised, by virtue of the Proceeds of Crime (Amendment) Act 10 of 2009, to include a wider spectrum of listed businesses to be subject to AML/CFT FATF compliance. Accordingly, the following listed businesses is included for the purposes of compliance with AML/CFT FATF requirements: <ul style="list-style-type: none"> <li>- Money or Value Transfer Services</li> <li>- A Private Members' Club</li> </ul> </li> </ul>

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				<ul style="list-style-type: none"> <li>▪ -An Accountant, an Attorney-at-Law or other independent legal professional</li> <li>▪ -An Art Dealer</li> <li>▪ -Trust and Company Service Provider</li> </ul> <p>As previously stated listed businesses are subject to the same AML requirements as financial institutions and as such the requirements detailed in Recommendations 13, 14 and 15 apply equally to DNFBP's</p> <p>Listed businesses are mandated to register with the FIU.</p> <p>The FIU Regulations, 2011 came into force in February 2011 and was made under Section 27 of the FIU Act. Non-regulated financial institutions and Listed businesses (Supervised Entities) are mandated to register with the FIU in accordance with regulation 28 of the FIU Regulations, 2011.</p> <p>POCA Chap. 11:27 : Section 55 (5) states : "Every financial institution or listed business shall develop and implement a written compliance programme approved by the FIU."</p> <p><b>FIU Regulations 2011 : Part IX</b> <b>Reg. 31 (1) requires both financial institution and listed business to submit a compliance programme to the FIU.</b></p> <p><b>For the period Jan – Jul 2013</b> <b>191 compliance programmes were received by the FIU from Financial institutions and Listed Businesses.</b></p> <p><b>For the period Aug – Dec 2013. The FIU received one hundred and forty three (143) compliance programmes from Financial Institutions and Listed Businesses.</b></p> <p>Number of SAR's submitted for the FIUs for the</p>

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				<p>reviewed period for financial institutions and listed businesses, is shown in the table below.</p> <p><b>Note: 2012 refers to the period: Oct. 01, 2011 to Sept. 30 2012. 2013 refers to Oct 2012 to Sept 2013.</b></p> <p><b><u>Financial Institutions : Breakdown of Submission</u></b></p> <table><tr><th><u>Financial Institutions</u></th><th><u>No. of STR/ SARs 2012</u></th><th><u>No. of STR/ SARs 2013</u></th></tr><tr><td><u>Banks</u></td><td><u>154</u></td><td><u>152</u></td></tr><tr><td><u>Insurance Companies</u></td><td><u>10</u></td><td><u>3</u></td></tr><tr><td><u>Investment Companies</u></td><td><u>22</u></td><td><u>26</u></td></tr><tr><td><u>Mortgage Companies</u></td><td><u>7</u></td><td><u>5</u></td></tr><tr><td><u>Securities Dealers</u></td><td><u>5</u></td><td><u>4</u></td></tr><tr><td><u>Exchange Bureaux</u></td><td><u>0</u></td><td><u>3</u></td></tr><tr><td><u>Total</u></td><td><u>198</u></td><td><u>193</u></td></tr></table> <p><b><u>Listed Businesses : Breakdown of Submission</u></b></p> <table><tr><th><u>Supervised Entities</u></th><th><u>No. of STR/ SARs 2012</u></th><th><u>No. of STR/ SARs 2013</u></th></tr><tr><td><u>Attorneys-at Law</u></td><td><u>1</u></td><td><u>1</u></td></tr><tr><td><u>Co-operative Societies</u></td><td><u>16</u></td><td><u>16</u></td></tr><tr><td><u>Jewellers</u></td><td><u>1</u></td><td><u>1</u></td></tr><tr><td><u>Money/Value Transfer</u></td><td><u>38</u></td><td><u>38</u></td></tr><tr><td><u>Motor Vehicle Sales</u></td><td><u>3</u></td><td><u>3</u></td></tr><tr><td><u>Postal</u></td><td><u>1</u></td><td><u>1</u></td></tr><tr><td><u>Real Estate</u></td><td><u>0</u></td><td><u>0</u></td></tr><tr><td><u>Private Members Club</u></td><td><u>0</u></td><td><u>7</u></td></tr><tr><td><u>Total</u></td><td><u>60</u></td><td><u>361</u></td></tr></table>	<u>Financial Institutions</u>	<u>No. of STR/ SARs 2012</u>	<u>No. of STR/ SARs 2013</u>	<u>Banks</u>	<u>154</u>	<u>152</u>	<u>Insurance Companies</u>	<u>10</u>	<u>3</u>	<u>Investment Companies</u>	<u>22</u>	<u>26</u>	<u>Mortgage Companies</u>	<u>7</u>	<u>5</u>	<u>Securities Dealers</u>	<u>5</u>	<u>4</u>	<u>Exchange Bureaux</u>	<u>0</u>	<u>3</u>	<u>Total</u>	<u>198</u>	<u>193</u>	<u>Supervised Entities</u>	<u>No. of STR/ SARs 2012</u>	<u>No. of STR/ SARs 2013</u>	<u>Attorneys-at Law</u>	<u>1</u>	<u>1</u>	<u>Co-operative Societies</u>	<u>16</u>	<u>16</u>	<u>Jewellers</u>	<u>1</u>	<u>1</u>	<u>Money/Value Transfer</u>	<u>38</u>	<u>38</u>	<u>Motor Vehicle Sales</u>	<u>3</u>	<u>3</u>	<u>Postal</u>	<u>1</u>	<u>1</u>	<u>Real Estate</u>	<u>0</u>	<u>0</u>	<u>Private Members Club</u>	<u>0</u>	<u>7</u>	<u>Total</u>	<u>60</u>	<u>361</u>
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<u>Banks</u>	<u>154</u>	<u>152</u>																																																								
<u>Insurance Companies</u>	<u>10</u>	<u>3</u>																																																								
<u>Investment Companies</u>	<u>22</u>	<u>26</u>																																																								
<u>Mortgage Companies</u>	<u>7</u>	<u>5</u>																																																								
<u>Securities Dealers</u>	<u>5</u>	<u>4</u>																																																								
<u>Exchange Bureaux</u>	<u>0</u>	<u>3</u>																																																								
<u>Total</u>	<u>198</u>	<u>193</u>																																																								
<u>Supervised Entities</u>	<u>No. of STR/ SARs 2012</u>	<u>No. of STR/ SARs 2013</u>																																																								
<u>Attorneys-at Law</u>	<u>1</u>	<u>1</u>																																																								
<u>Co-operative Societies</u>	<u>16</u>	<u>16</u>																																																								
<u>Jewellers</u>	<u>1</u>	<u>1</u>																																																								
<u>Money/Value Transfer</u>	<u>38</u>	<u>38</u>																																																								
<u>Motor Vehicle Sales</u>	<u>3</u>	<u>3</u>																																																								
<u>Postal</u>	<u>1</u>	<u>1</u>																																																								
<u>Real Estate</u>	<u>0</u>	<u>0</u>																																																								
<u>Private Members Club</u>	<u>0</u>	<u>7</u>																																																								
<u>Total</u>	<u>60</u>	<u>361</u>																																																								

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Forty Recommendations	Rating	Summary of factors underlying rating	Recommended Actions	Undertaken Actions
				<p>Please see Appendix III attached for entities that have submitted STRs/SARs to the FIU for the period Aug 2013 -Jan, 2014. Twenty-seven (27) STRs/SARs were received from DNFBPs.</p> <p>Please see attached at Appendix IV Compliance Programmes sent to and examined by the FIUTT for the period Aug 2013- Jan 2014.</p>
17.Sanctions	NC	<ul style="list-style-type: none"> <li>No provisions in legislation to withdraw restrict or suspend the license of the financial institution for non-compliance with AML/CFT requirements.</li> <li>The requirements set out in Rec. 17 are included in the POCA 2000, but there are no provisions in the legislation to withdraw, restrict or suspend the license of the DNFBP.</li> </ul>	<ul style="list-style-type: none"> <li>The authorities should consider amending the provisions for sanctions in the POCA to allow for penalties to be applied jointly or separately.</li> <li>The authorities should consider increasing the range of sanctions for AML/CFT non-compliance to include disciplinary sanctions and the power to withdraw, restrict or suspend the financial institution's license, where applicable.</li> </ul>	<ul style="list-style-type: none"> <li>The recommendation for considering the amendment of the provisions for sanctions in the POCA to allow for penalties to be applied jointly or separately was due to the examiners' concern that all penalties in the POCA include both a term of imprisonment and a fine with no indication that the penalties could be applied separately. This raised questions as to the applicability of the penalties to legal persons. As noted before, section 68(3) of the Interpretation Act provides that where in any written law more than one penalty linked by the word "and" is prescribed, the penalties can be imposed alternatively or cumulatively. This provision therefore allows for the imposition of the stipulated fines in the penalties in POCA separately on companies.</li> <li>The Financial Obligation Regulations, 2010, ensures that any financial institution or listed business which does not comply with any of its obligations under these regulations commits an offence and is liable on summary conviction or on conviction on indictment, to the penalty prescribed in section 57 of the Proceeds of Crime Act No 55 of 2000.</li> <li>Regulation 40 of the Financial Obligations Regulations allows the Supervisory Authority be it the Central Bank, the TTSEC or the FIU to use the regulatory measures as outlined in the legislation that governs the supervised entities to</li> </ul>

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				<p>bring about compliance with AML/ CFT requirements. Therefore the FIA enhances the powers of the Central Bank to enforce compliance with AML/ CFT legislation by allowing for the issuance of compliance directions. Non-compliance with the compliance direction can be enforced by court order and restraining order or other injunctive or equitable relief.</p> <p>Section 86 of the FIA gives the Inspector of Financial Institutions power to issue compliance directions or seek restraining orders for actions violating any provision of the FIA and associate regulations, measures imposed by the Central Bank or unsafe or unsound practice in conducting the business of banking. Unsafe and unsound practice is defined to include without limitation any action or lack of action that is contrary to generally accepted standards of prudent operation and behaviour. This definition allows for the Inspector of Financial Institutions to exercise the above power with regard to AML/CFT breaches.</p> <p>In addition, section 10 of the FIA gives the Central Bank the power to issues Guidelines to inter alia aid compliance with the POCA, ATA or any other written law relating to the prevention of money laundering and combating the financing of terrorism. Section 12 of the FIA also allows the Central Bank to issue a compliance direction or take any other action under section 86 for contravention of a guideline referred to in section 10.</p> <ul style="list-style-type: none"> <li>Section 23 of the FIA mentions the restriction and revocation of a license.               <ul style="list-style-type: none"> <li>(1) The Board may revoke a license where—</li> <li>(g) the licensee fails to comply with a direction under section 24 or 27 or with a compliance</li> </ul> </li> </ul>



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				<p>direction issued by the Central Bank under section 86.</p> <p>Section 65 of the Insurance Act was amended by section 8 of the Insurance Amendment Act 2009. The amendment allows the Central Bank to issue compliance directions to a registrant, controller, officer, other employee, agent of a registrant etc under the Insurance Act where they have:-</p> <ul style="list-style-type: none"> <li>• committed, is committing, or is about to commit an act, or is pursuing or is about to pursue any course of conduct, that is an unsafe and unsound practice;</li> <li>o committed, is committing, or is about to commit, an act, or is pursuing or is about to pursue a course of conduct, that may directly or indirectly be prejudicial to the interest of policyholders;</li> <li>o violated or is about to violate any of the provisions of any law or Regulations made thereunder;</li> <li>o breaches any requirement or failed to comply with any measure imposed by the Central Bank in accordance with the Act or Regulations made thereunder.</li> </ul> <ul style="list-style-type: none"> <li>• In addition to issuing compliance direction, the Central Bank may seek a restraining order or other injunctive relief.</li> <li>• Disciplinary sanctions for AML\CFT non-compliance have been included in the Securities Act 2012.</li> <li>• The Securities Act 2012 provides that the Commission may refuse to register, renew or reinstate the registration of an applicant where such registration is not in the public interest.</li> <li>• Section 52(2) of the SA2012 provides that the</li> </ul>

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Forty Recommendations	Rating	Summary of factors underlying rating	Recommended Actions	Undertaken Actions
				<p>Commission may refuse to register, renew or reinstate the registration of an applicant where such registration is not in the public interest. Section 52(3) allows the Commission to use its discretion to place restrictions on a person's registration. Under Section 57 the Commission may, where it considers to be in the public interest, issue a warning, private reprimand or public censure or may suspend the registration of a registration for various reasons including prosecution for a breach of any law in relation to the prevention of money laundering and combating the financing of terrorism. Section 58 goes on to allow the Commission to revoke the registration of a registration where it is in the public interest or for reasons including conviction for a breach of any law in relation to the prevention of money laundering and combating the financing of terrorism.</p> <ul style="list-style-type: none"> <li>In addition to the powers listed above S89 of the SA2012 allows the commission to conduct compliance reviews to ensure compliance with the Act and any AML/CFT legislation. Where a compliance review under S89 reveals that a registrant is in breach the Commission may issue compliance directions to the registrant. Failure to respond to a compliance direction is an indictable offence under S90(8)</li> </ul> <p>In this regard in relation to paragraph 65 at page 16 of the 9<sup>th</sup> follow up report the TTSEC has a wide range of possible sanctions available including reprimands, refusal and revocation of registration, suspension, public censure, administrative fines and referral to the DPP for criminal action.</p> <ul style="list-style-type: none"> <li>Under the FIU (Amendment) (No. 2), 2011, Section 15, creates Part IIIA – “The Supervisory Authority.”</li> </ul>

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				<p>Section 18G creates administrative sanctions for compliance. It states:</p> <p>18G. (1) Notwithstanding any other action or remedy available under this Act, if in the opinion of the FIU, a non-regulated financial institution or listed business has violated or is about to violate the provisions of the Act, the Financial Obligations Regulations, 2010, the Anti-Terrorism Act, 2005, the Financial Intelligence Unit of Trinidad and Tobago Act, 2009, the Financial Intelligence Unit of Trinidad and Tobago Regulations, 2011 and any other guidelines issued by the FIU, it may issue a directive to such non-regulated financial institution or listed business to—</p> <p>(a) cease or refrain from committing the act or violation, or pursuing the course of conduct; or</p> <p>(b) perform such duties as in the opinion of the FIU are necessary to remedy the situation or minimize the prejudice.</p> <p>18G (9) Where a non-regulated financial institution or listed business to whom a directive is issued fails to comply with the said directive, the FIU may, in addition to any other action that may be taken under this Act, apply to the High Court for an Order requiring the non-regulated financial institution or listed business to comply with the directive, to cease the contravention or do anything that is required to be done.”</p> <p>The FIU in Aug 2013-Jan 2014 issued written warning letters to, Accountants, Attorneys-at-Law Credit Unions, Real Estate agents, PMCs and Pool Betting Operators, registered with the FIU, concerning their non-compliance with respect to Regulation 31 of the FIU Regulations 2011.</p> <p>The FIU in January 2013 issued written warning letters to Private Members Clubs, Accountants and</p>

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				<p>Jewelers registered with the FIU, concerning their non-compliance with respect to Regulation 31 of the FIU Regulations 2011.</p> <p>During the period Jan-Jul 2013 warning letters were issued to Jewelers, Real Estate Agents, Pool Betting operators and Motor Vehicle Dealers for non-registration in contravention of Regulation 28(1), and non-submission of CPs in contravention of 31(1) of the FIU Regulations.</p> <p>During Jan-July 2013, 14 entities were served with notices on non-compliance. After hearing representations the FIU issued 1 directives.</p> <p>During Aug 2013-Jan2014, 10 entities were served with notices on non-compliance. After hearing representations the FIU issued 10 directives. These were issued against Motor vehicle dealers and pool betting operators.</p> <p>Please see attached Appendix V for information on sanctions taken by the FIUTT for the period Aug-Jan, 2014.</p> <p>Please see Appendix V and VI for information on sanctions taken by the FIUTT and the CBTT for the period Aug 2013-Jan 2014.</p>
18.Shell banks	PC	<ul style="list-style-type: none"> <li>There are no provisions to prevent financial institutions to enter, or continue, correspondent banking relationships with shell banks.</li> <li>There are no provisions to require that financial institutions should satisfy themselves that respondent financial institutions in a foreign country do not permit their accounts to be used by shell banks.</li> </ul>	<ul style="list-style-type: none"> <li>Shell banks should be prohibited by law.</li> <li>Financial institutions should not be permitted to enter into, or continue, correspondent banking relationships with shell banks;</li> </ul>	<ul style="list-style-type: none"> <li>Trinidad and Tobago acknowledges that there is no express prohibition in the Financial Institutions Act 2008 against shell banks.</li> <li>However, The Basel Committee on Banking Supervision defines shell banks as banks that have no physical presence (i.e. meaningful mind and management) in the country where they are incorporated and licensed and are not affiliated to any financial services group that is subject to effective consolidated supervision. Trinidad and Tobago therefore contends that the provisions in</li> </ul>

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			<ul style="list-style-type: none"> <li>Financial institutions should be required to satisfy themselves that respondent financial institutions in a foreign country do not permit their accounts to be used by shell banks.</li> </ul>	<p>the FIA 2008 relating to the process of licensing and supervision of banks, whether locally incorporated or branches of foreign international banks implicitly prohibit shell banks. In this regard, we draw attention to the following:-</p> <ul style="list-style-type: none"> <li>All licensed banks must have a physical presence in Trinidad and Tobago as a locally incorporated bank or subsidiary or as a foreign branch. For a foreign branch the principal representative must be ordinarily resident in Trinidad and Tobago and must be the branch of an international bank that is subject to effective supervision in its home country.</li> <li>All licensed banks are subject to the same prudential requirements. A foreign branch must satisfy the same capital and other requirements as a locally incorporated bank or subsidiary.</li> <li>The locally incorporated bank or foreign branch must maintain at its offices all records and books pertaining to its operations and must be able to immediately provide same to the Inspector upon his request.</li> <li>All subsidiaries or foreign branches of banks must be subject to supervision of both home regulators in other jurisdictions and Trinidad and Tobago as host regulator.</li> <li>Locally incorporated banks and foreign branches must submit all returns and annual audited financial statements to the Central Bank.</li> <li>Where a licensee is part of a financial group the financial group must be so structured and managed that it may be supervised by the Central Bank or by an equivalent supervisor in its home jurisdiction.</li> <li>Persons are prohibited from conducting banking business or business of a financial nature without a licence being issued in accordance with the FIA.</li> </ul> <p>It is therefore our view that these provisions serve to prohibit shell banks in Trinidad and Tobago.</p>

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				<ul style="list-style-type: none"> <li>Further regulation 22. (1) of the FOR states that a bank shall not enter or continue a correspondent banking relationship with a bank—</li> <li>(a) incorporated in a jurisdiction in which it has no physical presence; or</li> <li>(b) Which is unaffiliated with a financial group regulated by a supervisory authority in a country where the Recommendations of the Financial Action Task Force are applicable.</li> <li>Regulation 22 (2) of the Financial Obligation Regulations, 2010, states that a financial institution or listed business shall ensure that the respondent financial institution or business in a foreign country, does not permit a shell bank to use its accounts.</li> </ul> <p>No further action is to be taken under this recommendation</p>
19. Other forms of reporting	PC	<ul style="list-style-type: none"> <li>No indication that the authorities considered implementing a system where financial institutions report all transactions in currency above a fixed threshold to a national central agency with a computerized database.</li> <li>No indication that when the Customs Division discovers an unusual international shipment of currency, monetary instruments, precious metals or gems etc, it considers notifying, as appropriate, the Customs Service or other competent authorities of the countries from which the shipment originated and/or to which it is destined, and co-operates with a view toward establishing the source, destination, and purpose of such shipment and toward the</li> </ul>	<ul style="list-style-type: none"> <li>The authorities should consider the feasibility and utility of implementing a system where financial institutions report all transactions in currency above a fixed threshold to a national agency with a computerized data base.</li> </ul>	<ul style="list-style-type: none"> <li>As part of the normal investigations and prosecutions involving unusual international shipments of currency, monetary instruments etc., the Customs &amp; Excise Division notifies, shares information and makes requests of local and international agencies through the FIU and extraditions</li> <li>.</li> <li>Regulation 31 and 32 of the FOR states that financial institutions and listed businesses retain records of all domestic and international transactions in electronic or written form.</li> <li>The FIU is presently considering a regime for the systematic reporting of; <ul style="list-style-type: none"> <li>- Foreign exchange transactions</li> <li>- Cash transactions</li> <li>- Money transactions</li> </ul> </li> </ul>

