



Anti-money laundering and counter-terrorist financing measures

BARBADOS

5th Enhanced Follow-up Report &
Technical Compliance Re-Rating

Follow-up Report

May 2024





The Caribbean Financial Action Task Force (CFATF) is an inter-governmental body consisting of twenty-four member states and territories of the Caribbean Basin, Central and South America which have agreed to implement common countermeasures to address money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction. For more information about the CFATF, please visit the website: www.cfatf.org

This report was adopted by the Caribbean Financial Action Task Force (CFATF) at its June 2024 Plenary held in Trinidad and Tobago.

Citing reference:

CFATF (2024) - *Anti-money laundering and counter-terrorist financing measures – Barbados*, 5th Enhanced Follow-Up Report & Technical Compliance Re-Rating.

[5th Enhanced Follow-Up Report & Technical Compliance Re-Rating](#)

© 2024 CFATF. All rights reserved. No reproduction or translation of this publication may be made without prior written permission. Requests for permission to further disseminate reproduce or translate all or part of this publication should be obtained from the CFATF Secretariat at cfatf@cfatf.org

BARBADOS: 5TH ENHANCED FOLLOW-UP REPORT

1. INTRODUCTION

1. The mutual evaluation report ([MER](#)) of Barbados was adopted by the CFATF XLVI Plenary in November 2017, held in Georgetown, Guyana. Based on the results of the MER, the jurisdiction met the criteria for **Enhanced Follow-up**¹ having received five (5) C ratings in Recommendations 9, 11, 15, 25 and 26; twenty (20) LC ratings in Recommendations 2,3, 5, 6, 10, 12-14, 16-18, 21, 22, 25, 28, 30, 35, 37, 39 and 40; NC/PC ratings in fifteen (15) Recommendations, specifically NC in Recommendations 7 and 8 and PC in Recommendations 1, 4, 19, 20, 23, 24, 29, 31-34, 36 and 38. The jurisdiction received ratings of low levels of effectiveness ratings in seven (7) immediate outcomes IOs (1, 6-11) and moderate levels of effectiveness in four (4) immediate outcomes IOs (2-5). Given these results and Barbados' level of effectiveness, the CFATF placed Barbados under the enhanced follow-up process.
2. This FUR analyses the progress of Barbados in addressing the technical compliance requirements of the recommendations being re-rated. Technical compliance re-ratings are given where sufficient progress has been demonstrated. Barbados' 2nd FUR with technical compliance re-ratings was adopted by way of the written process in February 2021. The jurisdiction achieved technical compliance re-rating upgrades in Recommendations 1, 4, 7, 8, 19, 20, 29, 32-34 and 38; downgrades in Recommendations 15 and 21 and the status quo was maintained in Recommendations 2, 3, 5, 6, 9-14, 16-18, 22-28, 30, 31, 35-37 and 39-40.
3. This report does not analyse any progress Barbados has made to improve its effectiveness.
4. The assessment of Barbados' request for technical compliance re-ratings and the preparation of this report was undertaken by sole Lead Expert, Mrs. Kimberley Punt (Legal Expert), Legal/Policy Advisor, Financial Intelligence Unit, Aruba with support from Ms. Knalidi Jackson-Frederick, Financial Advisor of the CFATF Secretariat.
5. Section 4 of this report summarises the progress made to improve technical compliance. Section 5 contains the conclusion and a table illustrating Barbados' current technical compliance ratings.

2. FINDINGS OF THE MUTUAL EVALUATION REPORT & FOLLOW-UP

6. Barbados' MER ratings²³ are as follows:

¹ Regular follow-up is the default monitoring mechanism for all countries. Enhanced follow-up is based on the CFATF's policy that deals with members with significant deficiencies (for technical compliance and/or effectiveness) in their AML/CFT systems and involves a more intensive process of follow-up.

² There four possible levels of technical compliance are: compliant (C), largely compliant (LC), partially compliant (PC), and non-compliant (NC). Effectiveness ratings for the 11 Immediate Outcomes are: Low, Moderate (Mod), Substantial or High.

³ Barbados sought re-ratings prior to this FUR. Current ratings are indicative of the original MER and Barbados' 2nd FUR with technical compliance re-ratings adopted by way of the written process in February 2021 .

R.	Rating	R.	Rating
1	PC (MER 2017) LC (2 nd FUR)	21	LC (MER 2017) PC (2 nd FUR)
2	LC (MER 2017) LC (2 nd FUR)	22	LC (MER 2017)
3	LC (MER 2017)	23	PC (MER 2017) PC (2 nd FUR)
4	PC (MER 2017) C (2 nd FUR)	24	PC (MER 2017) PC (2 nd FUR)
5	LC (MER 2017) LC (2 nd FUR)	25	LC (MER 2017)
6	LC (MER 2017)	26	C (MER 2017)
7	NC (MER 2017) LC (2 nd FUR)	27	C (MER 2017)
8	NC (MER 2017) PC (2 nd FUR)	28	LC (MER 2017)
9	C (MER 2017)	29	PC (MER 2017) LC (2 nd FUR)
10	LC (MER 2017)	30	LC (MER 2017)
11	C (MER 2017)	31	PC (MER 2017)
12	LC (MER 2017)	32	PC (MER 2017) LC (2 nd FUR)
13	LC (MER 2017)	33	PC (MER 2017) LC (2 nd FUR)
14	LC (MER 2017)	34	PC (MER 2017) LC (2 nd FUR)
15	C (MER 2017) PC (2 nd FUR)	35	LC (MER 2017)
16	LC (MER 2017)	36	PC (MER 2017)
17	LC (MER 2017)	37	LC (MER 2017)
18	LC (MER 2017) LC (2 nd FUR)	38	PC (MER 2017) LC (2 nd FUR)
19	PC (MER 2017) LC (2 nd FUR)	39	LC (MER 2017)
20	PC (MER 2017) C (2 nd FUR)	40	LC (MER 2017)

7. Given these results and the effectiveness ratings in the MER, Barbados remained in the enhanced follow-up process.

3. OVERVIEW OF PROGRESS TO IMPROVE TECHNICAL COMPLIANCE

8. In keeping with the CFATF Mutual Evaluation Procedures, this FUR considers progress made up until 21 November 2023. In line with the ME Procedures and FATF Methodology, the Group of Experts' analysis has considered progress to address the deficiencies identified in the MER and the entirety (all criteria) of each Recommendation under review, noting that this is cursory where the legal, institutional or operational framework is unchanged since the MER or previous FUR.

-
9. This section summarises the progress made by Barbados to improve its technical compliance by (a) addressing the technical compliance deficiencies identified in the MER, and (b) implementing new requirements where the FATF Recommendations have changed since Barbados' assessment (Recommendation 21).

4. PROGRESS TO ADDRESS TECHNICAL COMPLIANCE DEFICIENCIES IDENTIFIED IN THE MER

4.1 Recommendation 8 (originally rated NC)

10. In its 4th round MER, Barbados was rated NC with Recommendation.8. The key technical deficiency related to Barbados having not completed a risk-based assessment for NPOs that are inherently high risk; nor ensuring sector assessment provisions; a lack of policies for promoting accountability and public confidence in the administration and management of NPOs; no obligation for targeted risk-based supervision or monitoring of NPOs; and no legal obligation to gather and investigate NPOs. Other deficiencies related to Barbados were not identifying the nature of threats posed by terrorist entities to NPOs which are at risk as well as how terrorist actors abuse those NPOs. Barbados failed to periodically reassess the sector by reviewing new information on the sector's potential vulnerabilities to terrorist activities to ensure the effective implementation of measures.
12. In its 2nd FUR, Barbados was assessed for compliance with the revised R.8/INR.8 on the basis of the revised Methodology criteria for Recommendation 8 and was rated PC. The remaining deficiencies, inter alia, were that the Charities Act makes provisions at section 38 for the Attorney General to examine and enquire into the business of an NPO. This section was used for the risk based monitoring of NPOs, however, this provision was available to Barbados at the time of the MER and only used since then for the purpose of conducting the 2019 NRA. The provision was not applied to the monitoring or supervision of NPOs. The remaining deficiency was the need for risk-based supervision and monitoring of the NPOs. The Combatting Terrorist Financing Guideline for Charities and NPOs published in December 2019 provided at section 8 – Record Keeping, that Charities and NPOs should carry out transactions through the financial system when possible. Further action to encourage NPOs to conduct transactions via regulated financial channels, wherever feasible should have been undertaken. Other deficiencies related to the Attorney General, or any other appropriate authority not having an obligation to conduct such monitoring for compliance with Recommendation 8 or the risk-based measures indicated under criterion 8.3 nor was it evidenced that any appropriate entity will be able to apply effective, proportionate and dissuasive sanctions for violation by NPOs or persons acting on behalf of NPOs. There is a lack of information which shows that there are appropriate authorities to monitor the compliance of NPOs with the requirements of criterion 8.4 including the risk based measures being applied to them under criterion 8.3. A targeted monitoring approach developed for higher risk NPOs was not evidenced.
13. Barbados was assessed for compliance with the revised R.8/INR.8 on the basis of the revised Methodology criteria for R.8 and IO 10 subsequent to the mutual evaluation conducted in December 2016.
14. **Criterion 8.1(a):** The status quo remains for ratings in the 2nd FUR. No deficiency cited.
15. **Criterion 8.1(b):** The status quo remains for ratings in the 2nd FUR. No deficiency cited.
16. **Criterion 8.1(c):** The status quo remains for ratings in the 2nd FUR. No deficiency cited.

