



**ADDRESS BY DR. THE HON. D. ORLANDO SMITH, OBE, PREMIER OF THE
VIRGIN ISLANDS ON THE OCCASION OF THE XXXVI PLENARY OF THE
CARIBBEAN FINANCIAL ACTION TASK FORCE**

Delivered on Wednesday, 14th November 2012 at the Multipurpose Sports Complex
in Road Town, Tortola, Virgin Islands

Good Morning,

Let me add my words of welcome to the delegates of the 36th CFATF Plenary. We in the Virgin Islands are indeed glad that you've been able to make it to our Territory and I am advised that some of you have travelled far and wide to be here. I trust that your presence here this week will be worth the hours spent on the road and in the air as you embark on the important task of discussing issues of mutual interest in the continuing fight against those who engage in the activity of money laundering, terrorist financing and proliferation financing. I'm sure you will find the Virgin Islands, affectionately referred to as *Nature's Little Secrets*, and Virgin Islanders and all those who inhabit our shores to be friendly and welcoming.

For some of you this may be your first to the Virgin Islands; well, I invite you to discover *Nature's Little Secrets* in the hope that your first visit will turn into the beginning of many more trips to the Virgin Islands, not only for work, but also for pleasure. For those of you who are visiting a second or more time or have simply become regulars, I welcome you back to our shores and trust that outside of your work you will find the time to enjoy your favourite spots and discover new ones as well.

My Government and the people of the Virgin Islands are indeed pleased to be hosting the 36th Plenary of the CFATF. The Virgin Islands is a founding member of the CFATF and we value and cherish our relationship with the organisation. We recognise the important role the CFATF plays in the region in keeping with the organisation's main objective of achieving the effective implementation of, and compliance with, established standards with respect to detecting and preventing money laundering and terrorist financing in our individual jurisdictions and in the region as a whole.

By keeping to this fundamental objective, the CFATF has over the years demonstrated its pivotal role as a significant partner in the global fight against money laundering, terrorist financing and other forms of financial crime. It is therefore imperative that we continue to play our individual and collective roles in fostering bilateral, regional and international cooperation by adhering to the established standards for effectively combating money laundering and terrorist financing and all other related criminal activities.

As a tourist destination and a premier financial services jurisdiction, the Virgin Islands understands just how well good reputation matters. In fact it means everything. A hike in the level of criminality in our society would likely keep visitors away. If we turn a blind eye to any abuse of our legitimate business structures, those engaged in money laundering, terrorist financing and other forms of financial crime will see a haven in the Virgin Islands. These will create a serious dent in our reputation as a tourist-friendly jurisdiction and a well-established international finance centre. Consequently, our only recourse is to build and strengthen our law enforcement defences, in addition to ensuring the enactment of appropriate legislations that comply with established standards to curb the spread of criminality. The Royal Virgin Islands Police Force, Financial Investigation Agency and Customs Department have the primary responsibility of guarding the perimeters of our borders and, along with the Immigration Department, a close watch is placed on those who make it their business to smuggle people into and through the Virgin Islands.

In order to ensure that there is a good appreciation of the ills of money laundering, terrorist financing and other forms of financial crime and to establish appropriate mechanisms for detecting and preventing such activity, there is active collaboration between all the key institutions of Government. We have in place the Inter-Governmental Committee on AML/CFT which comprises the Ministry of Finance, Attorney General's Chambers, Customs Department, Police Force, Immigration Department, Trade and Consumer Affairs Department, Shipping Registry, Airports Authority, Ports Authority, Office of Director of Public Prosecutions, Post Office and Financial Services Commission.

This Committee, which is Chaired by the Financial Services Commission, holds regular meetings and has the primary function of creating, enhancing and promoting public awareness of issues relative to money laundering and terrorist financing; promoting cooperation and information exchange between the institutions concerned in order to detect and prevent money laundering and terrorist financing; raising red flags to each other of any activity that involves or may relate to potential criminal conduct or breach of any law on drug trafficking, money laundering, terrorist financing and related offences; and promoting cooperation with foreign regulatory, administrative and law enforcement agencies in relation to any money laundering or terrorist financing matter. This institution effectively serves the useful role of an intelligence-gathering body by promoting cooperation amongst all the key Government institutions. We consider this to be an effective medium for detecting and reducing criminality in our society.