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		taking of appropriate action.	<ul style="list-style-type: none"> <li>When the Customs Division discovers an unusual international shipment of currency, monetary instruments, precious metals or gems etc, it should consider notifying, as appropriate, the Customs Division or other competent authorities of the countries from which the shipment originated and/or to which it is destined, and should co-operate with a view toward establishing the source, destination, and purpose of such shipment and toward the taking of appropriate action.</li> <li>The Customs Division's computerized database of Customs Declaration Forms should be subject to strict safeguards to ensure proper use of the information that is recorded.</li> </ul>	<p>The imposition of such a regime is outside the FIUs' statutory remit. The spirit and intention of the AML/CFT law in this jurisdiction is on reporting on <b>suspicion</b> regardless of the amount of money involved in the transaction. Any requirement to report otherwise will require legislative amendment.</p> <ul style="list-style-type: none"> <li>The Customs and Excise Division is a member of the World Customs Organization which has developed a global system for gathering data and information for intelligence purposes called the Customs Enforcement Network. As an active member of this network we regularly post information concerning unusual international shipment of currency and precious gems, etc to this database as the means of notifying the Customs service from which the shipment originated and/or is destined with a view to taking appropriate action in accordance with each country international obligations.</li> </ul> <p>Additionally as members of the Caribbean Customs Law Enforcement Council (CCLEC) we regularly update the CCLEC's seizure intelligence database (SID) for the aforementioned purposes, including establishing the source destination and purpose of such shipments. Both databases rely on encryption technology to protect communications and data transfers.</p> <p>All payment of duties and taxes to the Comptroller of Customs and Excise on any one day by any one consignee in excess of TT\$5,000.00 can only be made by a certified Manager's cheque.</p>

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				<ul style="list-style-type: none"> <li>The Customs and Excise database also relies on encryption technology to protect communication and data transfer and access is limited to only specific Officers.</li> <li>"The Customs Division's computerized database of Customs Declaration Forms is subject to strict safeguards". This has been addressed pursuant to Act 6 of 2013 (please find attached hereto). More specifically, protection of the Customs Border Control System (CBCS) is encapsulated in sections 274-278. Any authorized persons under section 279, who transmits information for any other purpose than specified in 279, commits an offence pursuant to section 281. There are also safeguards against customs officers in section 280.</li> </ul>
20. Other NFBP & secure transaction techniques	LC	<ul style="list-style-type: none"> <li>The only measure taken by the Government of Trinidad and Tobago to encourage the development and use of modern and secure techniques for conducting financial transactions that are less vulnerable to ML has been not issuing large denomination banknotes.</li> </ul>	<ul style="list-style-type: none"> <li>Authorities should consider applying the relevant FATF Recommendation to non-financial businesses and professions (other than DBFBP's) that are at the risk of being misused for ML or TF.</li> <li>Measures should be taken to encourage the development and use of modern and secure techniques for conducting financial transactions that are less vulnerable to ML</li> </ul>	<ul style="list-style-type: none"> <li>The AML/CFT regime in Trinidad and Tobago is applicable to financial institutions and listed business. Listed business is defined in the POCAA to mean a business or profession listed in the First Schedule. Section 35 of the POCAA has amended the First Schedule to include not only DNFBPs but also motor vehicle sales and the business of an art dealer which are now subject to AML obligations. This provision satisfies the examiners' recommended action above.</li> <li>To further strengthen this system, the Government of Trinidad and Tobago has requested technical assistance from the International Monetary Fund to undertake a risk assessment of its relevant sectors to ascertain their risk of being misused for ML or TF.</li> </ul> <p>This was to be conducted in tandem with the</p>



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				<p>Fourth Round Mutual Evaluation which has been postponed.</p> <ul style="list-style-type: none"> <li>The AML/CFT Compliance Unit of the Ministry of National Security is currently conducting the national risk assessment of the SIP framework. The aim of this exercise is to measure the risks of non-financial businesses and professions being used for ML &amp; TF.</li> </ul>
21.Special attention for higher risk countries	NC	<ul style="list-style-type: none"> <li>Financial institutions are not required to give special attention to business relationships and transactions with persons (including legal persons and other financial institutions) from or in countries, which do not or insufficiently apply the FATF Recommendations.</li> <li>There is no legal requirement for the background and purpose of transactions having no apparent economic or visible lawful purpose with persons from or in countries which do not or insufficiently apply the FATF Recommendations to be examined and written findings made available to assist competent authorities and auditors.</li> <li>Only the Central Bank circulates the NCCT list to the financial institutions it supervises.</li> </ul>	<ul style="list-style-type: none"> <li>The POCA should be amended to require financial institutions to give special attention to business relationships and transactions with persons (including legal persons and other financial institutions) from or in countries which do not or insufficiently apply the FATF Recommendations</li> <li>Effective measures should be put in place to ensure that financial institutions are advised of concerns about weaknesses in the AML/CFT systems of other countries.</li> </ul>	<ul style="list-style-type: none"> <li>Section 55 of POCA has been amended by POCAA by substituting section 55(2) (a) (i) which requires financial institutions and listed businesses to pay special attention to all business transactions with persons and financial institutions in or from other countries which do not or insufficiently comply with the recommendations of the FATF.</li> <li>Section 17(1)(a) of the FIUTTA requires the FIU to publish as frequently as necessary, by notices in the Gazette and in at least two newspapers in daily circulation in Trinidad and Tobago, a list of countries identified by the FATF as non-compliant or not sufficiently compliant with their recommendations. Section 55(2) (c) requires financial institutions and listed businesses to examine the background and purpose of all transactions which have no economic or visible legal purpose under paragraph (a)(i) and make available to the Supervisory Authority, written findings after its examination where necessary.</li> </ul> <p>The FIU and the Central Bank of Trinidad and Tobago has published on their respective websites, FATF's Public Statement dated:</p> <ul style="list-style-type: none"> <li>16 Feb. 2012</li> <li>22 Jun, 2012;</li> <li>19 Oct, 2012</li> </ul>

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			<ul style="list-style-type: none"> <li>The background and purpose of transactions having no apparent economic or visible lawful purpose with persons from or in countries which do not or insufficiently apply the FATF Recommendations should be examined and written findings made available to assist competent authorities and auditors.</li> <li>That the Government Trinidad and Tobago have in place arrangements to take the necessary countermeasures where a country continues not to apply or insufficiently applies the FATF Recommendations.</li> </ul>	<ul style="list-style-type: none"> <li>22 Feb, 2013</li> <li>21 Jun, 2013</li> <li>18 Oct, 2013</li> </ul> <p>The current FATF Public Statement on Improving Global AML/CFT Compliance: on-going process statement is published on the FIU website and can be found on <a href="http://www.fiu.gov.tt">www.fiu.gov.tt</a>.</p> <p>The Central Bank and the FIU have published on their websites the CFATF Public Statement of May 30, 2013 and November 20, 2013.</p> <p>The FATF Public Statement and Improving Global AML/CFT Compliance: on-going process statement - 19 Oct. 2012 was published on the FIU website and can be found on <a href="http://www.fiu.gov.tt">www.fiu.gov.tt</a></p> <p>The FATF Public Statement and Improving Global AML/CFT Compliance: on-going process statement - 18 Oct. 2013 was published on the FIU website and can be found on <a href="http://www.fiu.gov.tt">www.fiu.gov.tt</a></p> <ul style="list-style-type: none"> <li>Section 55 (2) C of POCA as amended states</li> </ul> <p>55 (2) Every financial institution or listed business shall-</p> <p>(c) examine the background and purpose of all transactions which have no economic or visible legal purpose</p> <ul style="list-style-type: none"> <li>The Financial Obligation Regulations, 2010, and the Financial Intelligence Unit of Trinidad and Tobago Act No 11 of 2009 both address the issue of special attention.</li> </ul> <p>Accordingly, special attention is afforded to business relationships and transactions with persons (including legal persons and other financial institutions) from or in countries which do not or insufficiently apply the</p>

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				<p>FATF Recommendations. These will be elaborated upon.</p> <p>Regulation 7 of the Financial Obligation Regulations, 2010, states that any ascertainable compliance programme shall contain measures which include the compilation of a listing of countries which are non-compliant, or do not sufficiently comply with the recommendations of the Financial Action Task Force.</p> <p>Financial institutions have indicated that transactions from countries which are non-compliant, or do not sufficiently comply with the FATF Standards are carefully scrutinized to ensure that the reasons given for the transactions are valid before a decision is taken to permit the transaction. In some instances transactions are stopped. In addition enhanced due diligence is also applied when dealing with transactions involving severe risk territories.</p> <p>Section 17 (1) of the Financial Intelligence Unit of Trinidad and Tobago Act No 11 of 2010, imposes</p> <ul style="list-style-type: none"> <li>a) as frequently as is necessary, the obligation of publishing notices in the Gazette and in at least two newspapers in daily circulation in Trinidad and Tobago, a list of the countries identified by the Financial Action Task Force, as noncompliant or not sufficiently compliant with its recommendations; and</li> <li>b) periodically, information on trends and typologies of money laundering, locally and internationally, as well as appropriate statistics and any other information that would enhance public awareness and understanding of the nature of money laundering and its offences.</li> </ul> <p>- In Section 17 (2) of Act No 11 of 2000, the need for the FIU to set out measures that may be utilized by a financial institution or</p>

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				<p>listed business, against such countries is addressed. These measures may be set out by Order.</p> <p>The FIU and the Central Bank website currently contain a list of countries that do not sufficiently comply with FATF 40+9 Recommendations.</p>
22.Foreign branches & subsidiaries	NC	<ul style="list-style-type: none"> <li>No legal requirements for financial institution to ensure that their foreign branches and subsidiaries observe AML/CFT measures consistent with FATF standards.</li> </ul>	<p>The T&amp;T authorities may wish to introduce legislation or enforceable regulations to include the requirements for financial institutions to:</p> <ul style="list-style-type: none"> <li>pay particular attention that their branches and subsidiaries in countries which do not or insufficiently apply the FATF Recommendations observe the AML/CFT requirements consistent with home country requirements and the FATF Recommendations;</li> <li>apply the higher standard, to the extent that local (i.e. host country) laws and regulations permit, where the minimum AML/CFT requirements of the home and host countries differ;</li> <li>inform their home country supervisor when a foreign branch or subsidiary is unable to observe appropriate AML/CFT measures because this is prohibited by local (i.e. host country) laws, regulations or other measures.</li> </ul>	<p>There is currently no specific requirement in law or regulations that address this issue. However, the section 4.4 of the Central Bank's AML/ CFT Guideline issued in October 2011 requires inter alia a financial institution to ensure that at a minimum the Guideline is also implemented in their branches and subsidiaries abroad. Central Bank's AML/ CFT Guidelines are considered other enforceable means. In addition, the Bank's licensing procedures reflect this Recommendation in practice.</p> <p>A branch is not a separate legal entity from the locally incorporated financial institution and therefore the laws of the home country would also apply to the branch in a foreign jurisdiction. To the extent that the host country also has laws with which the foreign branch must comply the entity must also meet those standards. Therefore if the home country has higher AML/ CFT standards, the branch would be required to meet the higher standard in the host jurisdiction to the extent that the local (i.e host country laws) permit.</p> <p>With respect to foreign subsidiaries, there is currently no specific requirement in law or regulations that address this issue.</p> <p>Amendments to the FOR have also been proposed to reflect these requirements.</p>
23.Regulation, supervision and monitoring	NC	<ul style="list-style-type: none"> <li>Relevant supervisory agencies have not been designated as responsible for ensuring the compliance of their supervised financial institutions with</li> </ul>	<ul style="list-style-type: none"> <li>Authorities should formally designate the relevant supervisory agencies with the responsibility for ensuring compliance by their licensees with AML/CFT obligations.</li> </ul>	<ul style="list-style-type: none"> <li>In POCAA, supervisory authority has been defined as the competent authority for ensuring compliance by financial institutions and listed businesses with requirements to combat money</li> </ul>

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		<p>AML/CFT requirements.</p> <ul style="list-style-type: none"> <li>• The TTSEC does not apply the requirements of the IOSCO Principles for the supervision of the securities sector with regard to AML/CFT.</li> <li>▪ Only the financial institutions supervised by the CENTRAL BANK OF T&amp;T are subject to AML/CFT regulation and supervision.</li> <li>▪ Only financial institutions under the FIA are subject to all measures necessary to prevent criminals and their associates from gaining control or significant ownership of financial institutions.</li> <li>▪ The securities sector, credit unions, money transfer companies and cash couriers are not subject to AML/CFT supervision.</li> <li>▪ Money transfer companies and cash couriers are not licensed, registered or appropriately regulated</li> </ul>		<p>laundering.</p> <p>Regulation 2(1) of the FOR specifies the supervisory authority for different types of financial institutions as follows;</p> <ul style="list-style-type: none"> <li>a) Central Bank – financial institutions licensed under the FIA, insurance companies and intermediaries under the Insurance Act, authorized dealers (cambios and bureaux de change) under the Exchange Control Act, or a person who is registered to carry on cash remitting services under the Central Bank Act</li> <li>b) TTSEC – persons broker-dealer, investment adviser or underwriter under the SA2012 ( see consequential amendments to POCA via s172 of SA2012)</li> <li>c) FIU – other financial institutions and listed business.</li> <li>d) The Commissioner of Co-operative Development has the powers of general supervision of the affairs of societies and shall perform the duties of registrar of societies (including credit union societies). (Cooperative Societies Act 1971).</li> </ul> <p>With respect to (a) above the ambit of the Central Bank is to supervise money transmission or remittance business generally and is not limited to cash remitting services. This is a drafting error in the Financial Obligations Regulations and is in need of amendment.</p> <p>We have recognized that the above definition does not include the combating of terrorism, but this will be addressed in the Anti-Terrorism Regulations. The policy to guide the Anti-Terrorism Regulations is currently being drafted by the Compliance Unit of the</p>

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				<p>Ministry of the National Security and will be submitted to Parliament.</p> <p>Trinidad and Tobago Securities and Exchange Commission (TTSEC) is the supervisory body for the securities sector. For the purposes of AML/CFT compliance in the securities sector, the Proceeds of Crime (Amendment) Act No 10 of 2009, provides a definition of “security” as including the following:</p> <ul style="list-style-type: none"> <li>- any document,</li> <li>- instrument or</li> <li>- writing evidencing ownership of, or</li> <li>- any interest in the capital,</li> <li>- debt property,</li> <li>- profits,</li> <li>- earnings or</li> <li>- royalties of any person or</li> <li>- enterprise and</li> <li>- without limiting the generality of the foregoing, includes any—</li> </ul> <ul style="list-style-type: none"> <li>- bond, debenture, note or other</li> <li>- evidence of indebtedness;</li> <li>- share, stock, unit or unit certificate,</li> <li>- participation, certificate, certificate of share or interest;</li> <li>- document, instrument or writing</li> <li>- commonly known as a security; document, instrument or writing evidencing an option, subscription or other interest in respect of—</li> <li>- a financial institution;</li> <li>- a credit union within the meaning of the Co-operative Societies Act; or</li> <li>- an insurance company;</li> <li>- investment contract;</li> <li>- document, instrument or writing constituting evidence of any interest or participation in—</li> <li>- a profit-sharing arrangement or</li> <li>- agreement;</li> <li>- a trust; or</li> </ul>

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				<p>- (iii) an oil, natural gas or mining lease, claim or royalty or other mineral rights</p> <p>The FIU is currently in the process of approving compliance programmes that are submitted by the financial institutions, and listed businesses entities that it supervise. One hundred and ninety-one (191) compliance programmes have been submitted to the FIU for the period Jan – Jul 2013 and 193 examined and reviewed.</p> <p>One hundred and forty three (143) compliance programmes have been submitted to the FIU for the period Aug 2013- Jan 2014 and one hundred and fourteen (114) examined and reviewed.</p> <p>See attached Appendix IV for Compliance Programmes received and examined and reviewed by the FIUTT for the period Aug 2013- Jan 2014.</p> <p>In August 2011, the FIU completed its Compliance Examination Manual and commenced Onsite examinations.</p> <p>The examinations completed by the FIU are as follows:  August 2011: 2 listed businesses (Attorneys at law)  October 2011: 2 (1 Motor Vehicles sales and 1 Real Estate)  December 2011: 2 Private member clubs  March 2012: 1 Attorney-at-Law  April 2012: 1 Jeweller  May 2012: 1 Co-operative Society/Credit Union  June 2012: 1 Motor Vehicle Sale  July 2012: 1 Motor Vehicle Sales  September 2012: 1 Money or Value Transfer Services  November 2012: Motor Vehicle Sales  December 2012: 1 Co-operative Society/Credit Union</p>

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Forty Recommendations	Rating	Summary of factors underlying rating	Recommended Actions	Undertaken Actions
			<ul style="list-style-type: none"> <li>The TTSEC should apply the requirements of the IOSCO Core Principles for the supervision of the securities sector with regard to AML/CFT.</li> </ul>	<p>The FIU conducted 17 on-site inspections for the period Jan-Jul. 2013. Please see attached Appendix IV for a summary of the Number of Onsite Visits conducted by the FIU for the period Jan -Jul, 2013.</p> <p>The FIU conducted thirty eight (38) on-site inspections for the period Aug 2013 – Jan 2014. Please see attached Appendix IV for a summary of the Number of Onsite Visits conducted by the FIU for the period Aug – Jan 2014.</p> <ul style="list-style-type: none"> <li>The IOSCO Core principles have been included in the Securities Act 2012 which was proclaimed. Please see Appendix XVI for document which sets out the sections of the Securities Act 2012 and their relationship to the IOSCO Principles.</li> <li>The Securities Act 2012 contains several references to AML/CFT supervision. In particular Section 6(i) lists ones of the functions of the Commission is to ensure compliance with the Proceeds of Crime Act and any other written law in relation to the prevention of money laundering and combating the financing of terrorism.</li> <li>S89 of the SA2012 allows the commission to conduct compliance reviews to ensure compliance with the Act and any AML/CFT legislation. Prior to the enactment of the SA2012 the Commission did not have the power to conduct onsite inspections. The TTSEC has commenced its onsite inspection programme will include AML/CFT compliance in this programme. In the interim the Commission monitors compliance through off site surveillance.</li> </ul>



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			<ul style="list-style-type: none"> <li>The measures in the FIA to prevent criminals or their associates from gaining control or significant ownership of financial institutions should be duplicated in the relevant legislation governing the supervision of other financial institutions under the POCA.</li> </ul>	<ul style="list-style-type: none"> <li>Section 33(2) of the FIA state that; <i>A person who—</i> <ul style="list-style-type: none"> <li><i>a) has been convicted by a court for an offence involving fraud, dishonesty, a contravention of the Proceeds of Crime Act or any regulations made thereunder or such other statutory provision in relation to the prevention of money laundering and the combating of terrorist financing as may be in force from time to time;</i></li> <li><i>b) is or was convicted of an offence under this Act; or</i></li> <li><i>c) is not a fit and proper person in accordance with the criteria specified in the Second Schedule, shall not act or continue to act as a director or officer of, or be concerned in any way in the management of a licensed Institution or financial holding company.</i></li> </ul> </li> <li>Insurance companies under the Insurance Act are also required to notify the Central Bank of any change to controllers (i.e. controlling shareholders or significant shareholders owning 33 1/3% of more, CEO etc). Controllers are required to be fit and proper on an ongoing basis and must satisfy Central Bank's requirements in this regard. Section 20 of the Insurance Act refers.</li> <li>Money or value transfer services are provided for as financial institutions and listed business in the first schedule of the Proceeds of Crime (Amendment) Act No 10 of 2009. The Central Bank was given the power to supervise the operations of money transmission and remittance business via an amendment to the Central Bank Act in 2008.</li> </ul> <p>The Central Bank with assistance from a technical expert from the Office of Technical Assistance, United States Department of</p>