-
17. **Criterion 8.1(d):** The risk assessment of all NPOs on all registers was updated in 2021. Barbados commenced a risk assessment in 2023 which has not yet been concluded. The status quo remains for ratings in the 2nd FUR. No deficiency cited.
18. **Criterion 8.2(a):** In the 2nd FUR for Barbados, policies and procedures are in place that promote accountability, integrity, and public confidence in the management and administration of NPOs although it was concluded that a deficiency remained with respect to the need for risk-based supervision and monitoring of NPOs. Pursuant to section 38 of the Charities Act (Cap. 243) and section 323A of the Companies (Amendment) Act, the Attorney General has the authority to examine and inquire into NPOs in a risk-based manner and this authority can be delegated to a public officer. The authority to employ a risk-based monitoring system was officially delegated to the Registrar of the Corporate Affairs and Intellectual Property Office ('CAIPO') in 2019. Furthermore, CAIPO has been designated the competent authority to monitor the NPO sector and was given additional staff to form an internal Compliance Unit. CAIPO performs its monitoring and supervision activities pursuant to an internal policy, which identifies the risk-based approach that should be applied with regard to the identification of NPOs at risk and the subsequent monitoring and supervisory actions to be taken for NPOs that are at risk or not at risk.
19. **Criterion 8.2(b):** The status quo remains for ratings in both the MER and the 2nd FUR. No deficiency cited.
20. **Criterion 8.2(c):** The status quo remains for ratings in both the MER and the 2nd FUR. No deficiency cited.
21. **Criterion 8.2(d):** The 2nd Enhanced Follow-Up Report for Barbados noted that Barbados had published a Combating Terrorist Financing Guideline for Charities and NPOs in December 2019. Section 8 of the Guideline provides that transactions conducted by charities and NPOs should be carried out through the financial system, when possible. A deficiency was cited as the Guideline was the only indication of guidance provided and NPOs should receive more active encouragement by the competent authorities. To demonstrate its increased efforts to encourage NPOs to carry out transactions through the financial system when possible, Barbados provided information with respect to collaboration efforts between competent authorities through the Anti-Money Laundering Authority's Supervisors Committee and the Beneficial Ownership Working Group. CAIPO participates in both committees together with other competent authorities, such as the Financial Intelligence Unit and the Central Bank of Barbados, which meet on a regular basis. These committees facilitate the co-operation between the competent authorities also with respect to NPOs. In this regard, CAIPO, jointly with the FIU, have taken efforts to encourage NPOs to conduct transactions via regulated channels, wherever feasible, during an outreach session in 2019 and two outreach sessions in 2023. In 2020, the supervisor conducted a broader outreach session which also included NPOs, addressing the need to conduct transactions through the banking system. Encouragement of NPOs to conduct transactions through financially regulated channels is not only done through outreach sessions. NPOs also have access to a guideline, which is available on the websites of the FIU and CAIPO. The Combating Terrorist Financing Guideline for Charities and NPOs, in particular paragraph 50, specifically encourages NPOs to conduct transactions through financially regulated channels.
22. **Criterion 8.3:** The previous deficiencies concerned the absence of a competent authority to conduct monitoring for compliance with Recommendation 8 or the risk-based measures under criterion 8.3 and Barbados' ability to apply effective, proportionate and dissuasive sanctions for violations by NPOs. Pursuant to section 38 and 39 of the Charities Act and section 323A of the Companies (Amendment) Act, the Attorney General is authorised to conduct risk-based

monitoring and supervision of NPOs. The authority to examine and to inquire into the condition, supervision, administration and management of charities is delegated to the Registrar in accordance with these provisions. CAIPO, being the designated competent authority, performs risk-based monitoring and supervision in accordance with its internal supervision policy. This policy addresses the required actions to be taken in order to identify the NPOs that are at risk and those that are not at risk taking into account several considerations, such as the type of NPO, its organisational structure, the size, the type of activities, how the funds are raised and how the funds are used. These considerations are a reflection of the results of the National ML/TF Risk Assessment with respect to the factors that contribute to the level of risk of a NPO for ML/TF abuse. Based on the results of the National ML/TF Risk Assessment, CAIPO implemented its internal supervision policy which included a risk rating methodology that is employed in the monitoring of the NPO sector consisting of specific elements that affect the level of risk of a NPO and the subsequent prioritization of monitoring and supervision activities conducted by CAIPO. Questionnaires and comprehensive desk-based reviews, the latter of which is based on a number of considerations, are used to assess to what extent a NPO is at risk for ML/TF abuse. For those NPOs at risk and those not at risk, CAIPO applies different types of action with respect to monitoring and supervision activities, such as enhanced monitoring, which consists of e.g. overall assessment of the NPOs' circumstances by way of in depth desktop audits consisting of annual comprehensive assessments of those NPOs that are considered to be at risk; and on-site inspections if warranted whereas desktop audits for NPOs that are not at risk are conducted through random sampling. Furthermore, the internal supervision policy of CAIPO applies a prioritization mechanism which distinguishes between NPOs at risk and those that are not at risk by introducing different supervision and monitoring measures in accordance with the risk profile of those NPOs. The required supervisory activities included in the internal supervision policy, such as on-site inspections and the imposition of sanctions based on findings, are of a risk-based nature making a distinction between NPOs at risk and not at risk.

23. The Registrar is authorised to impose proportionate and dissuasive sanctions pursuant to section 38 and section 42 of the Charities Act as well as section 323D and section 323E of the Companies (Amendment) Act following the results of risk-based monitoring and supervision conducted by CAIPO. Barbados indicated that the initial review of the NPO sector in 2020 consisted of striking those NPOs that were inactive or considered non-compliant by the Registrar after several follow-up activities, such as repeated outreach and warnings of removal, identifying nine NPOs at risk. Upon completion of the review, monitoring has been conducted on a risk basis by CAIPO in accordance with its internal supervision policy. In 2023, CAIPO conducted another review and was able to identify five at risk NPOs, and applied an increased monitoring regime, which resulted in supervision measures.
24. The supervision and monitoring activities in accordance with the internal supervision policy commenced concurrently with the review that was conducted in 2020 which focused on striking off those NPOs and charities that did not respond to outreach or warnings of sanctions for non-compliance. Though concurrent with the risk based supervisory framework, these were two separate activities. This review was necessary to ensure that CAIPO would be able to properly determine the risk of NPOs for TF abuse and to conduct its monitoring and supervision activities of NPOs in accordance with the internal supervision policy. Furthermore, the review aimed at ensuring that Barbados has accurate and up to date information on the sector as a whole and to assess the risk of the NPO sector. This ensured that CAIPO was able to properly conduct its monitoring and supervision activities. This demonstrated that Barbados applies risk-based measures to NPOs at risk of terrorist financing abuse. Barbados has demonstrated that it has implemented a policy that applies a risk-based approach to monitor and supervise NPO's

through a questionnaire, a desk-based review and a subsequent review of the results to determine the level of ML/TF risk of an NPO. The level of risk that is given to a NPO affects which monitoring and supervision activities CAIPO will apply. Depending on the identified risk, CAIPO can conduct off-site inspections and, if warranted, on-site inspections; and by imposing proportionate and dissuasive measures and sanctions for non-compliance by NPOs with their obligations. Thus, Barbados is able to impose risk-based measures and sanctions in accordance with this criterion.