In addition, the Joint Anti-money Laundering and Terrorist Financing Advisory Committee (JALTFAC), which is a public-private sector body, also aids the Virgin Islands' fight against money laundering and terrorist financing. It essentially advises on initiatives relating to the detection and prevention of money laundering and terrorist financing activity, including adherence to established standards on AML/CFT issues.

Those who engage in the activities of money laundering and terrorist financing neither know nor respect borders; they permeate every territorial boundary and, if left unchecked, can create instability and distort national economies. We cannot let them have the upper hand; but to win the war we must all adhere to the established standards of compliance and enforcement, improve our national law enforcement defences, and engage in greater regional and international cooperation. A robust legal, regulatory and enforcement machinery against money laundering, terrorist financing and other forms of financial crime promotes a viable business environment and sustains economic life; it does not deter development as some might have us believe. Therefore it is important that all CFATF Members and our global partners work together and assist each other in building and strengthening appropriate defences to keep criminals at bay.

My Government is determined to do everything in its power to keep money launderers and those who facilitate the activity of money laundering at bay. The same goes for those who engage in the activity of financing terrorist activities in and from within our Territory and other forms of breach of established rules of international law entrenched in our laws. We will jealously guard our borders, protect our business structures, and protect our communities, against abuse by those who have scant or no respect for the law. A collective Caribbean approach in this regard will ensure that we maintain a clean region in which drug traffickers, money launderers and promoters of organised crime realize that they are not welcome and will always be hunted down.

The CFATF's mutual evaluation programme has great value for its members. Yes, the process itself is time consuming and resource intensive, especially for smaller economies. However, being assessed by one's peers gives the opportunity to reassess one's laws and systems with a view to effecting necessary reforms and thus becoming an effective partner in the global fight against money laundering, terrorist financing and other forms of financial crime. Following the revision of the FATF Recommendations earlier this year and as we all prepare for the Fourth Round of Mutual Evaluations, I trust that all CFATF members will adequately prepare and face the process with the seriousness that it deserves. Maintaining a region with a good reputation for effectively combating money laundering and terrorist financing can only yield good results for all of us. In this regard, I call on the FATF and all other partners to lend us a supporting hand - a hand that recognises our limitations and encourages us, supports our initiatives, provides necessary training, guides our key institutions, and shares necessary information to help in steering forward our processes; not a hand that seeks to blame and point fingers, not a hand that seeks to keep us at bay, and not a hand that has the effect of inhibiting and slowing down our desire to cooperate in the global fight against money laundering and terrorist financing.

The Virgin Islands remains committed to the CFATF and its processes. As we prepare to assume the Chairmanship of the organisation, I wish to assure the entire CFATF family and our partners that we will do our utmost to ensure the continued progress and viability of this important institution.

I am pleased that the FATF President, Bjorn Aamo, has been able to be here with us today to share his thoughts with us. It is important that the FATF and the CFATF work very closely together to aid and learn from each other and serve as a common anchor against the scourges of money laundering, terrorist financing and proliferation financing. The relationship must be tempered with genuineness, respect and cordiality. Those who seek to divide and defeat us in our collective drive to strengthen the heat against money launderers and financiers of terrorism and weapons of mass destruction become the only winners if we fail to work with and assist each other.

This month in 2012 marks the 20th anniversary of the establishment of the CFATF following the Kingston Declaration in November 1992. We are indeed honoured to be celebrating the anniversary in the Virgin Islands. The anniversary should be a time of reflection for all CFATF members and our partners; we must reflect on the paths we have crossed to get to where we are today as an organisation; reflect on what we could have done differently and better; reflect on the lessons learnt and resolve to do better and thus ensure a strengthened CFATF; reflect on our relationships between each other as members and with our cooperating and supporting partners and our donors and how best we can strengthen those relationships.

We should also celebrate the CFATF's 20th anniversary by renewing our commitment to the organisation and dedicating the resources necessary to ensure the organisation's continued viability.

Let me conclude by wishing you all successful deliberations as you continue with your assignments. I hope some, if not all, of you will stay beyond the Plenary to enjoy better the things our beautiful Territory has to offer. Once again, welcome to our beautiful Virgin Islands.

Thank you.