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				<p>Treasury has developed a draft AML/ CFT Supervisory Framework for money remitters. In addition, the Central Bank is working on converting drafting Money Remittance Regulations into a Bill based on advice from the Office of the Chief Parliamentary Council (CPC). A draft a licensing regime it's for the regulation and supervision of Money Remitters in Trinidad and Tobago. Further, since December 2011 the Central Bank has commenced meetings with money remitters to discuss their AML/ CTF regimes and advise on the regulatory regime being developed by the Central Bank.</p> <p>In May 2011 the FIU (Amendment) (No. 2), 2011, Section 15, created Part IIIA – “The Supervisory Authority,” which gives the FIU the authority to carry out supervisory functions. This includes the registration of all Listed Businesses and non-regulated financial institutions, the supervision of supervised entities for AML/CFT, and the authority to apply administrative sanctions for compliance.</p> <p>As part of the implementation of its supervisory regime, the FIU has registered 1581 Listed Businesses and non-regulated financial institutions. (<i>See appendix V for total registrants for Jan – Dec. 2012</i>). While the FIU reported 1592 registrants as June 2012, a data clean up exercise confirmed a variance of 60 registrants for 2011(Oct 2010 to Sept 2011). This was due to factors such as registration applications received from businesses which did not fall within the ambit of the POCA and requests from registered entities to de-register.</p> <p>The total number of registrants for the period Jan to Jul, 2013 is 80. See appendix VII for total registrants for Jan – Jul. 2013).</p> <p>The total number of registrants for the period Aug -</p>

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			<ul style="list-style-type: none"> <li>The securities sector and credit unions should be subject to AML/CFT supervision. Money transfer companies and cash couriers should be licensed, registered, appropriately regulated and subject to AML/CFT supervision.</li> </ul>	<p>Dec 2013 is 44. See appendix VII for total registrants for Aug 2013 – Jan 2014).</p> <p>The FIU has also conducted 15 sessions in AML/CFT Awareness /Training during the period Aug 2013 – Jan 2014. For Aug 2013 – Jan 2014 the FIU conducted 15 outreach and training sessions for approx. 380 participants. Please see Appendix VIII for updated information on the number of training sessions conducted by the FIU.</p> <p>The FIU has also conducted 12 sessions in AML/CFT Awareness /Training during the period Jul – Dec2012. For Jan-July 2013 the FIU conducted 14 outreach and training sessions for approx. 1800 participants. Please see Appendix VIII for updated information on the number of training sessions conducted by the FIU.</p> <p>The FIU utilised ICT to inform and educate its Supervised Entities on their requirement. Publications made thus far includes:</p> <ul style="list-style-type: none"> <li>• Guide to developing an AML/CFT Compliance Programme</li> <li>• Notice to Supervised Entities to register with the FIU</li> <li>• Guide to STR/SAR Reporting</li> <li>• Customer Due Diligence Guide</li> <li>• Guide to structuring an AML/CFT compliance Programme;</li> <li>• 3 Specific Guidelines for PMC, MV and Real estate.</li> <li>• Reporting forms (STR/SAR, FIU Registration form, Quarterly Terrorist Property Report forms)</li> <li>• Advisories</li> <li>• Typologies reports</li> <li>• List of NCCTs</li> <li>• Model Compliance Programme .for Attorneys-at-law</li> <li>• Model Compliance Programme for</li> </ul>

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				<p>Accountants</p> <ul style="list-style-type: none"> <li># 3 sector specific guidelines: Attorneys-at-law, Accountants, and Jewelers</li> <li>Sector Specific Guidance notes for Trust and Company Service providers and Gaming Hoses/Pool Betting Operators have been drafted.</li> </ul> <p>Further, the FIU reviewed one hundred and fourteen (114) compliance programmes for the period Aug 2013 - Dec2013. Reviews are on-going.</p> <p>Further, the FIU reviewed 32 compliance programmes and approved 2 compliance programmes for Financial Institutions for the period July – Dec 2012. Reviews are on-going.</p> <p>A feedback link has been established on the FIU website to encourage Supervised Entities and the public to communicate with the FIU (<a href="mailto:fiufeedback@gov.tt">fiufeedback@gov.tt</a> and <a href="mailto:fiucompliance@gov.tt">fiucompliance@gov.tt</a>).</p> <p>A draft framework for the regulation of money remitters is at an advanced stage of development. Work is on-going on the development of the framework for the regulation of money remitters</p> <p>According to Section 36(cc) of the Central Bank Act, the Central Bank of Trinidad and Tobago has the power to supervise the operations of payment systems in Trinidad and Tobago generally, interbank Payment Systems in accordance with the Financial Institutions Act and the transfer of funds by electronic means including money transmission or remittance business.</p> <p>Money and value transfer services” are included in the listed business schedule and “cash remitting services” are named financial services under POCA. Currently the FIU conducts AML/ CFT supervision of money remitters. See Appendix FIU statistics.</p>

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24. DNFBP – regulation, supervision and monitoring	NC	<ul style="list-style-type: none"> <li>There is no legal requirement to ensure that the gaming houses (or private member clubs), pool betting and the national lottery on line betting games are subject to a comprehensive regulatory and supervisory regime that ensures they are effectively implementing the AML/CFT measures required under the FATF Recommendations.</li> <li>There are no legal or regulatory measures to prevent criminals or their associates from holding or being the beneficial owner of a significant or controlling interest, holding a management function in, or being an operator of a Gaming House (or Private Member Club), Pool Betting and the National Lottery on line Betting Games.</li> <li>There is no designated competent authority or SRO responsible for monitoring and ensuring compliance of DNFBPs with AML/CFT requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Gaming houses (or private member clubs), pool betting and the national lottery on line betting games should be subject to a comprehensive regulatory and supervisory regime that ensures they are effectively implementing the AML/CFT measures required under the FATF Recommendations</li> <li>Legal or regulatory measures should be taken to prevent criminals or their associates from holding or being the beneficial owner of a significant or controlling interest, holding a management function in, or being an operator of a gaming house (or private member club), pool betting and the national lottery on line betting games.</li> </ul>	<ul style="list-style-type: none"> <li>Regulation 2(1) of the FOR specifies the FIU as the supervisory authority for other financial institutions and listed businesses. Listed businesses as defined in POCA include DNFBPs. The FIU is presently responsible for supervising DNFBPs but only for AML compliance</li> <li>FIU (Amendment) (No. 2), 2011, Section 15, created Part IIIA – “The Supervisory Authority,” Section 18E (1) states: The FIU shall effectively monitor non-regulated financial institutions and listed businesses for which it is the Supervisory Authority and shall take the necessary measures to secure compliance with this Act and the following written laws: (a) the Proceeds of Crime Act; (b) the Anti-Terrorism Act; (c) the Financial Obligations Regulations, 2010; (d) the Financial Intelligence Unit of Trinidad and Tobago Regulations, 2011; (e) the regulations made under the Anti-Terrorism Act; and (f) any other written laws by which the recommendations of the Financial Action Task Force are implemented as well as guidelines issued in pursuance of this Act and the laws identified in paragraphs (a) to (e).</li> </ul> <p>Section 2 of POCA has been amended by POCAA to include gaming houses (or private member clubs), pool betting and the national lottery on line betting games as listed businesses and thereby subject to AML requirements.</p> <p>The Ministry of Finance is leading a working group established to assess the deficiencies in the gaming industry from a regulatory perspective, and to propose a policy position on the matter. A consultant is currently reviewing the systemic deficiencies with the aim of producing a report.</p>

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			<ul style="list-style-type: none"> <li>A competent authority or SRO should be designated as responsible for monitoring and ensuring compliance of DNFBS with AML/CFT requirements.</li> </ul>	<p>The proposals for reform will follow. The projected timeframe for completion of this project is by year end 2014.</p> <p>This committee will consider developing a Legal or regulatory measures to prevent criminals or their associates from holding or being the beneficial owner of a significant or controlling interest, holding a management function in, or being an operator of a gaming house although the Committee is at a stage of infancy such that we have not finalized our policy positions.</p> <p>Under Section 34 of POCAA the FIU has been named as the Supervisory Authority for listed businesses until regulations for the selection of a Supervisory Authority are made. The Supervisory Authority has been defined in the POCAA as the competent authority responsible for ensuring compliance by financial institutions and listed business with AML obligations.</p> <p>The process of identifying and registering listed businesses has begun and is ongoing. The first advertisement mandating registration of listed businesses has been published in the local newspapers. The Inland Revenue VAT registration office and the Port of Spain High Court is providing assistance in this process.</p> <p>Once this has been completed an appropriate supervisory and regulatory regimes will be established and implemented.</p> <p>Advertisement mandating registration of listed businesses was published in the local newspapers and placed on the FIU website.</p>

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			<ul style="list-style-type: none"> <li>Competent authorities should establish guidelines that will assist DNFBP's to implement and comply with their respective AML/CFT requirements</li> </ul>	<p>The total number of registrants for the period Jan to Jul, 2013 is 80.</p> <p>The total number of registrants for the period Aug 2013 – Jan . 2014 is 44.</p> <ul style="list-style-type: none"> <li>The Financial Intelligence Unit Regulations 2011 that have been enacted allows for the FIU to issue guidelines accordingly.</li> <li>Under Section 34 of POCAA the FIU has been named as the Supervisory Authority for listed businesses until regulations for the selection of a Supervisory Authority are made. The Supervisory Authority has been defined in the POCAA as the competent authority responsible for ensuring compliance by financial institutions and listed business with AML obligations.</li> </ul> <p>Regulation 2(1) of the FOR specifies the FIU as the supervisory authority for other financial institutions and listed businesses. Listed businesses as defined in POCA include DNFBPs. The FIU is presently responsible for supervising DNFBPs but only for AML compliance. In respect of Counter financing of terrorism compliance this will be addressed in the Anti-Terrorism Regulations.</p> <p>The FIU (Amendment) (No. 2), 2011, Section 15, created Part IIIA gives the FIU the responsibility for supervising non-regulated financial institutions and listed businesses for AML and CFT compliance.</p> <ul style="list-style-type: none"> <li>Further section 55 of POCA states that <i>'Every financial institution or listed business shall develop and implement a written compliance program, approved by the FIU'</i>. Therefore all DNFB's are</li> </ul>

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				<p>required to submit a compliance programme to the FIU which they are to adhere and comply.</p> <ul style="list-style-type: none"> <li>The Financial Intelligence Unit Regulations 2011 have been enacted. The Regulations mandate the registration of listed businesses with the FIU within three (3) months of the coming into effect of the Regulations.</li> <li>The Financial Obligations (financing of terrorism) Regulations have been made by the Honourable Minister of National Security and have been laid in Parliament. These Regulations prescribe the policies that financial institutions must require to have in place to pay attention to any TF patterns that may arise as a result of new technological advancements.</li> </ul> <p>The FIU has created detailed sector specific guidelines for the following supervised entities:</p> <ul style="list-style-type: none"> <li>Motor Vehicles Dealers</li> <li>Real Estate</li> <li>Private Members club</li> <li>Attorneys-at-law</li> <li>Accountants</li> <li>Jewellers</li> </ul> <p>These guidelines have been published on the FIU website <a href="http://www.fiu.gov.tt">www.fiu.gov.tt</a></p> <p>Additionally, sector specific guidelines for Trust and Company Service Providers and Gaming Houses/Pool Betting Operators have been drafted.</p>
25. Guidelines & Feedback	NC	<ul style="list-style-type: none"> <li>The Designated Authority/FIU does not provide feedback to financial institutions that are required to report suspicious transactions.</li> </ul>	<ul style="list-style-type: none"> <li>The designated authority/FIU should have a structure in place to provide financial institutions that are required to report suspicious transactions, with adequate and appropriate feedback.</li> </ul>	<ul style="list-style-type: none"> <li>Section 10 of the Financial Intelligence Unit of Trinidad and Tobago Act No 11 of 2009, imposes a requirement on the FIU that feedback shall be provided in writing to the financial institution or</li> </ul>



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		<ul style="list-style-type: none"> <li>The CENTRAL BANK OF T&amp;T AML/CFT Guidelines are applicable only to banks and insurance companies.</li> <li>There are no guidelines to assist DNFBPs to implement and comply with their respective AML/CFT requirements”.</li> </ul>	<ul style="list-style-type: none"> <li>The Central Bank of T&amp;T AML/CFT Guidelines should be enforceable and have sanctions for non-compliance.</li> </ul>	<p>listed business regarding suspicious transaction or suspicious activity report received from the same.</p> <p>For the period October 1st, 2010 to Sept. 30<sup>th</sup> 2011, and Oct. 01, 2011 to Jan. 31<sup>st</sup> 2012, the FIU provided 403 feedback responses to financial institutions and Listed businesses upon their submission of STRs/SARs. For the period Jul – Dec 2012 the FIU acknowledged all (171) STR/SAR submitted to the FIU and 16 were related to specific deficiency issues arising out of STR/SAR submissions.</p> <p>For the period Jan –Jul 2013 the FIU received 329 STRs/SARs and gave feedback on all 329.</p> <p>For the period Aug. 2013 to Jan. 2014 the FIU received 368 STRs/SARs and gave feedback on all 368.</p> <p>Section 8(3)(d) of the FIU Act requires the FIU to set reporting standards to be followed by financial institutions and listed businesses in furtherance of section 55(3) of the POCA. The FIU has drafted the required standards and has published same on their website for stakeholders’ comments which was received and is currently making amendments to the reporting standard before seeking further stakeholder comments. The process has been completed and published on the FIU website as “STR/SAR Reporting Guideline.” The FIU also published guidelines for Reporting Entities on the procedures for reporting terrorist funds.</p> <ul style="list-style-type: none"> <li>Section 10 of the FIA states that the Central Bank may issue guidelines on any matter it considers necessary to, inter alia, aid compliance with POCA, the ATA, or any law relating to</li> </ul>

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			<ul style="list-style-type: none"> <li>Guidelines similar to the Central Bank of T&amp;T AML/CFT Guidelines should be issued by the relevant authorities for all financial institutions and persons engaged in relevant business activity stipulated in the POCA.</li> </ul>	<p>AML/CFT. Although contravention of a guideline referred to in section 10 does not constitute an offence, the Central Bank or the Inspector of Financial Institutions may take action under section 86 of the FIA. Section 86 of the FIA gives the Inspector of Financial Institutions power to issue compliance directions or seek restraining orders for actions violating any provision of the FIA and associate regulations, measures imposed by the Central Bank or unsafe or unsound practice in conducting the business of banking. Unsafe and unsound practice is defined to include without limitation any action or lack of action that is contrary to generally accepted standards of prudent operation and behaviour. The Insurance Act also allows for compliance directions to be issued for unsafe and unsound practices.</p> <p>While the above provisions create a legal basis for the enforceability of the CENTRAL BANK OF T&amp;T AML/CFT Guidelines, effective implementation of this enforceability still has to be demonstrated by the Central Bank.</p> <p>Please see Appendix VI for information on Sanctions taken by the CBTT for the period January- July, 2013.</p> <ul style="list-style-type: none"> <li>Further it should be noted that many of the present requirements in the Central Bank's 2005 Guideline have been codified in law in the FOR 2010. The Central Bank issued a revised AML/CFT Guideline in October 2011. The Guidelines provide clarification to banks, insurance companies, insurance intermediaries, money remitters, bureau de change etc on what is required to fulfill the requirements of the FOR, ATAA, POCAA and FIUATT etc.</li> </ul> <p>The Central Bank guidelines have been revised</p>

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				<p>and reissued as of October 2011.</p> <ul style="list-style-type: none"> <li>This Financial Intelligence Unit Regulations 2011 deals with this issue.</li> <li>Central Bank's revised AML/ CFT Guideline also include money remittance businesses.</li> <li>The Board of Commissioners of the TTSEC has approved guidelines for the Securities Industry and these will be issued shortly.</li> </ul> <p>The TTSEC guidelines were publicly launched on April 23, 2012. These guidelines are available on their website at <a href="http://www.ttsec.org.tt">www.ttsec.org.tt</a></p>
<b>Institutional and other measures</b>				
26.The FIU	NC	<ul style="list-style-type: none"> <li>There is no (legally established) FIU that receives, analyses and disseminates financial information (FIU legislation not introduced to clearly indicate the powers of this entity).</li> <li>The FIU lacks the legal authority to obtain and disseminate financial information.</li> <li>Operational independence and more autonomous structure (reconsider "designated authority structure) of the FIU is needed</li> <li>The FIU does not prepare and publish periodic reports of operations, typologies, trends and its activities for public scrutiny.</li> </ul>	<ul style="list-style-type: none"> <li>Proceed quickly to enact FIU legislation. The required Legislative framework should be implemented with the view to gain membership to the Egmont Group of FIUs.</li> </ul>	<ul style="list-style-type: none"> <li>The FIUTTA has been enacted. Part III of the FIUTTA provides for the functions and powers of the FIU. These include the collection, analysis and dissemination of financial intelligence and information among local and foreign law enforcement authorities, the ability to request necessary financial information from reporting entities, the ability to share financial intelligence with local and foreign authorities, the establishment of reporting standards and the publication of annual and periodic reports.</li> </ul> <p>On July 3, 2013 at the 21<sup>st</sup> Egmont Group of FIUs Plenary in Sun City, South Africa the Financial Intelligence Unit of Trinidad and Tobago was admitted as an Egmont Group member by the Heads of FIUs.</p> <ul style="list-style-type: none"> <li>Section 18(1) of the FIUTTA requires the Director of the FIU to submit an annual report to the Minister of Finance on the performance of the FIU, including statistics on suspicious activity reports, the results of any analyses of these</li> </ul>

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			<ul style="list-style-type: none"> <li>Introduce Periodic reports prepared by the FIU in relation to its operation in order to test its growth and effectiveness. This report should also serve to show ML and TF trends.</li> <li>Consider strengthening and restructuring the staff of the FIU so as to encourage self-sufficiency and operational independence.</li> </ul>	<p>reports, trends and typologies of money laundering activities or offences.</p> <ul style="list-style-type: none"> <li>On January 27, 2012 the FIU annual reports for 2010 and 2011 were laid in the parliament of Trinidad and Tobago in accordance with section 18(2) of the FIU Act and made available to the public. The reports are also published on the FIU website <a href="http://www.fiu.gov.tt">www.fiu.gov.tt</a>. The FIUs' 2010, 2011, 2012 and 2013 Annual Reports is completed and should be available to the public and also electronic copies of the FIU Annual Reports for 2010, 2011 and 2012 can be sourced on the FIUs' website (<a href="http://www.fiu.gov.tt">www.fiu.gov.tt</a>).</li> <li>With regard to staffing, section 3(2) of the FIUTTA states as follows: <ul style="list-style-type: none"> <li>The FIU shall consist of such number of suitably qualified public officers including a Director and Deputy Director as may be necessary, for the performance of its functions and may include-</li> <li>public officers, appointed, assigned, seconded or transferred from another Ministry or statutory corporation to the FIU; and</li> <li>Officers and other persons appointed on contract by the Permanent Secretary of the Ministry of Finance.</li> </ul> </li> </ul> <p>In order to demonstrate its growth and effectiveness, checks and balances are installed at three (3) levels. Four levels <b>a) Maintenance of Statistics</b></p> <p>Section 9 of the Financial Intelligence Unit of Trinidad and Tobago Act No 11 of 2009, specifically requires the FIU to implement a system for monitoring the effectiveness of its anti-money laundering policies by</p>