25. **Criterion 8.4(a):** CAIPO has the authority to monitor compliance of NPOs in accordance with section 175(5) of the Companies (Amendment) Act, 2020-31, while, for charities, this authority was delegated by the Attorney General to the Registrar pursuant to section 38 of the Charities Act. Compliance by NPOs and charities in Barbados is monitored in accordance with the internal supervision policy as implemented by CAIPO, which incorporates specific risk-based measures that target low-risk and high-risk NPOs. CAIPO completed its review of NPOs in 2020 resulting in unresponsive and non-compliant NPOs being struck off the register. Furthermore, CAIPO conducts ongoing monitoring and supervision on NPOs to ensure compliance with the obligations. NPOs at risk are identified based on specific criteria and are subject to enhanced monitoring, which includes a targeted approach of in depth desktop audits at least once per year for each NPO that is at risk and for which CAIPO can request additional documentation to assess e.g. the type of NPO, organisational structure, size, type of activities, donor base, and type of activities; can conduct on-site inspections if necessary; and apply sanctions based on the results of the findings. Furthermore, those NPOs that do not meet the specific identified criteria for at risk NPOs but there are factors indicating that they are at risk are subjected to an overall assessment of the NPOs circumstances taking into account type, activities and all other relevant factors. Monitoring activities for NPOs that are not at risk include random desktop audits from the pool of NPOs that form low risk, on-site inspections if necessary; and the application of sanctions based on the results of the findings. Thus, based on the review conducted by CAIPO and its ongoing monitoring activities of NPOs as well as its risk-based approach with regard to NPOs that are at risk and those that are not at risk, it can be concluded that CAIPO has the authority to monitor the compliance of both NPOs and charities with the requirements of R.8, including the risk-based measures being applied to them as required under criterion 8.3.
26. **Criterion 8.4(b):** CAIPO has the authority to apply sanctions in cases of non-compliance with obligations by NPOs and charities pursuant to the internal supervision policy. Sanctions are applicable to any person for failure to provide any document requested by the Registrar, including those relating to the administration and management of NPOs. By virtue of section 38(4) of the Charities Act, persons are required to produce all books, papers; writings; and documents in relation to the trust or the property or income thereof, or to the administration, management, value, condition and application of that property and income; and shall answer all questions and give all assistance in connection with the examination or inquiry that he is reasonably able to answer or give. Additionally, any person is required to provide assistance in relation to the examination or inquiry, to the Attorney General or the officer or person who, pursuant to section 38(2) of the Charities Act, i.e. the Registrar, is competent to make such an examination or inquiry. Any person who fails to comply is guilty of an offence and liable on summary conviction to a fine of \$500 or imprisonment for 3 months and an additional fine of BBD \$50 for each day the offence continues after the conviction. Furthermore, in accordance with section 175 (12) of the Corporate (Miscellaneous Provisions) Act, 2021-19, failure to produce books, records or other documents required to be kept by a company under any provision of this Act; and such other information as the Registrar, or a person appointed by the Registrar pursuant to section 175 (5) (6) (7) and (10) of the Companies (Amendment) Act,

2020-31, may require for the proper administration and enforcement of this Act, incurs liability with a requirement to pay a penalty of BBD 5.000.00 to the Registrar.

27. Section 42(6) of the Charities Act states that any person who fails to provide a statement of account to the Registrar or does not facilitate the auditor the access to which he is entitled, is guilty of an offence and liable on summary conviction to a fine of BBD 1000.00 or imprisonment of 6 months, and an additional fine of BBD 100.00 for each day that the offence continues after conviction. Furthermore, section 323E of the Companies (Amendment) Act 2011-8, provides that any person that fails to provide any financial statement regarding a non-profit company, or denies the auditor access to which he is entitled, is guilty of an offence and liable on summary conviction to a fine of BBD 5.000 or to imprisonment of 6 months or to both. The person is further liable to a fine of BBD 500.00 for each day that the offence continues after conviction.
28. The review that was conducted by CAIPO in 2019/2020 consisted of striking off the register those NPOs and charities that were inactive/non-compliant. Barbados indicated that this was done after repeated follow-up actions and outreach with the NPOs to ensure compliance. Follow-up actions included a written warning of sanction for non-compliance, and a warning of pending removal from the register was issued in a public notice, which was published in a newspaper. Hence, Barbados will strike a NPO off the register if there is no response to follow-up actions, outreach efforts and non-adherence to the warning. In 2023, CAIPO conducted another review and was able to identify five at risk NPOs, and applied an increased monitoring regime, which also resulted in supervision measures, such as scheduling of an inspection. Therefore, the framework is in place for the applications of sanctions. There have been no instances where it was necessary to apply these sanctions. Noncompliance with legislative requirements anecdotally has been linked to ignorance and not willful disregard. The first step in the ladder of intervention is outreach to the NPO, the follow-up action taken by the NPO at that stage is to address its deficiencies. As such, the application of sanctions/penalty has not been necessary. This is also balanced with supervision and monitoring which includes the risk based methodology to identify TF abuses/ at risk NPOs and the NPOs level of regulatory compliance. Thus, the sanctions that are available to CAIPO for violations by NPOs or persons acting on behalf of these NPOs are effective, dissuasive and proportionate.
29. **Criterion 8.5(a):** The status quo remains for ratings in both the MER and the 2nd FUR. No deficiency cited.
30. **Criterion 8.5(b):** The status quo remains for ratings in both the MER and the 2nd FUR. No deficiency cited.
31. **Criterion 8.5(c):** The Attorney General has the general authority to examine and inquire into NPOs pursuant to section 38(1) of the Charities Act. With respect to the investigation of an offence under section 3 or 4 of the Anti-Terrorism Act, the Attorney General also has the authority to conduct examinations and inquiries into an NPO in accordance with section 38(1A) of the Charities Act. Section 38(2) of the Charities Act further provides that the Attorney General can delegate the authority to a public officer or any person to make such an examination and inquiry into NPOs. Barbados indicated that the Registrar was appointed by the Attorney General in 2019 and given the full authority to inquire into NPOs, which includes access to information on the administration and management of NPOs.
32. There are various cooperation mechanisms between LEAs, supervisors, CAIPO and the RBPF, for which MOUs are in place. CAIPO, supervisors and LEAs meet on a regular basis in two different committees, the Anti-Money Laundering Authority's Supervisors Committee and the Beneficial Ownership Working Group. In these committees, a range of AML related topics are discussed and information related to investigations is exchanged both formally and

informally. Although there have been no requests for information pertaining to NPOs, there is a mechanism in place allowing the exchange of such information.

33. CAIPO has also concluded a MOU with the RBPF, which states that any information in CAIPO's possession that, is considered necessary by the Special Branch Unit (SBU) to carry out its functions, can be shared. This pertains to information on the administration and management, including financial and programmatic information) of an NPO, that the Registrar can request of NPOs pursuant to section 175 of the Companies (Amendment) Act, 2020-31 and section 38 of the Charities Act.
34. Barbados has demonstrated that it is able to obtain full access to information on the administration and management of NPOs, including financial and programmatic information during the course of an investigation and that it has appointed a person to carry out such investigations and inquiries on a general basis.
35. **Criterion 8.5(d):** CAIPO is the designated monitoring authority responsible for the implementation of the internal supervision policy, which specifies the ongoing monitoring and supervision mechanism as applied by the internal compliance section of CAIPO. In accordance with section 38 (2) of the Charities Act and section 323A of the Companies (Amendment) Act, the Registrar has been appointed by the Attorney General to examine and inquire into NPOs on a general basis and with respect to investigations into suspicions of an offence under sections 3 or 4 of the Anti-Terrorism Act.
36. CAIPO has conducted a review process in 2020 and in 2023 to identify NPOs at risk and not at risk of terrorist financing abuse through the issuance of questionnaires and by conducting a review of the submissions to the questionnaires. CAIPO also continued to apply risk-based monitoring activities, including increased monitoring of those NPOs that were considered to be at risk. The established MOU between CAIPO and the RBPF provides for a cooperation mechanism enabling authorities to share information with the aim of taking preventive or investigative action.
37. CAIPO is able to form a suspicion or reasonable grounds to suspect that a particular NPO is committing any of the acts listed in criterion 8.5(d), given the Registrar's authority to access and review NPO information, including the information that is filed with the office, and that which is kept by the NPO in accordance with section 38(1) of the Charities Act. Therefore, CAIPO has the authority to investigate and gather information on NPOs directly, this includes full access to information on the administration and management of NPOs, including financial information. Pursuant to section 29(2) of the MLFTA CAIPO can provide information to the Director of the FIU. In addition to the cooperation mechanisms described in criterion 8.5 (c), the MOU between CAIPO and the BPS, specifically provides that information can be provided fully and freely under Section 6, even if it was not specifically requested, thereby providing mechanisms allowing for prompt sharing of spontaneous information to competent authorities.
38. **Criterion 8.6:** The status quo remains for the rating in the MER. No deficiency cited.

Weighting and Conclusion

39. Barbados has made progress in addressing the deficiencies noted in the MER. Since the MER, Barbados has published the Guideline - Combatting Terrorist Financing Guideline for Charities and NPOs and competent authorities have organised multiple outreach sessions to encourage NPOs to carry out financial transactions through regulated financial channels, when possible. The Attorney General has delegated the authority to conduct risk-based monitoring and supervision of NPOs to the Registrar of Companies.. CAIPO has implemented an internal supervision policy based on which it conducts risk-based monitoring and supervision of NPOs, including a comprehensive assessment of risk that is conducted once per year for each NPO that is considered

to be at risk of TF abuse. NPOs not at risk of TF abuse are randomly selected for a desk-based review by CAIPO. Furthermore, CAIPO can conduct on-site inspections if necessary. Hence, Barbados applies risk-based monitoring and supervision activities to NPOs at risk and those that are not at risk of TF abuse. Therefore, CAIPO, as the appropriate authority, applies risk-based measures; monitors the compliance of NPOs with the requirements of this Recommendation; and is able to impose effective, proportionate and dissuasive sanctions for violations by NPOs or persons acting on behalf of these NPOs. As the designated authority to conduct risk based monitoring and supervision of NPOs on a general basis and with respect to investigations into suspicions of an offence, the Registrar is able to obtain full access to the administration and management of NPOs (including financial and programmatic information). Established co-operation mechanisms between CAIPO and other competent authorities, including the RBPF, further ensures that during the course of an investigation, CAIPO is able to share such information promptly with competent authorities.