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				<p>maintaining comprehensive statistics on—                      (a) suspicious transaction or suspicious activity reports received and transmitted to law enforcement;                      (b) money laundering investigations and convictions;                      (c) property frozen, seized and confiscated; and                      (d) International requests for mutual legal assistance or other co-operation.                      The above statistics will provide information regarding ML and TF trends.</p> <p><b>b) The Installation of a Reporting Mechanism within the FIU</b></p> <p>Section 18 (1) of the Financial Intelligence Unit of Trinidad and Tobago Act No 11 of 2009 requires that annual reports be prepared to capture the above information. Accordingly, the Director of the FIU shall submit within sixty days of the end of the financial year an annual report to the Minister on the performance of the FIU. This includes statistics on suspicious transaction and suspicious activities reports, the results of any analyses of these reports, trends and typologies of money laundering activities or offences.</p> <p><b>c) Accountability to Parliament</b></p> <p>Subsequently, Section 18 (2) imposes an obligation on the Minister to lay the report in Parliament within thirty days of receipt of a report from the Director.</p> <p>Section 17 (1) of the Financial Intelligence Unit of Trinidad and Tobago Act No 11 of 2009, imposes an obligation on the FIU to publish a list of the countries identified by the Financial Action Task Force, as noncompliant or not sufficiently compliant with its recommendations.</p> <p>This exercise shall be undertaken as frequently as is necessary, through the use of Notices placed in the</p>

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				<p>Gazette and in at least two newspapers in daily circulation in Trinidad and Tobago</p> <p>d) <b>Autonomy and Independence</b></p> <p>Section 22A (1) states, “The Director shall not disclose or cause to be disclosed to the Minister (Finance) or to any other person, except in accordance with this Act, the personal or financial details pertaining to an individual or business.</p> <p>The FIU budget is allocated by the Ministry of Finance for the year October 2010 to September 2011. Disbursement of funds is at the FIU’s discretion.</p> <p>From the budget year 2011 to 2012 the FIU’s budget will be reflected as a separate item in the Budget of the Ministry of Finance and the Economy. Disbursement of funds is at the FIU’s discretion. This will strengthen the FIU independence and autonomy.</p> <p>With regard to the strengthening and restructuring the staff of the FIU, Permanent positions of Director and Deputy Director have been advertised by the Public Service Commission (PSC), an independent body which has completed interviews at the end of June 2011. The PSC selection of FIU Director was vetoed and a Director has been seconded to the position of Director of the FIU for the extended period from 31st October 2011 to April 30 2012. On November 8, 2011 the PSC appointed a Deputy Director to FIUTT. The PSC has appointed a Director of the FIU retroactively from February 14, 2011.</p> <p>Job descriptions for the new positions of Director Analyst, Intelligence research specialist and Analyst have been approved by the Public Service Commission (PSC). As at January 14, 2013 the full complement of officers (6) were appointed to the Analytical Division of the FIU which comprise of (1) Director Analyst; (1) Intelligence Research Specialist; and (4) Analysts.</p>

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			<ul style="list-style-type: none"> <li>The FIU should consider publicizing periodic reports for the wider public.</li> </ul>	<p>Job description and job questionnaire for the Senior Legal Officer have been completed as well as the job descriptions of Director; Supervisor and Compliance Officers for the Compliance &amp; Outreach division of the FIU has been completed and submitted to the Ministry of Finance and the Economy in January 2012. Appointments were made during the period July to December 2012 to the positions of (1) Senior Legal Officer and compliance and Outreach Division (7) inclusive of Director, Supervisor and Compliance Officers.</p> <p>The Compliance and Legal Divisions will be further augmented by the recruitment of 5 contract officers in August 2013.</p> <p>In July and August, 2011 an Information Systems Manager and the Network Administrator were appointed to the FIU respectively. The Database Manager was appointed by the PSC in May 2012 to the FIU. The IT Division of the FIU is now fully staffed.</p> <ul style="list-style-type: none"> <li>Section 17 (1) (b) enhances public awareness and understanding of the nature of money laundering and its offences. This section imposes an obligation on the FIU to publish, periodically, information on trends any typologies of money laundering, locally and internationally, as well as appropriate statistics and any other information.</li> </ul> <p>The FIU published its 2010, 2011 and 2012 Annual Reports which are available to Financial Institutions and Listed Business and is also available on the FIUs' website for the general public. The report contains trends and typologies and statistics on the operations of the FIU. The</p>

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Forty Recommendations	Rating	Summary of factors underlying rating	Recommended Actions	Undertaken Actions								
				FIU 2012 Annual Report is completed and should be available to the public within the first quarter of 2013.In addition, there are trends and typologies of money laundering both local and foreign are also on the FIUs’ website www.fiu.gov.tt								
27.Law enforcement authorities	LC	<ul style="list-style-type: none"><li>The lack of resources is hampering the ability of Law enforcement authorities to properly investigate ML and FT offences.</li></ul>	<ul style="list-style-type: none"><li>Pay more attention to pursuing Money-Laundering offences based on received and analysed SAR’s.</li><li>The effectiveness of the system to combat AML(/CFT) offences should be improved.</li></ul>	<ul style="list-style-type: none"><li>Every detection of currency declarations above the threshold triggers an investigation by the Financial Investigations Unit of the Customs and Excise Division (FINCED)</li><li></li><li>The FIB post passage of POCAA in October 2009:<ul style="list-style-type: none"><li>Confiscation investigation (1)</li><li>Money laundering investigations (2)</li><li>Production Orders obtained under POCA (5)</li><li>Search Warrants obtained under POCA (1)</li></ul></li></ul> <p><b>On-going Money Laundering and Confiscation Investigations 2012</b></p> <table><tr><td><b>On-going ML Investigations</b></td><td><b>On-going Confiscation Investigations</b></td></tr><tr><td><b>4</b></td><td><b>0</b></td></tr></table> <p><b>Production Orders, Search Warrants and Confiscation orders obtained for 2012</b></p> <table><tr><td><b>Production Orders</b></td><td><b>Search Warrants</b></td></tr><tr><td><b>24</b></td><td><b>9</b></td></tr></table> <p><b>On-going Money Laundering and Confiscation Investigations January 2013- July 2013</b></p>	<b>On-going ML Investigations</b>	<b>On-going Confiscation Investigations</b>	<b>4</b>	<b>0</b>	<b>Production Orders</b>	<b>Search Warrants</b>	<b>24</b>	<b>9</b>
<b>On-going ML Investigations</b>	<b>On-going Confiscation Investigations</b>											
<b>4</b>	<b>0</b>											
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Forty Recommendations	Rating	Summary of factors underlying rating	Recommended Actions	Undertaken Actions																
				<table><tr><td>On-going ML Investigations</td><td>On-going Confiscation Investigations</td></tr><tr><td>0</td><td>0</td></tr></table> <p>Production Orders, Search Warrants and Confiscation orders obtained for January 2013- July 2013</p> <table><tr><td>Production Orders</td><td>Search Warrants</td></tr><tr><td>40</td><td>0</td></tr></table> <p>On-going Money Laundering and Confiscation Investigations August 2013- January 2014</p> <table><tr><td>On-going ML Investigations</td><td>On-going Confiscation Investigations</td></tr><tr><td>0</td><td>0</td></tr></table> <p>Production Orders, Search Warrants and Confiscation orders obtained for August 2013 – January 2014</p> <table><tr><td>Production Orders</td><td>Search Warrants</td></tr><tr><td>95</td><td>0</td></tr></table> <p>See Appendix IX for statistical information from the FIB.</p>	On-going ML Investigations	On-going Confiscation Investigations	0	0	Production Orders	Search Warrants	40	0	On-going ML Investigations	On-going Confiscation Investigations	0	0	Production Orders	Search Warrants	95	0
On-going ML Investigations	On-going Confiscation Investigations																			
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Forty Recommendations	Rating	Summary of factors underlying rating	Recommended Actions	Undertaken Actions
			<ul style="list-style-type: none"> <li>Enact the Police Service Reform Bill quickly in order to reform the Police Service with the view to improve efficiency and restore public trust.</li> <li>Increase involvement of the Customs and Excise Division in combating money laundering and terrorist financing</li> <li>The Customs and Excise Division should consider reviewing its policy in relation to the sharing of data.</li> </ul>	<p>Please see Appendix IX for the Investigations conducted and currently on-going by the FIB for the period August 2013- January 2014.</p> <p>Further, a procedure has been established to Identify money laundering offences and other offences from which proceeds are generated. To this end a mandatory template has been created to obtain financial information of all persons charged with a specified offence as defined in POCA. This can be accessed via a direct online database by the Financial Investigations Branch.</p> <ul style="list-style-type: none"> <li>A formal administrative review of the laws, institutions and human resource needs of the security community is being undertaken to arrive at an assessment of where assets and personnel should be deployed. This review taken in conjunction with this Recommendation would be used to strengthen the resources needed by law enforcement.</li> <li>The AML/CFT Compliance Unit of the Ministry of National Security is currently conducting an assessment of the AML/CFT architecture of Trinidad and Tobago by the use of the SIP framework. The aim of this exercise is to measure the risks of institutions being used for ML &amp; TF as well as what crime types are most likely to lead to ML and TF threats.</li> <li>The Financial Investigations Branch is the designated Unit to investigate AML/CFT matters. The FIB is now established as a unit within the Trinidad and Tobago Police Service.</li> <li>The Police Service Act was amended in 2006 (Police Services (Amendment) Act, 2007). The amended Act helps improve the efficiency within the Police Service.</li> </ul>

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			<ul style="list-style-type: none"> <li>The DPP office should continue to implement its special project on ML prosecutions.</li> </ul>	<p>The enactment of the Police Complaints Authority Act, 2006, establishes the Police Complaints Authority to regulate the members of the police service against corruption and misconduct and is an attempt to restore public trust.</p> <ul style="list-style-type: none"> <li>Throughout the year members of the Customs and Excise Division have been invited and attending workshops, training and conferences to understand their role in the AML/CFT regime and also increase their involvement in combating money laundering and terrorist financing. <ul style="list-style-type: none"> <li>GovRisk Conference 9<sup>th</sup>-13<sup>th</sup> August 2010</li> <li>UNODC Workshop 24-27<sup>th</sup> August.</li> <li>Strategic Implementation Planning Framework Workshop held on 12-15 October 2010</li> </ul> </li> </ul> <p>In addition, the Comptroller of Customs and Excise is currently a member of the National AML/CFT Committee. This allows the Customs and Excise Division to have a great input into the structuring, organizing and implementation of Trinidad and Tobago's AML/CFT Regime.</p> <ul style="list-style-type: none"> <li>The policy of the Customs and Excise Division includes the sharing of information and intelligence with approved law enforcement agencies nationally, regionally and internationally. The sharing of data is governed by existing laws and best practice, including forwarding to the Financial Intelligence Unit for analysis, all data collected from arriving passengers who have declared currency and bearer-negotiable instruments in excess of the specified sum.</li> <li><b>Under Law enforcement authorities</b>, The DPP office has implemented its special project on Money Laundering prosecutions. The office of</li> </ul>

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				<p>the DPP is engaged on an on-going basis in the prosecution of money laundering matters.</p> <ul style="list-style-type: none"> <li>Subsequent to the change in government in 2010 there has been a change in the policy of the business plan for the DPP which included Proceeds of Crime/ Money Laundering Unit. However, having regard to the need to advance investigations and prosecutions related to financial crime /money laundering, the DPP is in the process of setting up a financial crime/money laundering unit within the Office of the DPP.</li> </ul> <p>This unit will inter alia, act as a point of contact and advice for the police in respect of financial investigations and will conduct applications under POCA. The unit will consist of approximately six officers and will be formed by the end of the first quarter of 2012.</p> <ul style="list-style-type: none"> <li>Several officers of the DPPs Office have been assigned to deal with Proceeds of Crime matters. However, recruitment of further staff is still in its embryonic stage.</li> <li>The DPP Office is in the process of organizing with CPS UK (ie the Criminal Prosecution Services of the UK) to have their experts assist us in April 2013 with setting up of the Financial Crimes/Proceeds of Crime Unit and assist us with training in the same area between April and August 2013.</li> <li>CPS UK assisted in training all legal staff of the DPP's Office in Money Laundering and Asset Forfeiture in August 2013. CPS UK has indicated that they are willing to assist in regard to the establishment of the new units, including Financial Crimes/Money Laundering Unit.</li> <li>The DPP's office is currently in the process of re-</li> </ul>

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				<p>organization. As indicated previously the DPP's office Steering Committee has formulated a plan for re-structure which contemplates the setting up of Units such as the Financial /Proceeds of Crime Unit.</p> <ul style="list-style-type: none"> <li>• In keeping with the move towards re-structure the Cabinet has approved the creation of a further one hundred legal posts in the DPP's Office. These posts are soon to be advertised. This will allow for the training and allocation of prosecutors within specialist areas such as Proceeds of Crime. Further it is anticipated that the Unit will be set up within the next 3-4 months when the DPP's Office has completed the installation of a new case management system.</li> <li>• The installation of the new Case Management System will begin shortly. The system will have built into it a Proceeds of Crime element in respect to all Indictable offences. The installation of the new Case Management System should be complete before the first half of 2014.</li> <li>• The DPP's Office at this time is prosecuting one person for money laundering. This matter is at the stage of committal proceedings. Further, there is one other fraud matter being prosecuted in which it is anticipated that a further money laundering charge would be laid.</li> <li>• Furthermore, the DPP's Office is facilitating the use of Joint Investigative Teams. This insures that the FIB is being brought into investigations at an earlier stage.</li> <li>• In relation to paragraph 27 at page 9 of the 9<sup>th</sup> follow up report – Section 54 of the SA2012 requires the TTSEC's approval for any person to become the substantial shareholder of a broker-</li> </ul>

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				dealer, underwriter or reporting issuer.
29. Supervisors	NC	<ul style="list-style-type: none"> <li>The Credit Union Supervisory Unit do not have the power to compel production of or to obtain access to all records, documents or information relevant to monitoring compliance.</li> <li>The CUSU do not have the authority to conduct inspections of relevant financial institutions including on-site inspection to ensure compliance.</li> <li>Supervisors do not have adequate powers of enforcement and sanction against financial institutions and their directors or senior management for failure to comply with AML/CFT requirements.</li> </ul>	<ul style="list-style-type: none"> <li>The CUSU should have the power to compel production or to obtain access to all records, documents or information relevant to monitoring compliance</li> </ul>	<ul style="list-style-type: none"> <li>The decision has been made for the supervision of Credit Unions to fall under the remit of the Central Bank of T&amp;T. A Credit Union Bill has been drafted and is under review. It is envisaged that once this has occurred the Central Bank of T&amp;T will have the power : <ul style="list-style-type: none"> <li>To compel production or to obtain access to all records, documents or information relevant to monitoring compliance.</li> <li>To conduct inspections of relevant financial institutions including on-site inspection to ensure compliance.</li> </ul> </li> </ul> <p>Until the Credit Union Bill is passed, Credit Unions fall under the purview of FIUTT.</p> <p>Until the Act is enacted, supervision of credit unions falls to the Commissioner of Cooperatives whilst AML/ CFT supervision of the sector falls under the purview of the FIU.</p> <p>Under the draft Bill, it is proposed that a dual supervisory system be put in place so that non-financial co-operatives will continue to be supervised by the Ministry of Labour while financial co-operative societies will fall under the supervision of the Central Bank.</p> <p>A Commission of Enquiry into the failure of CLICO and HCU has been heard and it is anticipated that the Commissioner will publish a report with, inter alia, recommendations aimed at reforming the credit union industry. The Attorney General has signaled his intention to await the final report to determine whether any amendments are required to the draft bill.</p>

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			<ul style="list-style-type: none"> <li>The CUSU should have the authority to conduct inspections of relevant financial institutions including on-site inspection to ensure compliance.</li> </ul>	<p>The draft Credit Union Bill is being considered by the Legislative Review Committee of Parliament.</p> <p>The FIUTT has indicated that it has registered approximately 175 entities within the Cooperative Society which includes Credit Unions and onsite visit visits have commenced. There has been no new registration for the period Aug 2013 to Jan 2014.</p> <ul style="list-style-type: none"> <li>The CUSU ceased operation in 2006. However, the FIU Act as amended gives the FIU supervisory powers for Credit Unions. The FIU pursuant to this mandate has undertaken two (2) training seminars specifically for Credit Unions for the period Jan – Jul 2013 and conducted two (2) onsite inspections. Please see attached Appendix VIII.</li> <li>Progress has also been made by the Securities &amp; Exchange Commission with the drafting of the Securities Bill and will specifically address the absence of adequate powers of enforcement and sanctions and an effective AML/CFT supervisory compliance regime of the TTSEC (This Bill was previously scheduled for debate in Parliament, however given the change in government, the Bill lapsed and was then revised and it is now before the Technical Committee of the Ministry of Finance).</li> <li>Sections 57 &amp; 58 of the Securities Act 2012 provide for the suspension of registration, warning or censure as well as the revocation of registration of a registrant if the registrant has been convicted by a court for a contravention of the POCA or any other law in relation to the prevention of money laundering and combating</li> </ul>

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			<ul style="list-style-type: none"> <li>All supervisors should have adequate powers of enforcement and sanction against financial institutions and their directors or senior management for failure to comply with the AML/CFT requirements.</li> </ul>	<p>financing of terrorism or any other written law administered or supervised by the Commission. Sections 162, 163 also provide for the Commission to apply to the High Court for an order directing certain actions in respect of general breaches. Therefore the statement that TTSEC does not have the power to revoke at paragraph 83 at page 20 of the 9<sup>th</sup> follow up report is inaccurate.</p> <ul style="list-style-type: none"> <li>The Commission has published AML/CFT Guidelines (effective April 2012) and which are to be revised in keeping with the SA2012.</li> <li>Compliance reviews conducted under Section 89 of the SA2012 include a review to ensure compliance with any law in relation to the prevention of money laundering and combating the financing of terrorism.</li> <li>In addition to the powers listed above S89 of the SA2012 allows the commission to conduct compliance reviews to ensure compliance with the Act and any AML/CFT legislation. Where a compliance review under S89 reveals that a registrant is in breach the Commission may issue compliance directions to the registrant. Failure to respond to a compliance direction is an indictable offence under S90(8)</li> <li>Similar to Section 86 of the FIA, Section 90 of the Securities Act 2012 (SA2012) gives the CEO of the Commission the power to issue compliance directions for actions violating any provision of the Act, guidelines made thereunder and any law in relation to the prevention of money laundering and combating the financing of terrorism or unsafe or unsound practice in conducting the business of securities.</li> </ul> <p>Unsafe and unsound practice is defined to</p>