40. Barbados is therefore re-rated Compliant for R.8.

4.2 Recommendation 23 (originally rated PC)

41. In its 4th MER, Barbados was rated PC with R.23. The key technical deficiencies related to the lack of a statutory or enforceable requirement to promptly report suspicious transactions to the FIU; no statutory or enforceable requirement to appoint a compliance officer at the management level; nor any statutory or enforceable requirement to implement screening measures when hiring employees and ongoing employee training; and no evidence that Barbados is positioned to apply any form of risk adjusted countermeasures against high risk jurisdictions either independently or at the specific request of FATF.
42. In its 2nd FUR, Barbados was rated PC with Recommendation 23. The remaining technical deficiencies were, inter alia, the lack of the requirement for the audit function to be independent. There was no requirement for DNFbps to apply any form of risk adjusted countermeasures against high risk jurisdictions either independently or at the specific request of FATF. The deficiencies in relation to R.21 were insufficiently addressed as well as the relevant changes to the Standard.
43. *Criterion 23.1 (a) – (c)*: The status quo remains for ratings in both the MER and the 2nd FUR. No deficiency cited.
44. *Criterion 23.2*: Barbados has amended the AML/CFT Guidelines for Attorneys-at-Law, Accountants, Real Estate Agents and DPMS to address the deficiency related to the required independence of the audit function. The requirement to conduct an independent audit to test the system has been specifically addressed in section 10 of the Guidelines. By virtue of sections 17, 22 and 26 of the MLFTA, these Guidelines are enforceable. Furthermore, the CTSPs are considered a FI within Barbados and, therefore, the sector is held to the Guidelines as published by the IBU. Seeing that R. 18 was rated Largely Compliant in the 2nd FUR, the CTSPs are required to comply with the internal controls requirements.
45. *Criterion 23.3*: Barbados has amended the AML/CFT Guidelines for Attorneys-at-Law, Accountants, Real Estate Agents and DPMS to include the requirement that DNFbps must apply risk-based countermeasures against higher risk countries either independently or at the request of the FATF. These measures must also be proportionate and effective to the risks identified for the higher risk country. By virtue of sections 17, 22 and 26 of the MLFTA, these Guidelines are enforceable. Furthermore, the CTSPs are considered a FI within Barbados and, therefore, the sector is held to the Guidelines as published by the IBU. Seeing that R. 19 was rated Largely Compliant in the 2nd FUR, the CTSPs are required to comply with the higher-risk countries requirements. In relation to concerns about weaknesses in the AML/CFT systems of

other countries, links are also placed on the website of the Compliance Unit of the AMLA with respect to e.g. FATF and sanction lists.

46. **Criterion 23.4:** Barbados has addressed the deficiencies in criterion 21.2 in relation to criterion 23.4. As established in criterion 21.2, the tipping-off prohibition is also applicable to situations where a STR or other pertinent information is in the process of being filed or has not yet been filed with the FIU in accordance with section 20 (1) of the MLFTA. This prohibition is applicable to any person, including directors, officers and employees of a DNFBP. Thus, the deficiency with respect to the tipping-off prohibition is addressed. Furthermore, the deficiency as identified in the 2nd FUR with respect to criterion 21.2 concerning the requirement that the confidentiality and tipping-off prohibition may not inhibit information sharing within financial groups under Recommendation 18, is not applicable to DNFBPs. Barbados noted that financial groups are not present within the DNFBPs and, and, therefore, the deficiency is not applicable to this criterion.

Weighting and Conclusion

47. Barbados has made progress in addressing the deficiencies noted in the MER. Since the MER, Barbados has addressed the deficiency concerning the absence of a requirement for the DNFBPs to conduct an independent audit to test their systems and the application of risk-based, proportionate and effective countermeasures for higher risk countries be it independently or at the request of the FATF through amendments of the AML/CFT Guidelines for various DNFBP sectors. Barbados has also addressed the deficiencies pertaining to tipping-off and confidentiality as set forth in Recommendation 21.
48. **Barbados is therefore re-rated Compliant for R.23.**

4.3 Recommendation 24 (originally rated PC)

49. In its 4th Round MER, Barbados was rated PC with R.24. The key technical deficiencies related to the lack of an ML/TF risk assessment specific to all forms of legal persons; whilst there is an obligation to maintain the basic and beneficial ownership at a location notified by the company registry, the discretion to maintain the record at some other place in Barbados as designated by the directors of the company mitigates against timely access; no provisions that mandate basic and beneficial ownership to be accurate and updated on a timely basis; no dual requirements to give immediate notification to the company registry of a change in the place where BO is held; no requirement in the governing legislation for a company to keep basic and BO information for 5 years; no timely access provision by competent authorities; and no legal obligation to expressly provide for the use of bearer warrants.
50. Other deficiencies related to BO information being accurate and as up-to-date as possible criterion 24.8 was not addressed. There is no dual obligation within the COMPA to disclose the identity of the nominator to the Registrar for it to be included in the relevant Register; the CTSPA does not contain a provision to mandate the maintenance of nominator information nor a proviso to make this information available to the Registrar. Neither does the MLFTA have an obligation to make BO information records specific to nominators available to the Registrar. In CAIPO, there is an absence of penalties for legal persons in striking companies off the Register and an absence in law of graduated administrative sanctions moving from a suspension to revocation of licence for legal persons. In relation to sub-criteria (a) and (b), based on the legal framework, the extent to which BO information can be exchanged is still unclear, including the exchange of information on shareholders. No specific information on competent authorities using their investigative powers, pursuant to the law to obtain BO information on behalf of foreign counterparts.

-
51. In its 2nd FUR, Barbados was rated PC with Recommendation 24. The remaining technical deficiencies were, inter alia, the obligation to keep beneficial ownership information up to date being placed on the company as set out in the amendments made to section 170(2)(d) of the Companies Act through the Companies (Amendment) Act 2019. However, no time period was identified within which this information must be updated following a change to share ownership. This leaves room for the register to be out of date until such an update occurs. For Limited Partnerships, the identities of the Partners any changes to the partners or the name of a partner must be delivered to the Registrar within 7 days of the change, pursuant to section 8 of the Limited Partnerships Act. However, it is noted that section 3(4) of the Limited Partnerships Act permits a body corporate to be a limited partner. This Act does not provide for the disclosure of the beneficial owner of the partner who is a limited partner. Foreign Partnerships or Limited Partnerships with a Foreign Partner must have its corporate service performed by a Corporate and Trust Service Provider, however, this does not address the issue of maintaining accurate and up to date beneficial ownership information of the partnership. Limited Partnerships are not required to keep or disclose the beneficial ownership of its partners who are body corporates.
52. Section 170(2)(b) provides for the company to maintain, on its register of shareholders, a statement of the shares held by each shareholder. It is not apparent from this provision that it is mandatory for this statement to contain the number of shares held and the categories of shares, including the nature of the associated voting rights. In the amendments made to the section 170(2)(d) of the Companies Act through the Companies (Amendment) Act 2019, the company must maintain a register of all shareholders at its registered office. This register must contain the date on which a person was entered in the register and the date in which any person ceased to be a shareholder. However, there is no time frame within which this information must be updated following a change to share ownership. This leaves room for the register to be out of date until such an update occurs. While the legislation provided by Barbados may assist, to an extent, with ensuring financial institutions and CSTPs assist their supervisory authorities when required, and this assistance may extend to the provision BO information, the provisions are very broad and do not specifically relate to BO information. The other companies which are formed in the jurisdiction but have not and are not required to engage a CTSP, and are not licensed or registered as a financial institution under the FIA or the FSCA remain unaddressed. Additionally, if the update to the register of BO information held by the company is delayed, LEAs or other competent authorities seeking to retrieve such information from the register may obtain outdated information. This limits the power of competent authorities to obtain up to date BO information on a timely basis. Further, there is no clear requirement for the CTSP to keep the information on the nominator director or shareholder or to provide such information to the Registrar for it to be included in the relevant register.
53. **Criterion 24.1:** The status quo remains for ratings in both the MER and the 2nd FUR. No deficiency cited.
54. **Criterion 24.2:** The status quo remains for ratings in both the MER and the 2nd FUR. No deficiency cited.
55. **Criterion 24.3:** The status quo remains for ratings in both the MER and the 2nd FUR. No deficiency cited.
56. **Criterion 24.4:** The status quo remains for ratings in both the MER and the 2nd FUR. No deficiency cited.
57. **Criterion 24.5:** Companies are required to maintain an up to date and accurate record of the basic and beneficial ownership information of a company pursuant to section 170 (2) (d) of the Companies (Amendment) (No. 2) Act, 2019-51. Section 179 (4A) of the Companies Act

provides that, where there is a transfer of shares, all instruments of such transfer must be presented to the Registrar within 30 days of the execution. Furthermore, in accordance with section 170A (1) of the Companies Act Cap. 308 as amended in the Corporate (Miscellaneous Provisions) Act, 2021-19, the Registrar must be notified of any changes to the beneficial ownership of a company within 14 days of the change, along with a notification confirming that the company continues to maintain an up to date and accurate record of basic and beneficial ownership information at its registered office. A company is liable to pay a penalty of BBD 500.00 up to a maximum of BBD 10,000.00 to the Registrar for failure to comply with these requirements. Although the onus is on the company to maintain its basic and beneficial ownership information, it is required to notify the Registrar of any changes to the beneficial ownership of the company within a set timeframe and failure to comply with this obligation can result in the imposition of sanctions..