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			<ul style="list-style-type: none"><li>All supervisory authorities of financial institutions need to have systems in place for combating ML and FT and should review the effectiveness of these systems.</li></ul>	<p>include without limitation any action or lack of action that is contrary to generally accepted standards of prudent operation and behaviour.</p> <p>Compliance reviews conducted under Section 89 of the SA2012 include a review to ensure compliance with any law in relation to the prevention of money laundering and combating the financing of terrorism.</p> <ul style="list-style-type: none"><li>Section 2(1) of the FOR, 2010 defines Supervisory Authority as Central Bank of T&amp;T responsible for financial institutions and persons licensed under the FIA, IA, Exchange Control Act and Central Bank Act; T&amp;T Securities and Exchange Commission for persons licensed under the FIA and the FIU responsible for other financial institutions (Credit Unions) and listed business. This is for AML/CFT compliance.</li><li>Section 34 of POCAA identifies the FIU as the supervisory authority for Credit Unions and as such, 164 Co-operatives has since registered with the FIU. Ten (10) Outreach sessions were conducted. See table below.</li><li>For Compliance programmes received by the FIU from credit unions, see appendix IV. Since the enactment of the FIU Regulations, 2011. Compliance programmes are still being received from credit unions. The FIU has conducted two (2) onsite inspections of credit unions for the period Jul-Dec. 2012.</li></ul> <p>OUTREACH SESSIONS FOR CO-OPERATIVE SOCIETIES</p> <table><tr><th>PERIOD</th><th>No. of Attendees</th><th>No. of Sessions</th></tr><tr><td>2011</td><td>318</td><td>6</td></tr><tr><td>Jan. 2012</td><td>242</td><td>4</td></tr><tr><td>Feb –</td><td>432</td><td>5</td></tr></table>	PERIOD	No. of Attendees	No. of Sessions	2011	318	6	Jan. 2012	242	4	Feb –	432	5
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				<table><tr><td>Dec 2012</td><td></td><td></td></tr><tr><td><b>TOTAL</b></td><td><b>992</b></td><td><b>15</b></td></tr></table> <ul style="list-style-type: none"><li>Please see Appendix VIII for information on the number of sessions conducted for credit unions for the period Jan-Jul 2013.  During the period Aug 2013 to Jan 2014 the FIU held AML/CFT sessions for Compliance Officers of which Credit Union Compliance Officers attended.</li><li>The FIU Amendment Act (FIU Act (No. 2) 8 of 2011) PART IIIA created a supervisory regime for listed businesses and non-regulated financial institutions (May 5, 2011). In July 2011, the FIUTT began supervision of its supervised entities by reviewing Compliance Programmes and preparing for onsite examinations. The FIUTT has issued guidelines to its supervised entities such as: Compliance programme guidelines, CDD guidelines and proposed a draft STR/SAR reporting standards in the consultation stage. In August 2011, the FIUTT completed its Compliance Examination Manual and commenced onsite examinations. The FIUTT has for the period August 2011 to December 2012 conducted fourteen (14) onsite examinations of Listed Businesses. Based on the on-site findings, recommendations are issued to the Supervisee to address the deficiency found within the given timeframe. The FIU’s Enforcement Manual was finalized in July 2012.</li><li>During the period Jan – Jul 2013, a total of 100 warning letters (1<sup>st</sup> and 2<sup>nd</sup> warnings) were sent for failure to register, failure to submit a compliance programme and failure to submit Quarterly Terrorist Property Reports. Additionally, notices were served on a total of 14 entities and hearings were held and 14 directives</li></ul>	Dec 2012			<b>TOTAL</b>	<b>992</b>	<b>15</b>
Dec 2012										
<b>TOTAL</b>	<b>992</b>	<b>15</b>								

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				<p>were issued in accordance with Section 18G of the FIU Act.</p> <ul style="list-style-type: none"> <li>During the period Aug 2013– Jan 2014, a total of 100 warning letters (1<sup>st</sup> and 2<sup>nd</sup> warnings) were sent for failure to register, failure to submit a compliance programme. Additionally, notices were served on a total of 10 entities and hearings were held and 10 directives were issued in accordance with Section 18G of the FIU Act.</li> <li>Regulation 40 of the Financial Obligations Regulations allows Supervisory Authorities, (the Central Bank, the TTSEC or the FIU) to use the regulatory measures as outlined in the legislation that governs the supervised entities to bring about compliance with AML/ CFT requirements.</li> </ul> <p>Therefore the FIA enhances the powers of the Central Bank to enforce compliance with AML/ CFT legislation by allowing for the issuance of compliance directions. Non-compliance with the compliance direction can be enforced by court order and restraining order or other injunctive or equitable relief.</p> <p>Section 86 of the FIA gives the Inspector of Financial Institutions power to issue compliance directions or seek restraining orders for actions violating any provision of the FIA and associate regulations, measures imposed by the Central Bank or unsafe or unsound practice in conducting the business of banking. Unsafe and unsound practice is defined to include without limitation any action or lack of action that is contrary to generally accepted standards of prudent operation and behaviour. This definition allows for the Inspector of Financial Institutions to exercise the above power with regard to AML/CFT breaches.</p>

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				<ul style="list-style-type: none"> <li>• Regulation 10 (1) of the Financial Obligations Regulations inter alia requires an external auditor to review the compliance programme and in so doing evaluate compliance with relevant legislation and guidelines. The Central Bank has issued six (6) warning notices and two (2) compliance directions for failure to submit external audit reports.</li> <li>• The Central Bank has a range of sanctions available for ensuring AML/ CFT compliance. For example, the FIA enhances the powers of the Central Bank by providing for administrative fines; the enforcement of directions by court order and restraining order or other injunctive or equitable relief. Section 86 of the FIA gives the Inspector of Financial Institutions power to issue compliance directions or seek restraining orders for actions violating any provision of the FIA and associate regulations, measures imposed by the Central Bank or unsafe or unsound practice in conducting the business of banking. Unsafe and unsound practice is defined to include without limitation any action or lack of action that is contrary to generally accepted standards of prudent operation and behaviour. This definition allows for the Inspector of Financial Institutions to exercise the above power with regard to AML/CFT breaches. In addition, section 10 of the FIA gives the Central Bank the power to issues Guidelines to inter alia aid compliance with the POCA, ATA or any other written law relating to the prevention of money laundering and combating the financing of terrorism. Section 12 of the FIA also allows the Central Bank to issue a compliance direction or take any other action under section 86 for contravention of a guideline referred to in section 10.</li> </ul>

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				<ul style="list-style-type: none"> <li>Sections 23 and 24 of the FIA pertain to the restriction and revocation of a license.</li> <li>(1) The Board may revoke a license where— (g) the licensee fails to comply with a direction under section 24 or 27 or with a compliance direction issued by the Central Bank under section 86.</li> <li>Section 65 of the Insurance Act was amended by section 8 of the Insurance Amendment Act 2009. The amendment allows the Central Bank to issue compliance directions to a registrant, controller, officer, other employee, agent of a registrant etc under the Insurance Act where they have:- <ul style="list-style-type: none"> <li>committed, is committing, or is about to commit an act, or is pursuing or is about to pursue any course of conduct, that is an unsafe and unsound practice;</li> <li>committed, is committing, or is about to commit, an act, or is pursuing or is about to pursue a course of conduct, that may directly or indirectly be prejudicial to the interest of policyholders;</li> <li>violated or is about to violate any of the provisions of any law or Regulations made thereunder;</li> <li>breaches any requirement or failed to comply with any measure imposed by the Central Bank in accordance with the Act or Regulations made thereunder.</li> </ul> </li> </ul> <p>In addition to issuing compliance direction, the Central Bank may seek a restraining order or other injunctive relief. It should also be noted that compliance directions can also be issued to directors or shareholders of the banking institution or insurance company or insurance intermediary. Alternatively, the</p>

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				<p>Central Bank can take action through the Court.</p> <ul style="list-style-type: none"> <li>The Central Bank conducts on-site examination of licensed financial institutions under the FIA and insurance companies under the IA to verify inter alia their compliance with AML/ CFT requirements as mandated in law (ie. FOR and POCA) and Central Bank's guidelines. Since 2008 the Central Bank has increased its focus on AML/ CFT compliance of licensed and registered financial institutions and an AML/ CFT scope exam has been included in all on-site examinations. Based on the on-site findings, recommendations are issued to the final institution to address the deficiency found. The Central Bank is of the view that a penalties regime should be instituted for AML/ CFT compliance and is working through the National AML/ CFT Committee to determine where such a regime should be placed in law.</li> </ul>
30.Resources, integrity and training	PC	<ul style="list-style-type: none"> <li>Resources of the FIU, DPP, Customs and the Police Service are not sufficient for these agencies to perform their respective functions. More and continuous training is needed for these entities, including the Immigration service. <ul style="list-style-type: none"> <li>Staff resources of the TTSEC and CUSU are insufficient for their task.</li> <li>AML/CFT training available for supervisory staff is insufficient.</li> </ul> </li> <li>The strength and structure of the FIU is inadequate to meet its needs. <ul style="list-style-type: none"> <li>Ongoing training is necessary.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Introduce provisions for continuous training for the Designated Authority, the Training Officer and other staff within the FIU.</li> <li>Consider establishing a training program for staff of the FIU. Coordinating of workshops/ seminars.</li> </ul>	<ul style="list-style-type: none"> <li>The Customs &amp; Excise Division has continued ongoing training of officers in the detection and investigation of ML &amp; FT offences. This is evident in the recent participation of officers in IPIS – International Passenger Interdiction System hosted by the CBP in August 2013, Advance Anti-Money Laundering Workshop hosted by Arthur Lok Jack University in June 2013 and training at Redtrac.</li> <li>The FIU has a training policy (documented) which was created in December 2010 and updated annually. Additionally, financial provisions are made in the FIU's budget estimates for 2010 to 2011, 2012, 2013 and 2014 for staff training, conferences and seminars.</li> <li>Since the establishment of the FIU on February 9,</li> </ul>

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				<p>2010 members of staff have attended training workshop and training seminars:</p> <ul style="list-style-type: none"> <li>• Market Oversight in the Caribbean by CARTAC, US SEC and T&amp;T SEC, March 2010.</li> <li>• IMF-CFATF Pre Assessment Workshop, July 2010.</li> <li>• Governance, Regulation and Financial Crime Prevention Forum for the Caribbean Region August 2010.</li> <li>• Catastrophic Computer Fraud and Business Technology, August 2010.</li> <li>• Specialized Training Workshop on Prevention and Fight Against Terrorism Financing, August 2010.</li> <li>• In April 2011 4 staff members attended a Forensic and Fraud Seminar</li> <li>• In May 2011 the Director attended a Tactical Analysis Course sponsored by Egmont.</li> <li>• In July 2011 training commenced for FIU staff in Ownership and Control of business structures.</li> <li>• In August 2011, the IT Manager attended a National Cyber Security Assessment Workshop hosted by CICTE and the Ministry of National Security.</li> <li>• In August 2011 an Analyst attended a Financial Investigations Course at REDTRAC, Jamaica</li> <li>• Commonwealth Regulatory Workshop Caribbean Countries and Global Financial Regulation forum, August 2011, Trinidad and Tobago.</li> </ul> <p><b>Scheduled Training:</b> In September 2011, seven (7) FIU officers will attend a Financial Crimes training course in T&amp;T to be hosted by the Federal Investigation Bureau.</p> <p>Additionally, in September 2011, four (4) officers participated in training hosted by Trinidad and Tobago Securities and Exchange Commission in collaboration with United States Securities and Exchange</p>

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			<ul style="list-style-type: none"> <li>Improve budgetary, staffing and physical accommodation of the FIU in order to improve its capabilities.</li> </ul>	<p>Commission.</p> <p>In November 2011, four (4) FIU officers were part of an awareness session on the Anti-Gang and Data Protections Acts, held by the Law Association of Trinidad and Tobago. Further, two (2) officers participated in Symantec Endpoint awareness session.</p> <p>In December 2011, two (2) FIU personnel were exposed to awareness sessions relating to Information Technology.</p> <p>In July 2012, four (4) FIU officers attended an Anti-Money Laundering Training Seminar hosted by the CBTT/Office of Technical Assistance, US Treasury.</p> <p>In March 2013, the Senior Legal Officer attended GovRisk Training on Confiscation and Civil Forfeiture in Belize City, the Compliance Supervisor and Deputy Director attended an AML/CFT conference in Barbados hosted by CFTAF, the Compliance Supervisor attended a Conflict management training in May, 2013. A number of training sessions were attended by the IT and Administrative staff.</p> <p>In August 2013 the Senior Legal Officer was registered for the CAMS certification exam and is currently preparing for the examination in February 2014. One Analyst also attended a 2-day seminar on Human Trafficking hosted by the Counter Trafficking Unit.</p> <p>In September 2013, 4 members of the Compliance and Outreach Division attended training on Inspections &amp; Examinations hosted by the TTSEC and facilitated by the USSEC.</p> <p>The Canadian High Commission also facilitated a 2-day Programme on Tactical and Strategic Intelligence, which was attended by the Director, Deputy Director, Senior Legal Officer, the staff of the Analytical Division (6) including the Director.</p>



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				<p>The Director and Senior Legal Officer of the FIU attended a workshop on the implementation of UNSCR 1373 hosed by the UN Counter Terrorism Executive Directorate in November 2013.</p> <p>The FIU Director, the Director and Supervisor of the Compliance Division and 3 compliance officers also attended and participated in CFATF's 9<sup>th</sup> compliance conference in December 2013.</p> <p>Two (2) FIU Analysts, attended the Financial Investigations Training Course at REDTRAC Jamaica in Aug. 2013, while another two (2) attended the Intelligence Gathering and Analysis Course in December 2013. Also, in October 2013 a two (2) day refresher training session, facilitated by IBM on the rudiments and operations of the iBase and other analytical tools, was attended by all six (6) members of the Analytical Division and the Database Administrator of the FIU.</p> <p>The FIU Deputy Director attended a National Risk Assessment Workshop in December 2013 in BVI hosted by CFATF and World Bank.</p> <p><b>Autonomy</b> The FIU budget is reflected as a separate item in the 2011/2012 budget of the Ministry of Finance which establishes its autonomy.</p> <p>A Director has been seconded to the position of Director of the FIU on February13, 2011 until October 30, 2011 in the first instant, and was extended further until April 30, 2012 by the PSC after which a permanent appointment would be made by the PSC. The PSC made a permanent appointment of Director, FIU retro-active from February 13, 2011.</p>

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			<ul style="list-style-type: none"> <li>More resources (law enforcement staff) should be dedicated to investigation of ML offences.</li> </ul>	<p>In July and August, 2011 an Information Systems Manager and Network Administrator was appointed. Also three(3) Compliance Assistant have been contracted. During the period Jul-Dec, 2012 the following appointments were made to the FIU: The Analytical division of the FIUTT now comprises six (6) Analysts which are as follows: (i) Director (1); (ii) Intelligence Research Specialist (1); and (iii) Analyst (4). The Analytical division is now fully staffed. A Senior Legal officer was also appointed during the period.</p> <p><b>Pending :</b> An estimated cost for renovation works has been obtained and a Cabinet Note will be prepared for consideration and allocation for the next budget 2011 – 2012. This project has begun and is almost complete.</p> <ul style="list-style-type: none"> <li>The FIU is located at the Level 25, Tower D, International Waterfront Complex, 1A Wrightson Road, Port-of-Spain. Cabinet approval is presently being sought for the organisational structure and staffing compliment of FIU (May 2010).</li> <li>There has been a change in government and consequently the organizational structure and staffing complement of the FIU is being reviewed. It is estimated that the structure will be approved by November 2010. On 25 November 2010, Cabinet approved the organizational structure and staffing complement of the FIU.</li> <li>In August 2011 Cabinet approved the strengthening of staffing complement of the FIU with the creation of a Compliance and Outreach Division which has a staff complement of seven (7). The Analyst division of the FIU has an</li> </ul>

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				<p>approved structure of six (6) analysts. The FIU in Dec 2013 has written for Cabinet approval for an increase in staff (change the org. structure) 5 Compliance Officers, 3 Legal Officers and 2 Administrative Officers.</p> <ul style="list-style-type: none"> <li>The Financial Investigations Branch of the Special Anti-Crime Unit of Trinidad and Tobago has a current complement of seven investigators and one manager dedicated to the investigation of money laundering offences. Administratively, the FIB is an integral part of the Special Anti-Crime Unit of Trinidad and Tobago (SAUTT). SAUTT is a highly specialized and technologically advanced organization tasked with investigating crimes of National Significance which include money laundering and terrorist financing.</li> </ul> <p>This strategic administrative arrangement allows the FIB to have access to the technical and financial resources that it requires for the effective discharge of its functions.</p> <p>There has been a change in Government and consequently the organizational structure and staffing complement of the FIB is being reviewed. It is estimated that the structure will be approved by November 2010.</p> <p>The Financial Investigations Branch has been now transferred to the Trinidad and Tobago Police Service. The FIB is currently housed at the old SAUTT Headquarters and the resources of the former unit are now being used by the re-established FIB.</p> <p>There is currently 20 staff members within the FIB, 10 are regular serving officers with the highest rank being Superintendent, there are 8 special reserve officers and 2 civilians (1 analyst</p>

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				<p>and 1 clerk).</p> <p>There is currently 24 staff members within the FIB.</p> <table><tr><td>Director</td><td>1</td></tr><tr><td>Assistant Director</td><td>1</td></tr><tr><td>Investigators</td><td>18</td></tr><tr><td>Clerk</td><td>1</td></tr><tr><td>Analyst</td><td>2</td></tr><tr><td>Driver</td><td>1</td></tr></table> <ul style="list-style-type: none"><li>Financial Investigations Course delivered by the Office of Technical Assistance of the US Embassy in conjunction with the Executive of the TTPS and the Ministry of National Security.</li><li>Three (3) FIB personnel completed a two (2) week training on Money Laundering an Anti-Terrorist Financing at REDTRAC IN Jamaica.</li><li>Ten (10) FIB personnel completed a United States Department of State, International Narcotics and Law Enforcement Bureau, Federal Bureau of Investigations in collaboration with the TTPS Training in Gang Investigation and Practicum.</li><li>Personnel from FIB attended a lecture giving by personnel from the DPP’s office in January 2014 with respect to investigative procedures in Money Laundering offences. The DPP’S office has indicated a willingness to continue such lectures.</li><li>The Deputy Director attended the DEA’s 19<sup>th</sup> Annual Drug Commanders Conference in Aruba, March 3-7, 2013.</li><li>United Nations Convention against Corruption</li></ul>	Director	1	Assistant Director	1	Investigators	18	Clerk	1	Analyst	2	Driver	1
Director	1															
Assistant Director	1															
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			<ul style="list-style-type: none"> <li>• Immigration should also be included in AML/CFT training or awareness programs.</li> <li>• Provide training to specific Customs Officers for future attachment to the FIU.</li> <li>• Address quickly the current shortage of staff at the Customs Division to enhance efficiency.</li> </ul>	<p>(UNCAC) Peer Review of Trinidad and Tobago's implementation took place September 2-5th at the Attorney General's Office. Officers of the FIB attended the review and gave a "comprehensive presentation", followed by "high level discussions" which "proved to be extremely valuable to the Review process".</p> <ul style="list-style-type: none"> <li>• Ag. Supt. Attended 31st International Economic Crime Symposium, Cambridge, UK FROM September 01-10th 2013.</li> <li>• Firearm Training Course attended by Three (3) FIB personnel at the Inter Agency Task Force (IATF) on 30th September – 4th October, 2013.</li> <li>• Four (4) FIB personnel participated in the Gang Investigations and Prosecutions course Pt. 2&amp;3 with Gillian Lucky facilitated through the US Department of State, International Narcotics and Law Enforcement Bureau, and the FBI in collaboration with the TTPS at the Police Academy on 17-23rd November 2013</li> <li>• Financial Intelligence Unit (FIU) in conjunction with the Canadian High Commission hosted a 2-day AML/CFT Workshop on September 26-27th on Tactical and Strategic Analysis, Stages of the Intelligence Process and Forensic Accounting.</li> <li>• Four (4) FIB personnel attended a Federal Bureau of Investigations (FBI) two-week training course on Intelligence for Organized Crime at the Police</li> </ul>

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			<ul style="list-style-type: none"> <li>• Provide further training to Prosecutors, Magistrates and Judges to broaden their understating of the relevant legislations.</li> <li>• Give considerable attention to Staffing constraints faced by the Magistracy and the Office of the DPP.</li> </ul>	<p>Academy from 2-6th December 2013.</p> <ul style="list-style-type: none"> <li>• Two (2) FIB personnel attended a Statement Analysis course at the Police Academy from 2-6th December 2013 coordinated by the Drug Enforcement Administration (DEA) of the United States of America.</li> <li>• One (1) FIB personnel attended a two-week training course on Initial Investigations hosted by the National Security Training Agency.</li> <li>• Induction training in Financial Investigations for seven (7) inductees at the FIB office in December 2013.</li> </ul> <p>The Immigration Division was invited to attend a course in Financial Investigations at the Financial Intelligence Unit from March 3 to 16, 2012.</p> <ul style="list-style-type: none"> <li>• At present, staff members at the Customs and Excise Division have access to Certified Fraud Detection and Investigations training and also training on financial investigating.</li> <li>• The Customs and Excise Division currently has the adequate training and internal capacity to carry out their functions.</li> <li>• The Customs and Excise Division for the period Aug 1,2013 – January 2014 four (4) Customs &amp; Excise investigators have attended three (3) workshops/training courses as follows:</li> </ul> <p>1. Mr. Richard Smith &amp; Ms. Wendy Solomon attended the Tactical and Strategic Analysis Workshop hosted by Canadian HC &amp; FIU</p> <p>2. Mrs. Selma-Ramlal-Balchan &amp; Mr. Richard Smith</p>