58. In accordance with section 170(2) of the Companies Act Cap. 308, companies must maintain a register of shareholders which must be kept at the registered office. This includes a statement of the shares held by each shareholder. Additionally, sections 170 and 171 of the Companies Act Cap. 308, in conjunction with sections 121 and 122 of the Companies Act Cap. 308, require that an annual shareholders list is prepared which must show the number of shares held by each shareholder. The Registrar has access to all documents maintained at the registered office by virtue of powers found at Section 175 A of the Act. Similarly, sections 27 and 28, in conjunction with 170 and 171 of the Companies Act Cap. 308, require companies to maintain and to submit to the registry the categories of shares along with the voting rights.
59. In accordance with sections 7 and 8 of the Limited Partnerships Act, basic information must be registered and when there is a change to a limited partnership, also including a company that is a limited partner, a statement must be submitted to the Registrar within 7 days specifying the nature of that change. However, the provisions do not specifically require the disclosure of the beneficial owner of the partner who is a corporate limited partner. Additionally, section 170 (2) (d) of the Companies (Amendment) (No. 2) Act, 2019-51 contains a requirement to maintain accurate and up to date basic and BO information that is applicable to all companies, including limited partnerships and those of which a company is a limited partner. Thus, Barbados is able to ensure that limited partnerships maintain accurate and up to date basic and BO information.
60. A Foreign Partnership or Limited Partnership with a Foreign Partner must have its corporate service performed by a Corporate and Trust Service Provider (CTSP) and in accordance with section 24 of the Corporate Trust and Service Provider Act CTSPA, the CTSP is required to maintain beneficial ownership information in line with the compliance obligations. Although neither the CTSPA nor the IBU Guidelines specifically require that the information be kept up to date, section 19A of the CTSP (Amendment) (No. 2) Act, 2019-48, requires CTSPs to give the IBU written notice of a change in its clients' basic and BO information at least one month prior to the intended date of change. Thus, there is a requirement that basic and BO information for Foreign Partnerships or Limited Partnerships with a Foreign Partner is accurate and up to date.
61. **Criterion 24.6:** (a) The status quo remains for ratings in both the MER and the 2nd FUR. No deficiency cited.
62. (b) Section 170 (2) (d) of the Companies (Amendment) Act, 2019-19 requires that companies keep accurate and up to date records of beneficial ownership information. In accordance with section 170 (1) of the Companies (Amendment) Act, 2019-19, companies are required to prepare and maintain up to date BO information at its registered office. The requirements pertaining to the maintenance of accurate and up to date BO information are further detailed

in a Beneficial Ownership Guideline issued by CAIPO enabling companies to have an understanding of BO information and the framework for maintaining up to date BO information. Furthermore, as stated in criterion 24.5, Limited Partnerships with partners which are body corporates also fall within the scope of the Companies Act requiring the companies to maintain accurate and up to date records of BO information and be able to produce BO information if requested by the Registrar. Regarding companies that are not otherwise regulated, CAIPO has implemented a risk-based monitoring programme to ensure that such companies take reasonable measures to obtain and maintain accurate and up to date beneficial ownership information. This ensures that the companies take reasonable measures to obtain and hold up to date BO information in conformity with aforementioned provisions of the Companies Act. CAIPO also issued Beneficial Ownership Guidelines in July 2021 to provide guidance on beneficial ownership; specifically the application and interpretation of the term “beneficial ownership” and the identification of beneficial owners of all legal persons. Relative to the deficiency concerning timely access by LEAs due to delays in the court process, Certificates of Urgency are utilised for the prioritisation of hearings on AML/CFT/CPF matters and the assignment of a duty Judge or Chief Justice as a mechanism allowing for an accelerated process to obtain the necessary orders in a timely manner.

63. (c) Competent authorities can share beneficial ownership information through several cooperation mechanisms, such as the Money Laundering Investigations Committee; the Beneficial Ownership Working Group; and the Financial Intelligence Unit – Law Enforcement Working Group. The MOU between CAIPO and the RBPF provides a mechanism of cooperation and information sharing between the authorities on the legal and beneficial ownership of companies. Furthermore, the MOU among LEAs, i.e. RBPF, FIU, Customs and Excise Department and the Immigration Department, establishes a mechanism for cooperation and information sharing between competent authorities, which also includes BO information. Furthermore, section 30 (2) (c) of the MLFTA stipulates that the FIU can obtain beneficial ownership information from a financial institution, which also covers the production of up to date BO information to the FIU that can be shared with other competent authorities through the various cooperation mechanisms, such as the MOU among LEAs.
64. **Criterion 24.7:** The requirement to ensure that BO information of companies which are not licenced or registered with the FIA, FSC or which do not employ the services of a CTSP, are kept as accurate and up-to-date as possible, is stated in section 170 (2) (d) of the Companies (Amendment) (No. 2) Act, 2019-51, This requirement is also applicable to Limited Partnerships with partners which are body corporates. Section 179 (4A) of the Companies Act and section 170A (1) of the Companies Act Cap. 308 as amended in the Corporate (Miscellaneous Provisions) Act, 2021-19 stipulate the timeframes of 14 days and 30 days, respectively, to notify the Registrar of changes ensuring that the beneficial ownership information is up to date.
65. Section 6A of the FSC (Amendment) Act, 2019-21, requires every financial institution to submit a list of the shareholders on its register who hold shares of 5 per cent or more of its stated capital to the FSC at the beginning of each year, including further changes to that list. The Regulatory Reminder Changes in Ownership of 2019 requires FIs to submit further changes to the shareholders list within 30 days of such change. Section 6B of the FSC (Amendment) Act, 2019-21, stipulates the conditions of the licence.
64. The FSC has developed a database at the beginning of 2021 to capture the submitted declaration of shareholding statements. Information in the database includes the name of the legal person (licensee/registrant) and the names of the shareholders of the legal person. The database also includes an organisational chart with information on the ultimate beneficial owner (UBO) of

the legal person. The FSC follows up with the licensee/registrant if information on the UBO is not provided with the declaration statement. Furthermore, CAIPO has implemented a risk-based monitoring programme to ensure that companies that are not otherwise regulated maintain accurate and up to date beneficial ownership information. This monitoring programme and the supervision activities as conducted by CAIPO were established based on section 175 (5) of the Companies (Amendment) Act, 2020-31, which gives the Registrar the authority to require companies to produce any documents, including beneficial ownership information, for inspection.

65. **Criterion 24.8 (a):** There is no provision requiring that there must be one or more natural persons resident in the country who are authorised and accountable to competent authorities to provide all basic and beneficial ownership information and giving further assistance to the authorities.
66. **Criterion 24.8 (b):** Pursuant to section 15 (4) of the MLFTA, DNFBPs are required to determine the beneficial owner to the fullest extent possible. This requirement is reiterated in the AML/CFT/CPF Guidelines for the Attorneys, Accountants, Real Estate Agents and Dealers in Precious Metals and Stones, respectively, which were issued by the Compliance Unit of the Money Laundering Authority in 2021. By virtue of sections 17, 22 and 26 of the MLFTA, these Guidelines are enforceable. In accordance with section 30 (2) and (3) of the MLFTA, DNFBPs are required to provide all basic and BO information upon request by the Director of the FIU. Furthermore, section 30 (4) of the MLFTA provides that DNFBPs must comply with any instruction issued or request made by the Director under that section within the time specified by the Director, or in the absence of a specified time, within a reasonable time. Similarly, the Guidelines require that DNFBPs allow for timely access to records, including basic and BO information, by the FIU. Thus, DNFBPs are authorized by the company, and accountable to competent authorities to provide all basic and available BO information and to give further assistance to the authorities.
67. **Criterion 24.8 (c):** With regard to sub-criterion (c), in the 2nd FUR for Barbados, it was insufficiently demonstrated which other comparable measures Barbados had in place to ensure cooperation by companies with the competent authorities to determine the beneficial owner. Barbados has demonstrated that the Registrar has the authority to require companies to produce any documents, including beneficial ownership information for inspection pursuant to section 175 (5) of the Companies (Amendment) Act, 2020-31. This provision ensures that all companies, including those that are not required to utilise the services of a CTSP and are not licensed or registered as a financial institution under the FIA or the FSCA, are required to cooperate with CAIPO to the fullest extent possible in determining the beneficial owner. Additionally, the RBPF can access BO information through its MOU with CAIPO. Barbados stipulated that the FCIU utilises formal and informal requests to competent authorities for information, including BO information. In accordance with section 30(2)(c) of the MLFTA, the Director of the FIU can require a financial institution or a DNFBP to produce any information except information that is subject to professional privilege that is considered relevant by the Director to fulfil his functions. Furthermore, LEAs are able to access BO information through the MLAT process and the office of the DPP. In this regard, LEAs can utilise certificates of urgency to accelerate the process of obtaining orders, as was previously addressed in criterion 24.6. Barbados has demonstrated that its competent authorities are able to gather BO information to the fullest extent possible in determining the beneficial owner as contemplated by this criterion.
68. In accordance with section 30(2)(c) of the MLFTA, the Director of the FIU can require a financial institution or a DNFBP to produce any information except information that is subject

to professional privilege that is considered relevant by the Director to fulfil his functions. Furthermore, LEAs are able to access BO information through the MLAT process and the office of the DPP. In this regard, LEAs can utilise certificates of urgency to accelerate the process of obtaining orders, as was previously addressed in criterion 24.6.

69. **Criterion 24.9:** The status quo remains for ratings in the 2nd FUR. No deficiency cited.
70. **Criterion 24.10:** Since the 2018 MER, the Anti-Money Laundering Authority issued Guidelines for the DNFBP sectors in 2021, which obligate the sectors to obtain and maintain beneficial ownership information and to allow the FIU timely access to such information. Section 175 (5) of the Companies (Amendment) Act, 2020-31 was implemented allowing the Registrar to require companies to produce information on basic and beneficial ownership information. In this regard, Section 175 (10) of the Companies (Amendment) Act, 2020-31 provides that the Registrar may give directions to ensure compliance with section 175 of the Companies (Amendment) Act, 2020-31. This would also include directions regarding the timeliness of the production of the required basic and beneficial ownership information by companies. The RBPF has the ability to obtain basic and beneficial ownership information from CAIPO through the MOU between the authorities. Barbados utilises certificates of urgency for the prioritisation of hearings on AML/CFT/CPF matters and the assignment of a duty Judge or Chief Justice as a mechanism allowing for an accelerated process with respect to obtaining disclosure orders, customer information orders and account monitoring orders as provided in Part IV, Division 3 of PIOCA. This mechanism ensures that LEAs are able to obtain access to basic and beneficial ownership information in a timely manner. LEAs have the ability to obtain BO information in a timely manner through several mechanisms, including the utilisation of certificates of urgency.
71. **Criterion 24.11 (a) – (e):** The status quo remains for ratings in the 2nd FUR. No deficiency cited.
72. **Criterion 24.12 (a):** Barbados does not require nominee shareholders and directors to disclose the identity of their nominator to the company and to any relevant registry and for that information to be included in the relevant register. In addition, Part I Division F and, in particular section 135 (1) (b) of the Companies Act Cap. 308, identifies as ‘proxy’ a form of proxy which allows a shareholder to appoint a proxy holder to attend a meeting of shareholders and act on behalf of the shareholder. As stated in section 136 (3) of the Companies Act Cap. 308, the proxy is valid with respect to that meeting or any adjournment of that meeting. Furthermore, section 141 of the Companies Act Cap. 308 states that the form of proxy, which identifies the proxy holder, must be submitted to the Registrar. However, the definition of ‘proxy’ in the Companies Act Cap. 308 has a different meaning and purpose than the definition of ‘nominee shareholders and directors’ as meant in criterion 24.12 and, as such, does not fall within the scope of this sub-criterion. Mechanism (b) was identified by Barbados to ensure nominee shares and nominee directors are not misused. However, there is no explicit requirement for the nominee status to be recorded or for the nominees to maintain information identifying their nominator.
73. **Criterion 24.12 (b):** Barbados partially observes sub-criterion (b) as a mechanism to ensure that legal persons that have nominee shares and nominee directors are not misused in that all CTSPS are required to be licensed. Nominee shareholder / director services are only permissible under Sections 2 (2) d) and 2 (2) e) of the First Schedule of the CTSPA. However, there is no explicit requirement for the nominee status to be recorded or for the nominees to maintain information identifying their nominator.

-
74. **Criterion 24.12 (c):** Mechanism (a) was identified by Barbados to ensure nominee shares and nominee directors are not misused. However, there is no explicit requirement for the nominee status to be recorded or for the nominees to maintain information identifying their nominator.
75. With regard to the remaining deficiencies, Barbados does require nominee shareholders and directors to be licensed but there is no requirement that the nominee status is recorded in the company registries; that information identifying their nominator is maintained, and; to make such information available to the competent authorities upon request. Barbados is able to provide rapid international cooperation relative to basic and beneficial ownership information on the basis of Recommendations 37 and 40 but the DPP does not have a written procedure or case management system in place to ensure the timeliness and prioritization of MLATs. Furthermore, other than the FIU, Barbados did not sufficiently demonstrate that there is a legislative provision or policy in place requiring other authorities to monitor the quality of assistance that is received. These remaining deficiencies are considered minor given that Barbados has addressed most of the outstanding deficiencies.
76. **Criterion 24.13:** Section 170A (3) of the Corporate (Miscellaneous Provisions) Act, 2021-19, provides that companies, which fail to comply with the requirement to notify the Registrar of a change in the beneficial ownership of the company within 14 days of the change; and the submission of a statutory declaration, are liable to pay a penalty of BBD 500.00 for every day the failure continues up to a maximum of BBD 10,000.00. The provision also states that every director and officer of the company, if they knowingly and wilfully authorise or permit the failure to comply with the requirements, are liable to that penalty.
77. Failure to produce documentation and information as required by the Registrar or a person appointed by the Registrar pursuant to section 175 (5) (6) (7) and (10) of the Companies (Amendment) Act, 2020-31, incurs liability under section 175 (12) of the Corporate (Miscellaneous Provisions) Act, 2021-19, with a requirement to pay a penalty of BBD 5,000.00 to the Registrar. If the penalty is not paid by the due date, the person, i.e. company and every director and officer of that company, is liable to pay BBD 500.00 for every day the default continues up to a maximum of BBD 15,000.00. By virtue of section 175A of the Corporate (Miscellaneous Provisions) Act, 2021-19, a person who fails to maintain the records of the company at its registered office; register of shareholders; a register of debenture holdings, in accordance with section 170 (1) (2) or (3) of the Companies Act Cap. 308, or a person who fails to: maintain adequate accounting records and records of minutes of meetings and resolutions; keep the records at the registered office of the company; ensure the availability of accounting records that are kept outside of Barbados, in accordance with section 172 (1) (2) or (3) of the Companies Act Cap. 308, is liable on summary conviction to a fine of BBD 100,000.00 or to imprisonment for a term of 5 years, or to both. Furthermore, section 432 (1) of the Corporate (Miscellaneous Provisions) Act, 2021-19 provides that submission of a false statement, return or notice by a person results in liability to a fine of BBD 20,000.00 or to imprisonment for a term of 2 years, or to both. Pursuant to section 412 (1) (a) of the Companies Act Cap. 308, the Registrar can strike off a company that fails to file a return, notice or document a required pursuant to the Companies Act, which also includes producing beneficial ownership information in accordance with section 175 (5) of the Companies (Amendment) Act, 2020-31. Section 412 (2) of the Companies Act Cap. 308 provides that if a default is detected under section 412 (1) (a) of the Companies Act Cap. 308 the Registrar must send a notice stating the default and allow the company to remedy the default within 30 days before the company will be struck off the register.
78. With respect to CTSPs that perform services for Foreign Partnership or Limited Partnership with a Foreign Partner, the Director of the IBU can impose measures pursuant to section 28

(2) of the CTSPA for non-compliance with obligations. Measures include a warning or a reprimand; pecuniary penalty's, and; suspension or revocation of the licence of the CTSP. By virtue of section 29 (1) (2) and (3) of the CTSPA, the Director can impose a fine of BBD 5.000,- and impose a penalty of BBD 500,- for every day that the CTSP does not take a certain measure or action; or ceases a particular behaviour or activity. The latter penalty may not be imposed for more than 30 days. Thus, Barbados has the ability to hold any legal or natural person liable and has implemented proportionate and dissuasive sanctions for failure to comply with the requirements.

79. **Criterion 24.14 (a) and (b):** Competent authorities are able to provide international co-operation in relation to basic and beneficial ownership information to foreign competent authorities on the basis of Recommendations 37 and 40 as was previously addressed in the 2nd FUR. With respect to the rapidity of sharing such information, the FIU of Barbados is a member of the Egmont Group and therefore bound to uphold the timeliness requirements as set forth in paragraph 23 of the Principles for Information Exchange between Financial Intelligence Units in conjunction with paragraph 21 of the Operational Guidance for FIU Activities and the Exchange of Information. Barbados was rated largely compliant with Recommendations 37, 39 and 40 with Recommendation 38 rated as largely compliant.
80. Although the DPP does not have written internal procedures in place or a case management system to ensure the timeliness and prioritization for the processing of MLATs, it applies a standard procedure where an MLAT request is dealt with immediately upon receipt and prioritisation occurs based on the urgency of the request. Additionally, to accelerate the process and to ensure that international cooperation is provided rapidly, access can be obtained through the use of certificates of urgency. This mechanism provides for the prioritisation of hearings on AML/CFT/CPF matters and the assignment of a duty Judge or Chief Justice allowing for an accelerated process with respect to obtaining disclosure orders, customer information orders and account monitoring orders as provided in Part IV, Division 3 of PIOCA. Hence, despite the absence of a written process or a case management system to ensure the timeliness and prioritization of requests in relation to basic and beneficial ownership information, Barbados is able to apply other mechanisms to ensure that international cooperation is provided rapidly.
81. **Criterion 24.14 (c):** Barbados is able to use the competent authorities' investigative powers, in accordance with domestic law, to obtain beneficial ownership information on behalf of foreign counterparts as was previously addressed in the 2nd FUR for Barbados. The International Business Unit has implemented a procedure to ensure the rapid provision of BO information to LEAs, enabling competent authorities to rapidly obtain BO information on behalf of a foreign counterpart. Furthermore, in cases where beneficial ownership information is held at the company's registered address, the RBPF is required to obtain an order from the court to obtain such information. Barbados was rated largely compliant with Recommendations 37, 39 and 40 with Recommendation 38 rated as partially compliant. One of recurring deficiencies in Recommendations.37 to 40 concerned the absence of a clear process concerning timeliness and prioritization and the maintenance of a case management system by Barbados. However, this deficiency was considered minor.
82. Although the DPP does not have written internal procedures in place or a case management system to ensure the timeliness and prioritization for the processing of MLATs, it applies a standard procedure where an MLAT request is dealt with immediately upon receipt and prioritisation occurs based on the urgency of the request. Additionally, to ensure that the rapid provision of international cooperation is not hindered due to delays in the court process, certificates of urgency can be employed for the prioritisation of hearings on AML/CFT/CPF