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			<ul style="list-style-type: none"> <li>The TTSEC and CUSU should review their staffing requirements and consider appropriate AML/CFT training in the event of being designated the AML/CFT authority for their licensees.</li> </ul>	<p>attended a FIU hosted workshop in November, 2013.</p> <p>3. Mr. Zaid Mohammed currently at Financial Investigation Course at Caribbean Regional Drug Law Enforcement Training Centre, Jamaica (Feb. 17-28, 2014).</p> <ul style="list-style-type: none"> <li>A specialized workshop on the Prevention and fight against Terrorism Financing hosted by the <b>United Nations Office on Drugs and Crime</b> (UNODC) was held from 24 to 27 August 2010, this was attended by prosecutors and judges.</li> <li>During March 2008, a business plan for reform in the DPP's office which contemplated the setting up of a specialist Proceeds of Crime/Money laundering Unit. This was submitted to the Attorney General and is receiving favourable consideration.</li> <li>In May 2010 there was a change in government and there is now a review of the staffing requirements and appropriate training needed. It is expected to be completed by December 2010.</li> <li>The DPP's office has been invited to participate in training to be conducted by the US Department of Treasury, OTA. Training of the prosecutors is expected to take place during the court vacation. The DPP has agreed that prosecutors who have been selected to form the financial crimes unit will be assigned to participate in this training course.</li> <li>The Office of the DPP is committed to the development of the money laundering/proceeds of crime portfolio. In 2012, participants from the DPP's office also attended the annual compliance conference, technical training hosted by the FIU, a forum on money laundering hosted by CFATF and a proceeds of crime/ anti-money laundering</li> </ul>

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				<p>seminar in Jamaica. In 2013, CPS UK assisted in training all legal staff of the DPP's Office in Money Laundering and Asset Forfeiture. The Deputy DPP also attended a World Bank risk assessment workshop in the BVI. Several other officers from the DPP's office also attended a AML/CFT seminar hosted by the FIU.</p> <p>Please see Appendix X for information on the staffing of the Magistracy as of 2013.</p> <ul style="list-style-type: none"> <li>• In keeping with the restructure and re-organization of the office ALL staff members are currently receiving training relative to Proceeds of Crime . This training was with a view to exposing the prosecutors to the financial component of crime and the need to pursue the confiscation of assets.</li> <li>• In this regard all Prosecutors in the DPP's Office received training in the Proceeds of Crime matters in the week of 12 to 16 August, 2013.</li> <li>• This training was arranged by the Criminal Justice Advisor from CPS, UK and is being conducted as part of the Criminal Justice Project funded by the Government of Canada.</li> <li>• The DPP's office has also been in contact with a representative from the DPP, Jamaica and has offered assistance to the DPP's office, Trinidad. Permission from the DPP Jamaica has been granted to invite two prosecutors from Trinidad to attend a Financial Crime/Proceeds of Crime training course in Jamaica in March 2012.</li> <li>• The TTSEC is currently reviewing its organizational structure. A staffing assessment and training recommendations will flow from this</li> </ul>



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				<p>exercise and will take into account the duties of the Commission as a Supervisory Authority</p> <p>Some of the members of staff of the TTSEC have been trained to perform on-site inspections.</p> <p>The TTSEC is governed by a Board of Commissioners exercising independent judgment over all matters. The Commission is currently engaged in a strategic planning exercise which will address issues such as staffing and structure. Members of staff received training from various sources on AML-CFT and the US Office of Treasury has approached the Commission with an offer of Technical Assistance which is being further explored. Technical ability is being developed.</p> <p>In 2012 the Commission made arrangements for six (6) members of staff to attend AML/CFT training. In April 2012 the Commission also launched its AML/CFT Guidelines. The Enforcement arm of the Division of Legal Advisory and Enforcement has staff members with AML/CFT training. In addition the Commission has established a cross functional working group for AML/CFT issues and intends to begin the development of a compliance unit during the course of this year.</p> <p>The Commission has established a cross functional working group for AML/CFT issues and several members of staff have received training in this area through attendance at conferences and workshops hosted by ACAMS, CFATF and the FIU.</p> <p>The mandate of maintaining AML/CFT compliance with the FATF Recommendations was transferred from the Strategic Services Agency to the AML/CFT Compliance Unit of the Ministry of National Security in March 2010. This unit is staffed with a Director,</p>

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				<p>Deputy Director, Legal Officer, Research Officer and Operations officer.</p> <p>Members have completed training in ACAMS and also attained the Florida International Bankers Association (FIBA) Anti-Money Laundering Certified Associate (AML CA) qualifications.</p> <p>The following training conferences were attended by members of the Unit:</p> <ul style="list-style-type: none"> <li>• UNODC workshop on international cooperation and terrorist financing, October 2010, Montego Bay</li> <li>• Caribbean AML/CTF Financial Crime Conference: A PRACTICAL APPROACH</li> <li>• February 3-4, 2011, San Juan, Puerto Rico</li> <li>• ACAMS 10th Annual AML &amp; Financial Crime Conference ARIA Las Vegas, Nevada, September 19-21, 2011</li> <li>• 7th Annual AML/Compliance and Financial Crime Conference Grand Cayman Marriott Beach Resort, George Town, Grand Cayman OCTOBER 13-14, 2011</li> </ul> <p>In addition, the Compliance Unit of the Ministry of National Security in collaboration with the US Office Technical Assistance hosted and attended the Financial Investigation Training Course for public AML/CFT stakeholders in March 2012.</p> <p>AML/CFT Compliance Unit staff training:-</p> <ul style="list-style-type: none"> <li>• Member of the AML/CFT Compliance Unit of the Ministry of National Security attended the ACAMS money laundering.com 18<sup>th</sup> Annual International AML &amp; Financial Crime Conference.</li> <li>• The Legal Executive attended the Trinidad and Tobago Transparency Institute Anti-Corruption</li> </ul>

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				<p>Conference entitled: "Regulating Against Opportunities for Corruption which was held on March 8<sup>th</sup>, 2013.</p> <p>AML/CFT Compliance Unit staff training:-</p> <p>September 20, 2013-Inspections and Compliance Seminar, with the Trinidad and Tobago Securities and Exchange Commission with support from the United States Securities and Exchange Commission.</p> <p>November 22-24, 2013- Commonwealth/CTED Regional Workshop on the freezing requirements pertaining to Security Council Resolution 1373 (2001) held in the Bahamas.</p> <p>December 2-3, 2013- 9<sup>th</sup> CFATF Conference on Anti-Money Laundering and Combating the Financing of Terrorism will be held in Trinidad.</p> <p>December 9-10, 2013- Regional National Risk Assessment Workshop held in the Virgin Islands</p> <p>January 20-24, 2014- CFATF Assessor Training held in Jamaica</p>
31.National co-operation	PC	<ul style="list-style-type: none"> <li>NAMLC is not yet fully operational.</li> <li>No MOU's for cooperation between supervisors and other competent authorities, which affects the level of cooperation.</li> </ul>	<ul style="list-style-type: none"> <li>The T&amp;T authorities should consider instituting the legal framework necessary to formalise the National Anti- Money Laundering Committee. This Committee should be given legal responsibility to gather competent authorities regularly in order to develop and implement policies and strategies to combat ML and FT. The Committee should also be given responsibility for sensitising the general public about T&amp;T ML measures and encourage compliance with the relevant legislations.</li> </ul>	<ul style="list-style-type: none"> <li>Since its inauguration in May 2006 the AML/CFT committee has been reporting periodically to Cabinet on steps being taken during intercessional meetings to implement the Recommendations made in Trinidad and Tobago's Mutual Evaluation Report.</li> </ul> <p>During 2007 the focus of the Committee was in the area of legislative drafting with support from the Chief Parliamentary Office. Additionally, the FIU reported to the Committee on a regular basis on its outreach initiatives with banks, insurance companies and other members of the regulated sectors.</p>

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				<p>In 2008 the Chair presented to the Committee for adoption and subsequent ratification by Cabinet:</p> <ol style="list-style-type: none"> <li>i. A suggested text for a National AML/CFT Policy</li> <li>ii. A suggested text for a National AML/CFT Strategy comprising the elements of public outreach, national awareness and training, risk base approach, strengthening of law enforcement, promoting relationships with the CFATF and regional and international affiliates etc.</li> </ol> <p>The policy was approved by Cabinet and has been published.</p> <ul style="list-style-type: none"> <li>▪ Canvassing with the relevant Ministerial Team for Government policy and legislative enactment.</li> <li>▪ Advocating on the committee's behalf with the Prime Minister and Prime Contact for expediency in recommendation implementation.</li> <li>▪ Making representations to Cabinet for the full staffing of the Prime Contact's Secretariat so that the Committee's work could be appropriately buttressed by a full time team of legal research experts.</li> </ul> <ul style="list-style-type: none"> <li>• Making appropriate representations with line Ministries for the strengthening of representation on the AML/CFT Committee.</li> <li>• Negotiating with the CFATF assistance from international bodies such as the IMF/World Bank and CARTAC.</li> <li>• Engagement of a full time legal drafting expert to promote the committee's legislative agenda in accordance with the Strategy priorities.</li> </ul>

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				<p>The AML/CFT Committee have been reconstituted which includes a broader cross-section of stakeholders within the AML/CFT community. The Committee's terms of reference have been revised. This is attached for consideration.</p> <p>The AML/CFT Committee has conducted the following activities since being reconstituted in November 4th, 2010:</p> <ul style="list-style-type: none"> <li>• Contributed to the SIP framework which will assist by prioritising and sequencing the implementation of mutual evaluation report recommendations, on the basis of identified money laundering risks/vulnerabilities</li> <li>• Attended monthly Committee meetings where issues are addressed on implementation of Trinidad and Tobago AML/CFT regime.</li> <li>• Discussed and strategized on ways to deal with emerging money laundering trends.</li> <li>• Formed three working groups (Legal, Implementation/Analysis and Supervision) to coordinate and complete specified projects highlighted by the National AML/CFT Committee as agreed to in their monthly meetings.</li> <li>• Reviewed the Financial Intelligence Unit (FIU) Act, The Anti-Terrorism Act, and The Financial Obligations (Financing Terrorism) Regulations 2011</li> <li>• Reviewed the Financial Obligations Regulations through the Committee Supervisory Working Group to discuss concerns raised by financial institutions and listed businesses and formulate guidance and policy where necessary.</li> <li>• Secured AML/CFT technical assistance from the U.S. Treasury's Office of Technical Assistance (OTA) Economic Crimes program.</li> <li>• Considered a draft policy for the adoption of a</li> </ul>

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			<ul style="list-style-type: none"> <li>Trinidad and Tobago should consider introducing MOU's between the Central Bank Of T&amp;T, the TTSEC and the Designated Authority / FIU of Trinidad and Tobago, which would enable them to cooperate, and where appropriate, coordinate domestically with each other concerning the development and implementation of policies and activities to combat money laundering and terrorist financing</li> <li>Co-operation amongst law enforcement and other competent authorities could be improved. Competent authorities need to be more proactive in their approach as contact is presently maintained in a haphazard manner, in particular when a need arises.</li> </ul>	<p>civil forfeiture regime in Trinidad and Tobago which was prepared by its Technical Arm, the AML/CFT Compliance Unit.</p> <ul style="list-style-type: none"> <li>Section 8(2) of the Financial Institutions Act 2008 allows the Central Bank Of T&amp;T to share information with the designated authorities under the POCA, as part of the fight against money laundering and terrorist financing. This will address the recommended action of setting up MOU's among the designated authorities.</li> <li>Section 8(3) of the FIA also stipulates that the Central Bank may enter into a Memorandum of Understanding (MOU) with the Deposit Insurance Corporation, other regulatory bodies and the designated authority (FIU) with respect to information sharing. The Central Bank already has in place a multilateral MOU in order to share information with other regional regulators. The Central Bank is also currently considering a draft MOU between the Central Bank and the FIU.</li> </ul> <p>Discussions on the formulation of the MOU are still on-going with both parties.</p> <ul style="list-style-type: none"> <li>The Securities Act 2012 (SA2012) provides for information sharing between the TTSEC and Central Bank or any other agency which exercises regulatory authority under law. It also permits information sharing with specified foreign entities.</li> <li>Section 19 of the SA2012 provides for information sharing between the Commission and Central Bank, FIU or any other agency which exercises regulatory authority under law. It also permits information sharing with specified foreign entities.</li> </ul>

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				<ul style="list-style-type: none"> <li>• In June 2013, Trinidad and Tobago, through the TTSEC, became a Full Signatory to the IOSCO MMOU Concerning Consultation and Cooperation and the Exchange of Information (MMoU).</li> <li>• On January 6, 2014, the TTSEC/CBTT signed an MOU for sharing of information and a similar MOU is to be signed with the FIU in early 2014.</li> <li>• The Central Bank signed a MOU with the TTSEC effective November 26, 2014. A draft MOU between Central Bank and the FIU is in advanced stages.</li> <li>• The Securities Act 2012 (SA2012) provides for information sharing between the TTSEC and Central Bank or any other agency which exercises regulatory authority under law. It also permits information sharing with specified foreign entities.</li> <li>• Section 19 of the SA2012 provides for information sharing between the Commission and Central Bank, FIU or any other agency which exercises regulatory authority under law. It also permits information sharing with specified foreign entities. Discussions and drafting are in the advanced stages with a view towards finalizing MOUs with the Central Bank and FIU. In December 2012 the Commission submitted its re-application to IOSCO to become an A-List signatory to the IOSCO MOU which governs information sharing with appropriate measures for confidentiality. The Commission is currently awaiting feedback on the status of its application.</li> <li>• With the enactment of FIU (Amendment) (No.</li> </ul>

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			<ul style="list-style-type: none"> <li>The composition of the FIU could be expanded to include personnel from different relevant entities, which would not only strengthen cooperation but also enhance the human resource capability of the FIU.</li> </ul>	<p>2), 2011, the definition of “law enforcement authority” has been expanded to include:</p> <ul style="list-style-type: none"> <li>- Comptroller of Customs and Excise</li> <li>- Chairman of the Board of Inland Revenue (BIR)</li> <li>- Chief Immigration Officer</li> </ul> <p><b>NB.</b> The Commissioner of Police was identified as Law Enforcement Authority in the FIU Act of 2009.</p> <ul style="list-style-type: none"> <li>• Consultations have been held with the Comptroller of Customs and Excise, Chairman BIR and Financial Investigations Branch (FIB) with a view to holding regular monthly meetings. The first of such meetings was held in August 2011, with the FIB. The last Wednesday of every month has been set aside for this meeting. At the last meeting of the LEAs in January 2012 a decision was taken to have the monthly meetings on the first Wednesday of every month. Arrangements are being made to meet with the Chief Immigration Officer.</li> </ul> <p>For the period July to December 2012, the FIU, Customs, Immigration, DPP, FIB, Criminal Tax Investigations Unit and BIR held 4 meetings in which they discussed SARS and the coordination of work.</p> <ul style="list-style-type: none"> <li>• MOU's/Letters of Exchange between law enforcement authorities, have been drafted.</li> <li>• The FIU and the Central Bank held its first meeting in August 2011 to discuss the approval of compliance programme of Financial Institutions and has commenced quarterly meeting of Supervisory Authorities with the most recent meeting being held in July 2013.</li> <li>• In May 2010 the FIU signed an MOU with the Criminal Tax Investigation (CTIU). In April 2011 one (1) request for information was received from CTIU and the request was satisfied</li> </ul>



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				<p>In January 2012 the FIU received correspondence from the Chairman of the BIR outlining the standard operating procedures for the receipt of analysed reports from the FIU and the investigation and subsequent feedback by the BIR.</p> <p>In October 2010 the Permanent Secretary of the Ministry of Finance approved the Exchange of Letter whereby the Customs &amp; Excise Division will exchange relevant data with the FIU on cross-border currency declaration and cash seizures in accordance with the laws of Trinidad and Tobago. The structure and format of receiving the information is currently being addressed. In November 2010 the FIU under this agreement made a request for data on all cash seizures at Customs and Excise for 2010 and this request is currently being processed.</p> <p>An MOU was drafted with a view to allowing the FIU to obtain access to information held at the Registrar General's Department.</p> <p>An MOU was established between the FIU and Registrar Generals Department (RGD) in February 2011. As a consequence the FIU has direct access to information on all business entities, property ownership and personal bio-data.</p> <p>Section 15 of FIU Act requires the Director of FIU to submit a report to the CoP after analysis of STR/SARs. A policy directive was established by the CoP via departmental order being issued in November 2010 for the investigation of all reports sent to the CoP from the FIU. A breach of the Departmental Order is an offence under the Police Service Act and the Financial Intelligence Unit Act.</p>

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				<ul style="list-style-type: none"> <li>Section 3(2)(a) and (b) of the FIU Act identifies the staff composition of the FIU as public officers, appointed, assigned, seconded or transferred from another Ministry or statutory corporation to the FIU; and officers and other persons appointed on contract by the Permanent Secretary of the Ministry of Finance.</li> </ul> <p>Members of the Counter Drug and Crime Task Force have been transferred to the FIU and FIB. At present the FIU is carrying out the administrative role (collection, analysis and dissemination of intelligence and information) and supervising non-regulated financial institutions and listed business for compliance with ML/FT while the FIB is currently dedicated to the investigation of all financial crimes, in particular, money laundering and terrorist financing.</p> <p>A Memorandum of Understanding between the Registrar General of the Republic of Trinidad and Tobago, Ministry of Legal Affairs and the Commissioner of Police, Ministry of National Security of the Republic of Trinidad and Tobago for sharing information relating to Vital Events, Property Ownership and Incorporated Companies and Registered Businesses has been established. Monthly meetings with the FIU has also been established, in collaboration with Customs and Excise, Inland Revenue, Immigration, Criminal Tax and the office of the DPP where financial offences are usually discussed. Meetings are also held with the DEA to collaborate as well as share information on vital targets.</p>
32.Statistics	PC	<ul style="list-style-type: none"> <li>There is no Review of effectiveness of AML/CFT systems on a regular basis.</li> </ul>	<ul style="list-style-type: none"> <li>Review of the effectiveness of the FIU systems to combat ML and FT should be more thorough and</li> </ul>	<ul style="list-style-type: none"> <li>Section 9 of the FIUTTA for the FIU to</li> </ul>

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			<p>should produce more tangible results also with regard to other relevant stakeholders involved.</p> <ul style="list-style-type: none"> <li>Measures should be instituted to review the effectiveness of T&amp;T's money laundering and terrorist financing systems.</li> </ul>	<p>implement a system for monitoring the effectiveness of its anti-money laundering policies by maintaining comprehensive statistics on suspicious transaction or suspicious activity reports received and transmitted, money laundering investigations and convictions, property frozen, seized and confiscated and international requests for mutual legal assistance or other cooperation</p> <ul style="list-style-type: none"> <li>Under the Miscellaneous Provisions (Financial Intelligence Unit of Trinidad and Tobago and Anti-Terrorism) Act, Act no. 14 of 2012 section 10 of the FIU Act has been amended to allow the FIU to receive suspicious transaction or suspicious activity reports or information from financial institutions or listed businesses under the Act or under the Anti-Terrorisms Act. By the inclusion of STRs and SARs on the Anti-Terrorism Act, the statistics on the financing of terrorism will be included and as such the FIU will be able to review the effectiveness of its systems to combat ML and FT.</li> </ul> <p>Please see attached at Appendix XI for the Miscellaneous Provisions (Financial Intelligence Unit of Trinidad and Tobago and Anti-Terrorism) Act, Act no. 14 of 2012</p> <ul style="list-style-type: none"> <li>The Central Bank maintains statistics on on-site examinations and requests for assistance.</li> <li>The FIU Act (amendment No. 2) established a supervisory powers and sanctions to be exercised by the FIU in May 2011. The FIU developed procedures for examinations for AML/CFT compliance and began onsite examination of its</li> </ul>

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				<p>Supervised Entities in August 2011. For the period August 2011 to February 2012 the FIU has conducted six (6) onsite examinations for AML/CFT compliance. For the period Mar – Dec 2012, the FIU has conducted 8 onsite examinations of listed businesses. For period Jan-July 2013, the FIU has conducted 17 on-site examinations. For period Aug – Jan 2014, the FIU has conducted 38 on-site examinations.</p> <p>STR/SARs received: For the period Oct 1st, 2010 to Sept. 30th 2011: 303 were received. For the period: Oct. 01, 2011 to Sept. 30 2012: 258 STRs/SARs were received, making a total of 672 STRs/SARs received.</p> <p>For the period Jan-July 2013 the FIU received 329 STRs/SARs.</p> <p>For the period Aug. 2013 to Jan. 2014 the FIU received 368 STRs/SARs.</p> <ul style="list-style-type: none"> <li>July to Dec 2012 a total of 171 STRs/SARs were received, 90 were from Financial Institutions (FI) and 129 81 from Listed Businesses (Supervised Entities). Of the 171 received, all STRs/SARs were subject to preliminary analysis, 19 were passed to Law Enforcement for investigations and 104 Closed. Comprehensive analysis is being done on STRs/SARs presently.</li> <li>Aug. 2013 to Jan. 2014 a total of 368 STRs/SARs were received, 148 were from Financial Institutions (FI) and 220 from Listed Businesses (Supervised Entities). Of the 368 received, all STRs/SARs were subject to preliminary analysis. After in-depth analysis of the STRs/SARs, 43 Intelligence Reports were</li> </ul>

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			<ul style="list-style-type: none"> <li>T&amp;T should also review the effectiveness of its system with regard to AML (CFT) extradition cases based on statistics and on a regular basis.</li> </ul>	<p>disseminated to Law Enforcement for investigations and 219 Closed. Comprehensive analysis is being done on 106 STRs/SARs presently.</p> <p>Please see Appendix I, II, III, IV, V and VI for statistical information on the work of the FIUTT and CBTT.</p> <p>Please see Appendix XI for information on Mutual Legal Assistance requests sent and received for the period August 2013- January 2014.</p> <p>Please see Appendix XII- XV for statistical information on the work of the Customs and Excise Division.</p>
33. Legal persons – beneficial owners	PC	<ul style="list-style-type: none"> <li>Competent authorities have access to information stored by the Registrar of Companies, however it could not be ascertained if adequate, accurate and current information on beneficial ownership and control of legal persons is maintained in Trinidad and Tobago.</li> </ul>	<ul style="list-style-type: none"> <li>It is recommended that Trinidad and Tobago authorities undertake a comprehensive review to determine ways in which it can ensure itself that adequate and accurate information on beneficial ownership may be available on a timely basis.</li> </ul>	<ul style="list-style-type: none"> <li>Under Legal persons – beneficial owners, Input from the registrar of companies is being sought in considering the way forward. The FIB is able to access the Registrar General's Office for information by virtue of a MOU which was agreed upon by the FIB and the Registrar General.</li> <li>The FIU and the Registrar General's Office have entered into an MOU making the exchange of information in respect of beneficial owners easier and accessible on a timely basis. Furthermore, the Registrar General's has computerised their information system thereby making access to information easier.</li> <li>The Registrar General, by way of Memorandum dated November 14, 2013 stated that the provisions of the Companies Act which ensure that the Companies Registry information regarding beneficial ownership is adequate, accurate and current were being enforced and that sanctions were being imposed upon companies</li> </ul>

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				which failed to comply. As at the date of the Memorandum, over 78% of companies were in compliance.
34. Legal arrangements – beneficial owners	NC	<ul style="list-style-type: none"> <li>There is no mechanism to prevent the unlawful use of legal arrangements in relation to money laundering and terrorist financing by ensuring that its commercial, trust and other laws require adequate transparency concerning the beneficial ownership and control of trusts and other legal arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>The T&amp;T authorities should take steps to implement a mechanism to prevent the unlawful use of legal arrangements in relation to money laundering and terrorist financing by ensuring that its commercial, trust and other laws require adequate transparency concerning the beneficial ownership and control of trusts and other legal arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>In the Financial Obligations Regulations 2010 “beneficial owner” means the person who ultimately owns and controls an account, or who exercises ultimate control over a legal person or legal arrangement; and “legal arrangement” includes an express trust.</li> <li>Section 12 (1), (2), (3) &amp; (4) of the Financial Obligations Regulations set out a mechanism in order to capture information on beneficial owners, maintain records and a reporting function to the FIU in the case of suspicious activity</li></ul> <p>It is proposed that:</p> <p>Under the interpretation section referring to an Accountant, an Attorney-at-Law or other independent Legal Professional, the following will be included when the Schedule is amended :-</p> <ul style="list-style-type: none"> <li>management of securities account and the creation, operation or management of legal persons or arrangements by accountants,</li> <li>attorneys at law and independent legal professionals, and</li> <li>under Trust And Company Service Providers, acting as (or arranging for another person to act as) a trustee of an express trust</li></ul> <p>be included in amendments to the First Schedule of POCA as discussed above.</p> <p>For this Amendment to be done on the First Schedule of POCA, the Minister may by Order subject to an affirmative resolution of Parliament, amend the Schedule. The Compliance Unit is preparing the policy for the approval of Cabinet. This will be submitted to Cabinet by November 2012.</p>

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International Co-operation				
35.Conventions	NC	<ul style="list-style-type: none"> <li>The relevant international conventions have not been implemented extensively.</li> </ul>	<ul style="list-style-type: none"> <li>The T&amp;T authorities may wish to continue taking steps towards enacting an Anti-Terrorism Bill and sign and ratify the United Nations International Convention for the Suppression of the Financing of Terrorism.</li> </ul>	<ul style="list-style-type: none"> <li>The UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances was Ratified on 17 February 1995</li> <li>The United Nations International Convention for the Suppression of the Financing of Terrorism has been acceded on the 3 September 2009.</li> <li>Trinidad and Tobago signed the United Nations Convention against Transnational Organized Crime (the "Palermo Convention") on September 26, 2001 and ratified in November 6, 2007.</li> <li>Trinidad and Tobago acceded to the International Convention for the Suppression of the Financing of Terrorism (the "Terrorist Financing Convention") on September 23, 2009.</li> <li>Trinidad and Tobago signed the Inter-American Convention against Terrorism on October 2, 2002 and ratified it on November 14, 2005.</li> <li>The Anti-Terrorism (Amendment) Act, 2010 was assented to on the 21st January 2010 and effect of criminalizing the financing of terrorism</li> </ul> <p>No further action is to be taken under this recommendation</p>
36.Mutual legal assistance (MLA)	LC	<ul style="list-style-type: none"> <li>There are no mechanisms currently in place that deals with conflicts of jurisdiction.</li> <li>Also, dual criminality is required in order to render mutual legal assistance. This would make mutual legal assistance on TF almost impossible</li> </ul>	<ul style="list-style-type: none"> <li>T&amp;T Should introduce legislation that deals with conflicts of jurisdiction. Also, dual criminality is required in order to render mutual legal assistance.</li> </ul>	<ul style="list-style-type: none"> <li>The concern of the examiner in respect of dual criminality is that dual criminality is required to render mutual legal assistance and as such in the absence of the criminalization of the financing of terrorism this is impossible. This concern is now addressed given the fact that the financing of terrorism is an offence by virtue of the Anti-Terrorism Amendment Act 2010.</li> </ul>

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37.Dual criminality	LC	<ul style="list-style-type: none"> <li>Mutual legal assistance is not generally rendered in the absence dual criminality. However the authorities try and assist if they are able to obtain a voluntary statement.</li> </ul>	<ul style="list-style-type: none"> <li>Dual criminality is required in order to render mutual legal assistance (TF not available).</li> </ul>	<ul style="list-style-type: none"> <li>This concern is now addressed given the fact that the financing of terrorism is an offence by virtue of the Anti-Terrorism Amendment Act 2010.</li> </ul>
38.MLA on confiscation and freezing	LC	<ul style="list-style-type: none"> <li>Financing of terrorism is not an offence and therefore not a predicate offence<sup>2</sup>.</li> </ul>	<ul style="list-style-type: none"> <li>Trinidad &amp; Tobago should strongly consider implementing legislation that would give greater effect to confiscation, seizing and freezing ability with regard to requests for assistance from foreign countries.</li> <li>The asset forfeiture fund should be clearly established and utilized in T&amp;T.</li> </ul>	<ul style="list-style-type: none"> <li>Terrorist Financing is an indictable offence and the powers of seizing and freezing sets out under POCA amendment 2009 will apply</li> <li>A Seized Assets fund is prescribed in POCA. This Fund is already in existence and is maintained by the Comptroller of Accounts. The outstanding implementation aspect is that of the administration of the Fund by the Seized Assets Committee.</li> </ul> <p>In accordance with the provisions of POCA, the Minister with responsibility for Finance is engaged in the process of making regulations for the appointment of a seized assets committee which will administer the seized asset fund in accordance with POCA.</p> <p>The policy to guide the Seized Assets Committee regulations has been approved by Cabinet. The Attorney General's Office is scheduled to begin drafting soon.</p>
39.Extradition	LC	<ul style="list-style-type: none"> <li>T&amp;T would be unable to extradite a fugitive for an offence relating to terrorist financing and piracy as such offences don't exist in T&amp;T legislation.</li> </ul>	<ul style="list-style-type: none"> <li>Dual criminality is required in order to affect extradition (TF not available).</li> </ul>	<ul style="list-style-type: none"> <li>As previously indicated, piracy is a common law offence and the financing of terrorism is an offence by virtue of the Anti-Terrorism Amendment Act 2010.</li> </ul>
40.Other forms of co-operation	PC	<ul style="list-style-type: none"> <li>The FIU has not established any effective gateways to facilitate the prompt and</li> </ul>	<ul style="list-style-type: none"> <li>The T&amp;T authorities may wish to implement Legislations to enable Law Enforcement Agencies</li> </ul>	<ul style="list-style-type: none"> <li>Section 8 of the Financial Intelligence Unit of Trinidad and Tobago Act No. 11 of 2009</li> </ul>

<sup>2</sup> Idem note 1



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		<p>constructive exchange of information directly with its foreign counterparts.</p> <ul style="list-style-type: none"> <li>T&amp;T has not established any MOU's or other mechanism to allow financial supervisory bodies to cooperate with their foreign counterparts.</li> </ul>	<p>and other competent authorities to provide the widest range of international cooperation to their foreign counterparts in a timely and effective manner.</p>	<p>empowers the FIU to provide the widest range of international cooperation to their foreign counterparts in a timely and effective manner.</p> <p>Section 8 (3) (e) of the Financial Intelligence Unit of Trinidad and Tobago Act No. 11 of 2009, empowers the FIU to engage in the exchange of financial intelligence with members of the Egmont Group</p> <p>On the 4th March 2010, the Trinidad and Tobago FIU applied for membership with the Egmont Group. The application is being processed and will follow its due course.</p> <p>In July 2013 the FIU was accepted into the Membership of the Egmont Group of FIUs in South Africa.</p> <p>Section 8 (3) (f) of the Financial Intelligence Unit of Trinidad and Tobago Act No. 11 of 2009, allows the FIU to disseminate at regular intervals, financial intelligence and information to local and foreign authorities and affiliates within the intelligence community. This includes the dissemination of statistics on recent money laundering practices and offences</p> <p>Under the Miscellaneous Provisions (Financial Intelligence Unit of Trinidad and Tobago and Anti-Terrorism) Act, 2012 provision has been made to amend Section 10 of the FIU Act to allow the FIU to receive suspicious transactions or suspicious activity reports or information from financial institutions or listed businesses under the Act or under the Anti-Terrorisms Act. By the inclusion of STRs and SARs on the Anti-Terrorism Act, the statistics on the financing of terrorism will be included.</p> <p>Under the current legislative regime -the Securities</p>

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				<p>Industry Act, 1995("SIA 1995"), the Commission can co-operate with foreign regulators in connection with the investigation of a contravention of SIA 1995 or any "similar written law" whether the activities in question occurred in or outside of Trinidad and Tobago.</p> <p>The Securities Act 2012 makes explicit provisions for the co-operation and sharing of information with local and foreign regulators by way of MOU or otherwise in order to satisfy the purposes of that Act or any matter under that Act.</p> <p>Section 19 of the Securities Act 2012 ( "SA2012") allows the Commission to cooperate with, provide information to , receive information from and enter into a memorandum of understanding with both domestic and foreign regulatory agencies and government agencies. This in effect overrides any existing law regarding disclosure of information and ensures that the FATF recommendations can be implemented without inhibition.</p> <p>Furthermore, with the passage of the Act, the Commission will make its application to IOSCO to become an A-List signatory to the IOSCO MOU which governs information sharing with appropriate measures for confidentiality.</p> <p>The TTSEC is currently drafting an MOU which it will sign with the FIU.</p> <p>In August 2011 the FIU and the FID of Jamaica commenced the process of entering into an MOU agreement for the exchange of information. This MOU is expected to be signed soon.</p> <p>The MOU between the Jamaica FID and the Trinidad and Tobago FIU was signed on November 13, 2012 at the CFATF XXXVI Plenary held in the BVI.</p>

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				<p>During the period Jan-July 2013 the FIUTT entered into MOUs with 3 more FIUs, namely St. Vincent, Montserrat and Guyana. In November 2013 the FIU signed MOUs with Suriname and Sint Maarten. A draft MOU has also been agreed upon with FIU Grenada and the intention is to have the document signed at the next CFATF Plenary.</p> <p>In addition a draft MOU has been agreed with FINTRAC and expected to be signed before the next Egmont Plenary in February 2014. The FIU is also in negotiations with several other Foreign FIUs to sign MOUs.</p> <p>For the period Jan-July 2013, the FIU has received 8 requests from foreign FIUs and law enforcement agencies. Please see attached Appendix I which will highlight the FIU's cooperation and interaction with foreign FIU's and LEA's.</p> <p>For the period Aug. 2013 to Jan. 2014, the FIU has received 11 requests from foreign FIUs and law enforcement agencies. Please see attached Appendix I which will highlight the FIU's cooperation and interaction with foreign FIU's and LEA's.</p> <p>Also, Appendix IX will highlight the FIB's assistance in external investigations for the period January- July, 2013.</p>
Nine Special Recommendations		Summary of factors underlying rating		
SR.I Implement UN instruments	NC	<ul style="list-style-type: none"> <li>The essential criteria have not been adhered to as Trinidad &amp; Tobago do not have the relevant legislation in place in order to comply with SR.I.</li> </ul>	<ul style="list-style-type: none"> <li>The T&amp;T authorities may wish to continue taking steps towards enacting an Anti-Terrorism Bill and sign and ratify the United Nations International Convention for the Suppression of the Financing of</li> </ul>	Trinidad and Tobago acceded to the 1999 United Nations International Convention for the Suppression of the Financing of Terrorism on September 03, 2009.

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			Terrorism.	<ul style="list-style-type: none"> <li>Implementation of UN Security Council Resolutions: S/RES/1267 (1999), S/RES/1269 (1999), S/RES/1333 (2000), S/RES/1373 (2001) and S/RES/1390 (2001) has been captured under the Anti-Terrorism (Amendment) Act, 2010 (It is to be noted that the Act was passed with 3/5 majority) in Section 22 C (1) which states that:  Where a financial institution or listed business knows or has reasonable grounds to suspect that funds within the financial institution or listed business belong to an individual or legal entity who –  (a) commits terrorist acts or participates in or facilitates the commission of terrorist acts or the financing of terrorism; or  (b) is a person or entity designated by the United Nations Security Council  The financial institution or listed business shall report the existence of such funds to the FIU".</li> </ul>
SR.II Criminalise terrorist financing	NC	<ul style="list-style-type: none"> <li>There is no legislation in T&amp;T criminalising terrorist financing</li> </ul>	<ul style="list-style-type: none"> <li>Introduce diligently the proposed legislation criminalising the financing of terrorism, terrorist acts and terrorist organizations and make such offences money laundering predicate offences.</li> </ul>	<ul style="list-style-type: none"> <li>To capture the financing of terrorism Section 22A. (1-4) has been added to the Anti-Terrorism (Amendment) Act, 2010 at section 5(c) as follows:  22A. (1) Any person who by any means, directly or indirectly, willfully provides or collects funds, or attempts to do so, with the intention that they should be used or in the knowledge that they are to be used in whole or in part- (a) in order to carry out a terrorist act; or (b) by a terrorist; or (c) by a terrorist organisation, commits the offence of financing of terrorism.  (2) An offence under subsection (1) is</li> </ul>

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				<p>committed irrespective of whether -</p> <p>(a) the funds are actually used to commit or attempt to commit a terrorist act;</p> <p>(b) the funds are linked to a terrorist act ; and</p> <p>(c) the person alleged to have committed the offence is in the same country or a different country from the one in which the terrorist or terrorist organisation is located or the terrorist act occurred or will occur.</p> <p>(3) A person who contravenes this section commits an offence and is liable on conviction on indictment –</p> <p>(a) in the case of an individual, to imprisonment for twenty five years; or</p> <p>(b) in the case of a legal entity, to a fine of two million dollars.</p> <p>(4) A director or person in charge of a legal entity who commits an offence under this section is liable on conviction on indictment to imprisonment for twenty-five years.</p> <p>It is to be noted that the financing of terrorism is an indictable offence and as such it is a predicate offence for the purpose of money laundering.</p> <ul style="list-style-type: none"> <li>Section 2 of the Anti-Terrorism Act 2005 has been amended in Anti-Terrorism (Amendment) Act, 2010 to define funds as follows:</li> </ul> <p>“property” or “funds” means assets of any kind, whether tangible or intangible, moveable or immovable, [whether from legitimate or illegitimate sources or] however acquired [and] legal documents or instruments in any form, including electronic or digital, evidencing title to, or interest in, such assets, including but not limited to bank credits, travellers cheques, bank</p>

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				<p>cheques, money orders, shares, securities, bonds, drafts, letters of credit whether situated in Trinidad and Tobago or elsewhere, and includes a legal or equitable interest, whether full or partial, in any such property”;</p> <p>Section 42 of the ATA seeks to rectify the deficiency regarding the disproportionately low and possible dissuasive fines for FT offences for legal persons.</p> <p>According to Section 42. (1) of the ATA, “ Subject to subsection (2), a financial institution or listed business which fails to comply with—</p> <p>(a) sections 22AB or 22C(1), (2) or (3) commits an offence and is liable on summary conviction to a fine of five hundred thousand dollars and to imprisonment for two years and on conviction on indictment, to a fine of two million dollars and to imprisonment for seven years; or</p> <p>(b) Regulations made under section 41(2) is liable on summary conviction to a fine of five hundred thousand dollars and to imprisonment for two years.</p> <p>(2) Where a company commits an offence under sections 22AB and 22C(1), (2) and (3), any officer, director or agent of the company—</p> <p>(a) who directed, authorised, assented to, or acquiesced in the commission of the offence; or</p> <p>(b) to whom any omission is attributable, is a party to the offence and is liable on summary conviction or on conviction on indictment, to the penalty prescribed in subsection (1)(a) ”.</p>
SR.III Freeze and confiscate terrorist assets	NC	<ul style="list-style-type: none"> <li>There is no legislation that deals with freezing or confiscating terrorists’ funds in accordance with the relevant United Nations Resolutions</li> </ul>	<ul style="list-style-type: none"> <li>Introduce diligently the proposed legislation criminalising the financing of terrorism, terrorist acts, terrorist organizations and make such offences money laundering predicate offences.</li> </ul>	<ul style="list-style-type: none"> <li>Trinidad and Tobago through Section 9 of the Anti-Terrorism (Amendment) Act 2010 (ATA) has included a new Section 22 B to address the Essential Criteria of SR.III: These laws and procedures: <ul style="list-style-type: none"> <li>Freeze terrorist funds or other assets designated by the United Nations Taliban Sanction Committee (S/RES/1267/1999)</li> </ul> </li> </ul>