matters and the assignment of a duty Judge or Chief Justice. Through this mechanism, authorities are able to utilize an accelerated process to obtain disclosure orders, customer information orders and account monitoring orders as provided in Part IV, Division 3 of PIOCA. Hence, despite the absence of a written process or a case management system to ensure the timeliness and prioritization of requests in relation to basic and beneficial ownership information, Barbados is able to apply other mechanisms to ensure that international cooperation is provided rapidly and it will not encounter delays in the Court process.

83. **Criterion 24.15:** The FIU of Barbados provides feedback on the quality of the assistance that it has provided to foreign FIUs or other authorised competent authorities following requests for basic and beneficial ownership information or requests for such assistance. Furthermore, an MOU between the regional regulators for financial institutions establishes a mechanism that would require the Central Bank of Barbados to monitor the quality of assistance it has received from other regulators and to improve cooperation. The mandates of the Money Laundering Investigations Committee and the Beneficial Ownership Working Group provide for a basis of cooperation between various authorities, including the DPP, RBPF, CAIPO, FCIU, FIU, IBU, Customs and Excise Department, Immigration Authority, and the Barbados Revenue Authority. This includes meetings where various topics falling within the purview of the mandate are addressed, including the quality of assistance received from other countries with respect to basic and beneficial ownership information. These authorities are able to identify and address any inadequate responses for international assistance within the Committee. Whilst there is no specific policy or legislative provision for monitoring by the supervisory authorities and the authorities that are members of the Committees, it was stated that the quality that is received is noted as it may impact investigations.

Weighting and Conclusion

84. Barbados has made progress in addressing the deficiencies noted in the MER. Since the MER, Barbados has implemented provisions, mechanisms and sanctions to ensure that all companies are required to maintain an accurate and up to date record of the basic and beneficial ownership information. Companies must notify the Registrar of changes to the beneficial ownership of a company within a specified timeframe to ensure that companies maintain accurate and up to date basic and BO information and companies are required to obtain and hold up to date beneficial ownership information at a specified location. Barbados has demonstrated that these requirements also apply to limited partnerships with a corporate limited partner; companies that are not required to have their services performed by a CTSP and are not otherwise regulated, and Foreign Partnerships or Limited Partnerships with a Foreign Partner that require the services of a CTSP. Barbados also requires that the statement of shares held by each shareholder must contain the number of shares held and the categories of shares, including the nature of the associated voting rights.
85. Barbados has made improvements through the implementation of a monitoring program to ensure that companies that are not otherwise regulated are also held to the same standards in terms of maintaining accurate and up to date beneficial ownership information.. Nominee shareholder / director services are only provided by CTSPs in accordance with Sections 2 (2) d) and 2 (2) e) of the First Schedule of the CTSPA. Provisions were implemented giving the Registrar the broad authority to require a company to produce beneficial ownership information and to share such information with the competent authorities. Mechanisms have been implemented to ensure that LEAs have timely access to basic and beneficial ownership information from the relevant parties through expedited proceedings to obtain orders from the Court. The establishment of national cooperation mechanisms further enhances the ability of

the competent authorities to share beneficial ownership information. Deficiencies with regard to the absence of penalties were addressed through the implementation of several provisions providing for proportionate and dissuasive sanctions, including the ability to strike off a company of the register after failing to correct the default. Barbados has implemented proportionate and dissuasive sanctions for all legal and natural persons for failure to comply with the requirements set out in this recommendation.

86. With regard to the remaining deficiencies, though Barbados is able to provide rapid international cooperation relative to basic and beneficial ownership information on the basis of Recommendations 37 and 40, the DPP does not have a written procedure or case management system in place to ensure the timeliness and prioritization of MLATs. Furthermore, other than the FIU, Barbados did not sufficiently demonstrate that there is a legislative mandate or policy in place requiring other authorities to monitor the quality of assistance that is received. These remaining deficiencies are considered minor, given that Barbados has addressed most of the outstanding deficiencies.
87. **Barbados is therefore re-rated Largely Compliant for R.24.**

4.4 Recommendation 36 (originally rated PC)

88. Recommendation 36 was rated 'PC' in the 4th round MER. The key technical deficiencies related to not fully implementing the Merida Convention due to a lack of implementation of the Prevention of Corruption Act, 2012. Articles 8 and 9 of the Palermo Convention were in train to be implemented by the Prevention of Corruption Act; however, this has not been proclaimed together with the Transnational Organized Crime (Prevention and Control) Act, 2011.
89. In the 2nd FUR, Barbados was rated PC with Recommendation 36. Barbados sought to enact new legislation to implement the Merida Convention. The new Integrity in Public Life Bill, 2020 and the Prevention of Corruption Bill, 2020, were both intended to replace the Prevention of Corruption Act, 2012.
90. **Criterion 36.1:** Barbados has implemented the Merida Convention through the enactment of the Prevention of Corruption Act, 2021-24. Section 21 of the Prevention of Corruption Act gives the Merida Convention direct effect in Barbados' national law.
91. **Criterion 36.2:** Barbados has implemented the Merida Convention through the enactment of the Prevention of Corruption Act, 2021-24. Section 21 of the Prevention of Corruption Act gives the Merida Convention and all relevant articles, as required for the purpose of this criterion, direct effect in Barbados' national law. In the 2018 MER it was noted that Barbados ratified the Palermo Convention in 2014 but that it had not implemented the relevant provisions of the Convention as required in this criterion. It was noted that Barbados was in the process of implementing articles 8 and 9 of the Palermo Convention through the Prevention of Corruption Act but that it had not been proclaimed. Through section 4 and section 7, Barbados has implemented articles 8 and 9 of the Palermo Convention into its national law. However, these Articles of the Palermo Convention are not included in the relevant articles for the purpose of this criterion. Additionally, Barbados has repealed the Transnational Organized Crime (Prevention and Control) Act of 2011 and has implemented the Trafficking in Persons Prevention Act 2016-9 which entered into force in 2016. This Act gives direct effect to the United Nations Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, Supplementing the United Nations Convention Against Transnational Organized Crime. Whilst this is a Protocol to the Palermo Convention, it does not satisfy the requirement as set forth in Recommendation 36 with respect to the implementation of the articles of the Palermo Convention into national law. However,

Barbados has demonstrated that it has fully implemented Articles 5, 6, 7, 10, 11, 13, 14, 16, 18, 19, 27; and that it has partially implemented articles 12, 15, 25, 30, 31 and 34 of the Palermo Convention. Thus, Barbados has ratified all relevant Conventions and it has fully implemented the Vienna Convention, the Merida Convention and the Terrorist Financing Convention. Although this is considered a minor shortcoming, Barbados has partially implemented the Palermo Convention. Therefore, Barbados has not fully implemented all Conventions as required in this criterion.

Weighting and Conclusion

92. Barbados has made progress in addressing the deficiencies noted in the MER. Since the MER, Barbados has implemented the Prevention of Corruption Act, 2021-24, which gives the Merida Convention direct effect into national law. Although the Palermo Convention was ratified in 2014, it has not been fully implemented into national law. Barbados is party to all four Conventions and it has fully implemented three of these Conventions. Barbados has minor shortcomings given that it has partially implemented the Palermo Convention.
93. **Barbados is therefore re-rated Largely Compliant for R.36.**

5. PROGRESS IN IMPLEMENTING NEW REQUIREMENTS WHERE THE FATF RECOMMENDATIONS HAVE CHANGED SINCE BARBADOS' ASSESSMENT

5.1 Recommendation 21 (originally rated LC)

94. In its 4th MER, Barbados was rated LC for R.21. The technical deficiency related to the offence of tipping-off not being applicable where STRs or other information are in the process of being filed or not yet filed with the FIU. In February 2018, criterion 21.2 was revised to reflect the November 2017 amendments to the Interpretive Note to R.18 and R.21. The rating was downgraded to PC in the 2nd FUR on account of the same deficiency identified in the MER. Further, there was no prohibition in the law on employees, directors, officers, or agents of a licensee with respect to disclosure that an STR is being filed with the FIU. As such, existing provisions were not sufficiently strong to prohibit tipping off.
95. In its 2nd FUR, Barbados was rated PC with Recommendation 21. Key technical deficiencies related to, inter alia, section 43 of the MLFTA not prohibiting the tipping off of STRs in the process of being filed, or not yet filed with the FIU. There are no provisions in law to prohibit FIs and their directors, officers, and employees from disclosing the fact that an STR or other related information is being filed with the FIU. Furthermore, there were no provisions in parent legislation to prohibit FIs and their directors, officers, and employees from disclosing the fact that an STR or other related information is being filed with the FIU and that these provisions were not intended to inhibit information sharing within financial groups.
96. **Criterion 21.1:** The status quo remains for ratings in both the MER and the 2nd FUR. No deficiency cited.
97. **Criterion 21.2:** In the 2nd FUR for Barbados it was noted that section 43 of the MLFTA extends the tipping-off prohibition to situations where a person knows or suspects that an investigation or enquiry into money laundering or financing of terrorism has been, is being or is about to be made; or that an order has been made or may be made requiring the delivery or production of any document, and; divulges that fact or other information to another person whereby the investigation or enquiry is likely to be prejudiced. Whilst this provision is not applicable when

STRs and other pertinent information are in the process of being filed or have not yet been filed with the FIU, section 48 (2) of the MLFTA provides for a tipping-off prohibition in such cases.

98. Pursuant to section 48 (2) of the MLFTA, persons are prohibited from publishing or disclosing to another person any contents, documents, communication or information that is related to and have come to the knowledge of that person in the course of that persons' duties under the MLFTA, unless this is done in accordance with the MLFTA or necessary in the course of his duties. This prohibition is applicable to any person, including directors, officers and employees of a FI. Furthermore, the wording in the provision with regard to 'the course of duty' captures all obligations under the MLFTA, also including the preparation and the process of filing of an STR with the FIU in accordance with section 20 (1) of the MLFTA. Contravention of section 48 (2) of the MLFTA is an offence under section 48 (3) of the MLFTA and a person is liable on conviction on indictment to a fine of BBD 100,000.00 or to imprisonment of 5 years or to both. However, Barbados did not sufficiently address the remaining deficiency that was identified in the 2nd FUR with respect to the requirement that the confidentiality and tipping-off prohibition may not inhibit information sharing within financial groups. Considering that Barbados has mostly addressed the requirements for criterion 21.2, the rating for this criterion is mostly met.

Weighting and Conclusion

99. Barbados has made progress in addressing the deficiencies noted in the MER. Since the MER, Barbados has demonstrated that the tipping-off prohibition is incorporated in its national law and that this also applies to situations where STRs and other pertinent information are in the process of being filed or have not yet been filed with the FIU. The deficiency with respect to the requirement that the confidentiality and tipping-off prohibition may not inhibit information sharing under Recommendation 18 was not addressed. Considering that Barbados has implemented most of the requirements related to tipping-off and confidentiality, the remaining deficiency for this Recommendation is minor.
100. **Barbados is therefore re-rated Largely Compliant for R.21.**

6. BRIEF OVERVIEW OF PROGRESS ON OTHER RECOMMENDATIONS RATED NC/PC

101. Barbados reported progress in the other Recommendations rated NC/PC. For Recommendation 15, mechanisms are in place for existing financial institutions and DNFBPs which are intentionally framed to ensure that the communication of declaratory orders by the DPP and posting thereafter by all supervisors and the FIU. Sections 37 and 38 of the PIOCA make provisions for the making of a confiscation order where a defendant absconds before being convicted or absconds and is neither convicted nor acquitted. In such circumstances Barbados implemented the provisions of section 26(7) of the MACMA to enforce the non-conviction-based confiscation order of a commonwealth country by reason of the absence or flight of the perpetrator. The PIOCA makes provisions at section 58 for a prosecutor to apply to the court for the appointment of an enforcement receiver in respect of specified property where an external order in relation to the recovery of property is registered in Barbados. Regarding external orders, section 52 of the PIOCA, 2019 permits a prosecutor to make an application for a restraining order against property once an external order is accepted.

7. CONCLUSION

102. Barbados has made significant progress in addressing the technical compliance deficiencies identified in Recommendations 8, 21, 23, 24, 36 and only minor deficiencies remain. Barbados

has been re-rated Compliant on Recommendations 8 and 23 and re-rated Largely Compliant for Recommendations 21, 24 and 36.

103. A summary table setting out the underlying deficiencies for the Recommendations assessed in this report is included at *Annex A*.
104. Overall, in light of the progress made by Barbados since its MER was adopted, its technical compliance with the FATF Recommendations is as follows as of May 2024:

R.	Rating	R.	Rating
1	PC (MER 2017) LC (2 nd FUR)	21	LC (MER 2017) PC (2 nd FUR) ↑LC (FUR 2024)
2	LC (MER 2017) LC (2 nd FUR)	22	LC (MER 2017)
3	LC (MER 2017)	23	PC (MER 2017) PC (2 nd FUR) ↑C (FUR 2024)
4	PC (MER 2017) C (2 nd FUR)	24	PC (MER 2017) PC (2 nd FUR) ↑LC (FUR 2024)
5	LC (MER 2017) LC (2 nd FUR)	25	LC (MER 2017)
6	LC (MER 2017)	26	C (MER 2017)
7	NC (MER 2017) LC (2 nd FUR)	27	C (MER 2017)
8	NC (MER 2017) PC (2 nd FUR) ↑C (FUR 2024)	28	LC (MER 2017)
9	C (MER 2017)	29	PC (MER 2017) LC (2 nd FUR)
10	LC (MER 2017)	30	LC (MER 2017)
11	C (MER 2017)	31	PC (MER 2017)
12	LC (MER 2017)	32	PC (MER 2017) LC (2 nd FUR)
13	LC (MER 2017)	33	PC (MER 2017) LC (2 nd FUR)
14	LC (MER 2017)	34	PC (MER 2017) LC (2 nd FUR)
15	C (MER 2017) PC (2 nd FUR)	35	LC (MER 2017)
16	LC (MER 2017)	36	PC (MER 2017) ↑LC (FUR 2024)
17	LC (MER 2017)	37	LC (MER 2017)
18	LC (MER 2017) LC (2 nd FUR)	38	PC (MER 2017) LC (2 nd FUR)
19	PC (MER 2017) LC (2 nd FUR)	39	LC (MER 2017)
20	PC (MER 2017) C (2 nd FUR)	40	LC (MER 2017)

105. Barbados has 38 Recommendations rated C/LC and remains in enhanced follow-up based on effectiveness ratings. Based on the approved cycle for exiting the 4th Round Follow-Up

Process and having sought technical compliance re-ratings, Barbados will present its 5th and last FUR at the May 2024 Plenary meeting.

106.

a. Annex A: Summary of Technical Compliance –Deficiencies underlying the ratings ⁴

Compliance with FATF Recommendations		
Recommendation	Rating	Factor(s) underlying the rating⁶
R. 21*	LC (MER) PC (FUR 2021) LC (FUR 2024)	<ul style="list-style-type: none"> *The requirement that the confidentiality and tipping-off prohibition may not inhibit information sharing under Recommendation 18 was not addressed.
R. 24	PC (MER) PC (FUR 2021) LC (FUR 2024)	<ul style="list-style-type: none"> Barbados is able to provide rapid international cooperation relative to basic and beneficial ownership information on the basis of Recommendations 37 and 40, however, the DPP does not have a written procedure or case management system in place to ensure the timeliness and prioritization of MLATs. Furthermore, other than the FIU, Barbados did not sufficiently demonstrate that there is a legislative mandate or policy in place requiring other authorities to monitor the quality of assistance that is received.
R. 36	PC (MER) LC (FUR 2024)	<ul style="list-style-type: none"> *Since the MER, Barbados has implemented the Prevention of Corruption Act, 2021-24, which gives the Merida Convention direct effect into national law. Although the Palermo Convention was ratified in 2014, it has not been fully implemented into national law. Barbados is party to all four Conventions and it has fully implemented three of these Conventions. Barbados has minor shortcomings given that it has partially implemented the Palermo Convention.

*Deficiency identified in the 2nd Enhanced FUR.

⁴ Ratings and factors underlying the ratings are only included for those recommendations under review in this FUR. ⁶ Deficiencies listed are those identified in the MER unless marked as having been identified in a subsequent FUR.



www.cfatf-gafic.org

May 2024

Anti-money laundering and counter-terrorist financing measures in
BARBADOS

5th Enhanced Follow-up Report & Technical Compliance Re-Rating

This report analyses Barbados' progress in addressing the technical compliance deficiencies identified in the CFATF assessment of their measures to combat money laundering and terrorist financing of November 2017.

The report also looks at whether Barbados has implemented new measures to meet the requirements of the FATF Recommendations that have changed since its 4th Round Mutual Evaluation assessment.

Page 26 of 26

Follow-up Report