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				<p>22B(1)</p> <ul style="list-style-type: none"> <li>○ Freeze terrorist funds or other assets of persons designated in the context of S/RES/1373/2001 (Section 34(1) ATA)</li> <li>○ Ensure that freezing mechanisms extend to funds or assets wholly or jointly owned or other assets derived or generated from or other assets owned or controlled directly or indirectly by designated persons; Section 5 (c) and 22B(1)</li> <li>○ Communicate actions taken under the freezing mechanisms to the financial sector and the public upon taking such action (22B(5) ATA)</li> <li>○ Provide clear guidance to financial institutions and other persons or entities that may be holding targeted funds other assets concerning their obligations in taking action under freezing mechanisms;(22B(5)ATA)</li> <li>○ The Anti-terrorism Act Amendment 2011 Section 22AA and 22AB sets out the procedure for the distribution of the local list and the UNSC consolidated list of designated entities.</li> <li>• Ensure that there are legal procedures for considering de-listing requests and for unfreezing the funds or other assets of de-listed persons or entities in a timely manner consistent with international obligations;(22B(6) ATA)</li> <li>• Ensure that a legal procedure exists for unfreezing, in a timely manner, the funds or other assets of persons or entities inadvertently affected by a freezing mechanism upon verification that the person or entity is not a designated</li> </ul>

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				<p>person;(22B(6) ATA; 22 B(9) ATA)</p> <ul style="list-style-type: none"> <li>• Ensure that a legislative procedure exists for authorising access to funds or other assets that were frozen pursuant to S/RES/1267(1999) and that have been determined to be necessary for basic expenses; (22B(4) ATA)</li> <li>• Ensure that there is an appropriate procedure through which a person or entity whose funds or other assets have been frozen can challenge that measure with a view to having it reviewed by a court.(22B(6)ATA; 22B(9) ATA)</li> </ul> <p>As a compliment to this process, Section 14 of the Financial Intelligence Unit Act allows the Director of the FIU the power to suspend the processing of a transaction for a period not exceeding three working days pending the completion of the analysis of a SAR.</p> <p>Section 22E(1) of the ATAA 2 of 2010 states:</p> <p>The FIU may instruct a financial institution or listed business in writing, to suspend the processing of a transaction for a period not exceeding three working days, pending the completion of an evaluation and analysis of a suspicious transaction or suspicious activity report.</p> <p>(2) Where those instructions are given, a financial institution, listed business or any other aggrieved person may apply to a judge to discharge the instructions of the FIU and shall serve notice on the FIU, to join in the proceedings, save however, that the instructions shall remain in force until the Judge determines otherwise.</p> <p>(3) After the FIU has concluded its evaluation and analysis of a suspicious transaction or suspicious activity report, and where the Director of the FIU</p>



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			<ul style="list-style-type: none"> <li>Sign and ratify the Terrorist Financing Convention.</li> </ul>	<p>is of the view that the circumstances warrant investigation, a report shall be submitted to the Commissioner of Police for investigation to determine whether an offence of financing of terrorism has been committed and whether the funds are located in Trinidad and Tobago or elsewhere.</p> <p>The definition of “terrorist act” in section 2 of the Anti-Terrorist Act, 2005 (the Act) refers also section 35(1) of the Act which makes provision for forfeiture.</p> <p>Although there is no explicit provision for “confiscation”, It is to be noted the commission of a terrorist act is an indictable offence and as such the confiscation process as outlined in POCA applies mutatis mutandis to the commission of a terrorist act or any other indictable offence in respect of terrorism under the Anti-Terrorism Act.</p> <p>It is also to be noted that by virtue of the Interpretation Act Chapter 3:01 the attempt to commit a terrorist act is also included in the offence of committing a terrorist act and as such although it is not stated in the text of section 22B (b) it is included by virtue of the application of our laws.</p> <ul style="list-style-type: none"> <li>1999 United Nations International Convention for the Suppression of the Financing of Terrorism (Terrorist Financing Convention was ratified on September 3,2009</li> <li>Trinidad and Tobago ratified the Inter-American Convention against Terrorism on December 02, 2005</li> </ul> <p>Under the Miscellaneous Provisions (Financial Intelligence Unit of Trinidad and Tobago and Anti-</p>

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				<p>Terrorism) Act 2012, Section 22AB(c) of the Anti-Terrorism Act, is deleted from the Act. This amendment seeks to rectify one of the deficiencies identified by the FATF and remove the perceived exception to the freezing of terrorist assets without delay.</p> <p>Under the amended section 22B(1) (b), “The Attorney General shall apply to a judge for an Order under subsection (3)</p> <ul style="list-style-type: none"> <li>• (b) in respect of an entity or individual where there are reasonable grounds to believe that the entity or individual—</li> <li>• (i) has knowingly committed or participated in the commission of a terrorist act; or</li> <li>• (ii) is knowingly acting on behalf of, at the direction of, or in association with, an entity referred to in paragraph (a)”.</li> </ul> <p>Section 34 has been amended and states, “Where a customs officer, immigration officer, or police officer above the rank of sergeant reasonably believes that property in the possession of a person is—</p> <p>(a) property intended to be used for the purpose of a terrorist act or for financing terrorism;</p> <p>(b) terrorist property;</p> <p>(c) property of a person or entities designated by the United Nations Security Council; or</p> <p>(d) property of an individual or entity who participates in the commission of a terrorist act,</p> <p>he may apply to a judge for a restraint Order in respect of that property”.</p>
SR.IV Suspicious transaction reporting	NC	<ul style="list-style-type: none"> <li>• There are no requirements for financial institutions to report to the designated authority/FIU when they suspect or have reasonable grounds to suspect that funds are linked or related to, or to be used for terrorism, terrorist acts or by terrorist organisations, regardless of the amount of the transaction and including attempted</li> </ul>	<ul style="list-style-type: none"> <li>• The Anti-Terrorism Bill should be enacted as soon as possible to require financial institutions to report to the designated authority/FIU when they suspect or have reasonable grounds to suspect that funds are linked or related to, or to be used for terrorism, terrorist acts or by terrorist organisations, regardless of the amount of the transaction and including attempted transactions or if tax matters are involved</li> </ul>	<ul style="list-style-type: none"> <li>• The obligation of financial Institution and listed business to report STR’s/SAR’s which relate to terrorist financing, terrorism acts or by terrorist organisations or those who finance terrorism is captured in section 22 C (3) in Anti-Terrorism (Amendment) Act,2010 as follows:</li> </ul>

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		transactions or if tax matters are involved.		<p>Where a financial institution or listed business knows or has reasonable grounds to suspect that funds are linked or related to, or to be used for terrorism, terrorist acts or by terrorist organizations or those who finance terrorism, the financial institution or listed business shall make a suspicious transactions or a suspicious activity report to the FIU in the forms as set out in the Third Schedule to the Proceeds of Crime Act.</p> <p>Financial Institutions and listed businesses have not reported Terrorist Financing SARS to the FIU. Financial Institutions have declared that there are no terrorist assets within their institutions in accordance with Section 33 (3) of the Anti-Terrorism Act No 26, 2005.</p>
SR.V International co-operation	NC	<ul style="list-style-type: none"> <li>Financing of Terrorism is not an offence in T&amp;T and therefore not an extraditable offence 3.</li> </ul>	<ul style="list-style-type: none"> <li>Terrorist-Financing legislation should be implemented.</li> </ul>	<ul style="list-style-type: none"> <li>Part VI (Section 28 to 31) of the Anti-Terrorism Act 2005 deals with Information Sharing, Extradition And Mutual Assistance</li> <li>Disclosure and Sharing Information. Part VII Sections 32-33 of the Anti-Terrorism Act 2005</li> </ul> <p>The Anti-Terrorism (Amendment) 2010, criminalises the financing of terrorism. <b>Part IIIA Section 22A (1)</b> states:</p> <ul style="list-style-type: none"> <li>Any person who by any means, directly or indirectly, wilfully provides or collects funds, or attempts to do so, with the intention or in the knowledge that such funds are to be used in whole or in part— <ul style="list-style-type: none"> <li>(a) in order to carry out a terrorist act;</li> <li>(b) by a terrorist; or</li> <li>(c) by a terrorist organization, commits the offence of financing of terrorism.</li> </ul> </li> </ul>

3 Idem note 1

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			<ul style="list-style-type: none"> <li>Financing of terrorism and Piracy should be made an offence in T&amp;T and therefore an extraditable offence.</li> </ul>	<ul style="list-style-type: none"> <li>The Anti-Terrorism Act (<i>as amended by Act 16/2011</i>), Part VII Section 33 (1), directs that every person shall forthwith disclose to the authority, and has a duty to disclose information relating to property used for the commission of offences under the Anti-Terrorism Act.</li> <li>Part VII Section 33 (3) directs that every financial institution shall report, every three months, to the FIU,:</li> <li>(a) if it is not in possession or control of terrorist property, that it is not in possession or control of such property; or</li> <li>(b) if it is in possession or control of terrorist property, that it is in possession or control of such property, and the particulars relating to the persons, accounts and transactions involved and the total value of the property</li> <li>Part VII 33 (6) states: "Every person who fails to comply with subsection 1 or 3, commits an offence...."</li> <li>With regard to piracy, section 2 of the Criminal Offences Act Chapter 11:01 states that every offence which if done or committed in England, would amount to an offence in common law shall, if done or committed in Trinidad and Tobago, be taken to be an indictable offence and shall be punished in the same manner as it would be in England, under or by virtue of any special or general statute providing for the punishment of such offence, or if there be no such statute, by common law. In the UK, piracy is criminalized as the common law offence of piracy jure gentium and under section 2 of the Piracy Act 1837 as noted in the UK MER. In accordance with section 2 of the Criminal Offences Act, these provisions make piracy an indictable offence in Trinidad and Tobago. Additionally,</li> </ul>

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				<p>section 6 of the Civil Aviation (Tokyo Convention) Act Chapter 11:21 provides for the jurisdiction of a Court in Trinidad and Tobago with respect to piracy committed on the high seas to be extended to piracy committed by or against an aircraft.</p> <p>No further action is to be taken under this recommendation</p>
SR VI AML requirements for money/value transfer services	NC	<ul style="list-style-type: none"> <li>None of the requirements are included in legislation, regulations or other enforceable means.</li> </ul>	<ul style="list-style-type: none"> <li>A competent authority should be designated to register and/or licence money transfer companies and maintain a current list of their names and addresses and be responsible for ensuring compliance with licensing and/or registration requirements.</li> <li>All MVT service operators should be subject to the applicable FATF Forty Recommendations and FATF Eight Special Recommendations.</li> <li>A system for monitoring money transfer companies and ensuring that they comply with the FATF Recommendations should be implemented. The mission also recommends that the CENTRAL BANK OF T&amp;T issue the AML/CFT Guidelines to the cambios and test compliance during onsite inspections.</li> <li>Money transfer companies should be required to maintain a current list of its agents, which must be made available to the designated competent authority.</li> </ul>	<ul style="list-style-type: none"> <li>Money value transfer services are, pursuant to the POCA 2000 as amended in 2009, listed business. As listed business they are subject to all the requirements of the FIU Act 2009, POCA and the FOR 2010.</li> <li>In addition, the Central Bank currently licenses money changers such as cambios or bureau de change. Compliance with AML/ CTF requirements is one of the conditions of the license.</li> </ul> <p>Moreover, the Central Bank revised its guidelines on AML/ CFT to include sector specific guidance to cambios. The Central Bank was given the power to regulate and supervise money remitters via an amendment to the Central Bank Act in 2008.</p> <p>The Central Bank has acquired the services of a technical expert from the Office of the Technical Assistance, United States Department of the Treasury to assist with the finalizing and implementation of an AML/ CFT Supervisory framework for money remitters, insurance brokers, cambios and money remitters. In addition, the Central Bank has developed draft AML/CFT regulations and licensing guidelines for money remitters.</p>

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			<ul style="list-style-type: none"> <li>The measures set out in the Best Practices Paper for SR.VI should be implemented and Trinidad and Tobago authorities should take FATF R. 17 into account when introducing system for monitoring money transfer companies.</li> </ul>	<p>The Central Bank conducts AML/ CFT on-sites examinations on cambios. The Central Bank is revising its guidelines on AML/ CFT and the revised Guidelines will also be issued to cambios and money remitters.</p> <p>The Central Bank licenses cambios and bureau de changes under the Exchange Control Act. The licensing and regulatory framework for money remitters is not yet in place. However, money remitters are currently registered with the FIU as the POCA names remittance business under financial institutions and listed business.</p> <p>An amendment to the Central Bank Act 2008 gave the Central Bank the ability to supervise money remitters and an appropriate regulatory and supervisory framework has been drafted.</p> <p>This initiative is at an advanced stage of development. (on-going)</p> <p>During the period Jan-July, 2013 the FIU conducted one (1) onsite visit at a Money or Value Transfer Service &amp; Bureau De Change.</p> <p>The AML/CFT Committee and the Compliance Unit of the Ministry of National Security will take into consideration the guidance in the Best practice Paper for SR VI when formulating the money remitters' framework.</p>
SR VII Wire transfer rules	NC	<ul style="list-style-type: none"> <li>The requirements in place are not mandatory and are applicable only to the financial institutions supervised by the Central Bank.</li> </ul>	<ul style="list-style-type: none"> <li>The T&amp;T authorities may wish to impose mandatory requirements on financial institutions dealing with the measures of SR VII covering domestic, cross-border and non-routine wire transfers, intermediary and beneficial financial institutions handling wire transfers and the monitoring of compliance with stipulated requirements.</li> </ul>	<ul style="list-style-type: none"> <li>The Financial Obligations Regulations 2010 sections 33-35 deal with wire transfers which states:</li> </ul> <p>33. (1) The information listed in regulation 34 concerning the originator and recipient of the funds transferred, shall be included on all domestic and cross border wire transfers.</p>

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				<p>(2) A financial institution or listed business that participates in a business transaction via wire transfer shall relay the identification data about the originator and recipient of the funds transferred, to any other financial institution participating in the transaction.</p> <p>(3) Where the originator of the wire transfer does not supply the transfer identification data requested by the financial institution or listed business, the transaction shall not be effected and a suspicious activity report shall be submitted to the FIU.</p> <p>34. (1) Domestic and cross-border wire transfers shall be accompanied by accurate and meaningful identification data on the originator of the transfer, which shall be kept in a format determined by the FIU.</p> <p>(2) Information accompanying a cross-border transfer shall consist of—</p> <p>(a) the name and address of the originator of the transfer;</p> <p>(b) a national identification number or a passport number where the address of the originator of the transfer is not available</p> <p>(c) the financial institution where the account exists;</p> <p>(d) the number of the account and in the absence of an account, a unique reference number; and</p> <p>(3) Information accompanying a domestic wire transfer shall be kept in a format which enables it to be produced immediately, to the FIU.</p> <p>(4) The financial institution or listed business shall put provisions in place to identify wire transfers lacking complete originator information so that the lack of complete originator information shall be considered as a factor in assessing whether a wire transfer is or related transactions are suspicious and thus required to be reported to the</p>

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				<p>FIU.</p> <p>35. A wire transfer from one financial institution to another, is exempted from the provisions of this Part, where both the originator and beneficiary are financial institutions acting on their own behalf.</p> <ul style="list-style-type: none"> <li>This requirement has been satisfied by amendments contained in the Proceeds of Crime (Amendment) Act No. 10 of 2009. Section 5C of the amendment defines listed business as a business listed in the First Schedule. Under the First Schedule, a listed business is defined to include money remittance entities. The listed businesses are therefore now subject to the Financial Obligations Regulations 2010.</li> </ul>
SR.VIII Non-profit organisations	NC	<ul style="list-style-type: none"> <li>There are no requirements in legislation, regulations or other enforceable means to comply with this recommendation.</li> </ul>	<ul style="list-style-type: none"> <li>Authorities should review the adequacy of laws and regulations that relate to non-profit organizations that can be abused for the financing of terrorism.</li> <li>Measures should be put in place to ensure that terrorist organizations cannot pose as legitimate non-profit organizations.</li> <li>Measures should be put in place to ensure that funds or other assets collected by or transferred through non-profit organizations are not diverted to support the activities of terrorists or terrorist organizations.</li> </ul>	<ul style="list-style-type: none"> <li>The Anti-Terrorism (Amendment) Act, 2010 will address Non-Profit Organisations as follows :</li> </ul> <p>24C. (1) A police officer above the rank of sergeant may apply, ex parte to a judge for a monitoring order directing a financial institution, listed business or non-profit organization to provide certain information.</p> <p>(3) A monitoring order shall—</p> <p>(a) direct a financial institution, listed business or non-profit organization to disclose information it obtained relating to transactions conducted through an account held by a particular person with the financial institution, listed business or non-profit organization;</p> <p>Special Societies act will be amended to incorporate the provisions for non-profit organisations.</p>



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<p>SR.IX Cross Border Declaration &amp; Disclosure</p> <p>i. Countries should have measures in place to <u>detect</u> the physical cross-border transportation of currency and bearer-negotiable instruments, including a <u>declaration</u> system or other <u>disclosure</u> obligation.</p> <p>ii. Countries should ensure that their competent authorities have the legal authority to <u>stop</u> or <u>restrain</u> currency or bearer-negotiable instruments that are suspected to be related to terrorist financing or money laundering, or that are falsely declared or disclosed.</p>	NA			<p>i. The Customs Act, Chapter 78:01, requires all arriving and departing passengers to make a declaration to Customs with respect to currency and bearer-negotiable instruments above a specified sum of US\$5,000.00 or its equivalent in any other foreign currency and any sum in excess of TT\$20,000.00</p> <p>ii. In addition to the powers under the Custom Act Chapter 78:01 to stop or restrain currency or bearer negotiable instruments, The Anti-Terrorism (Amendment) Act,2010 deals with the issue of seizing and detention of cash or other bearer negotiable instruments under subsection 38A.(1) which states;</p> <p>Any customs officer or officer above the rank of sergeant may seize and detain part of or the whole amount of any cash or other bearer negotiable instruments where there are reasonable grounds for suspecting that it is –</p> <p>(a) intended for use in the commission of an offence under this Act; or</p> <p>(b) is terrorist property</p> <ul style="list-style-type: none"> <li>The following definitions of cash and bearer negotiable instrument under section 38A (10) of Anti-Terrorism (Amendment) Act,2010 are as follows:</li> </ul> <p>(a) “cash” includes coins, notes and other bearer negotiable instruments in any currency;</p> <p>(b) “bearer negotiable instrument” includes monetary instruments in bearer form such as travellers cheques, negotiable instruments (including cheques, promissory notes and money orders) that are either in bearer form, endorsed without</p>

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<p>iii. Countries should <u>apply</u> effective, proportionate and dissuasive <u>sanctions</u> to deal with persons who make false declarations or disclosures. In cases which are related to terrorist financing or money laundering, countries should enable <u>confiscation</u> of such currency or instruments</p>				<p>restriction made out to a fictitious payee, or otherwise in such form that title thereto passes upon delivery; incomplete instruments including (cheques, promissory notes and money orders) signed, but with the payee's name omitted.</p> <p>iii. The Customs and Excise Division has always applied effective, proportionate and dissuasive sanction in every instance where the arriving and departing passenger makes false declaration or disclosure of cash or bearer-negotiable instruments.</p> <p>Notwithstanding the fact that we have never identified cases of false declarations or disclosers linked to terrorist financing, the penalty includes confiscation of the subject currency or instrument without the need of a criminal conviction</p> <p>Please see Appendix XII to XV for statistical update</p>