



# First Follow-Up Report

Suriname

18 April 2011

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## MUTUAL EVALUATION OF SURINAME: FIRST FOLLOW-UP REPORT

### I. INTRODUCTION

1. The relevant dates for the Mutual Evaluation Report and subsequent Follow-Up Reports for Suriname are as follows:
  - Date of the Mutual Evaluation Report: November 30<sup>th</sup> 2009
  - Date of previous follow-up reports: This is the first follow-up report by Suriname. However, in the context of the membership discussions which took place at the October 2009 Plenary in Curacao, Suriname was required to present the actions taken, since the mutual evaluation, to improve the compliance by its AML/CFT infrastructure, including for the sixteen (16) core and key Recommendations rated as PC or NC. On 30<sup>th</sup> March 2010, Suriname responded by submitting a *Description of Tasks* to the Secretariat. This information was submitted with insufficient time for a detailed analysis to be conducted and so a follow up report was not done. Suriname however presented a verbal report to the Plenary of June 2010 and was asked to report to the November 2010 Plenary. Suriname did not submit any information to the CFATFF Secretariat for the November 2010 Plenary as the Jurisdiction was reportedly in political transition from one government to another. As a result no follow up report was done and the plenary decided that Suriname would report to the May 2011 Plenary in Honduras.
2. The following table is intended to assist in providing an insight into the level of risk in the main financial sector in Suriname.

#### Size and Integration of the jurisdiction's financial sector (US\$ thousands)

		Banks	Non-bank related	Other Credit Institutions*	Pension funds	Insurance	TOTAL
<b>Number of institutions</b>	Total #	9	3	29	34	13	88
<b>Assets</b>	US\$	2.086.076	65.072	59.305	377.513	188.984	2.776.950
<b>Deposits</b>	Total: US\$	1.778.108	44.641	50.696	61.867	N.A.	1.935.312
	% Non-resident	% of deposits					
<b>International Links</b>	% Foreign-owned:	% of assets	% of assets	% of assets	% of assets	% of assets	% of assets
	#Subsidiaries abroad	N.A.					

### II. SUMMARY OF PROGRESS MADE BY SURINAME

#### *Findings of the MER*

3. Suriname was rated partially compliant (PC) or non-compliant (NC) with 43 Recommendations. Among the Core Recommendations, two (2) were rated as being PC (Rec. 1 and Rec. 10) whilst the other four (4) were rated as being NC (Rec. 5, Rec. 13, SR. II, and SR.IV). Five (5) Key Recommendations were rated

as being PC (Rec. 3, Rec. 4, Rec. 26, Rec. 35 and Rec. 40) whilst four (4) were rated as NC (Rec. 23, SR.I, SR.III, SR.V) The plenary decided that Suriname should be placed on expedited follow-up.

<b>Core Recommendations<sup>1</sup> rated PC or NC</b>
R.1 (PC), R.5 (NC), R.13 (NC), SR.II (NC), SR.IV (NC)
<b>Key Recommendations<sup>2</sup> rated PC or NC</b>
R.3 (PC), R.4 (PC), R.23 (NC), R.26 (PC) R. 35 (PC), R. 40 (PC) SR.I (NC), SR.III (NC) SR.V (NC)
<b>Other Recommendations rated as PC</b>
R.14, R.18, R.20, R.25, R.27, R. 30, R.37, R.38
<b>Other Recommendations rated as NC</b>
R.6, R.7, R.8, R.9, R.11, R.12, R.15, R.16, R.17 R.19, R.21, R.22, R.24, R.29, R.32,33, SR.VI, SR.VII, SR.VIII AND SR.IX.

## Core Recommendations

### Recommendations 1, 5, 10, 13, SR.II and SR.IV

4. **Rec. 1** - Although the newly elected government has done a comprehensive review of all existing draft legislation, the draft bill on FT has not as yet been taken to Parliament.
5. **Rec. 5** - The Central Bank of Suriname is reportedly in the process of preparing draft guidelines, which will include CDD measures, for the financial sector.
6. **Rec. 10** – The Ministry of Justice and Police has prepared draft legislation in the hope that when enacted it will address the Examiners recommendation that there should be a requirement to keep all documents, which record details of transactions carried out by the client in the course of an established business relationship, and a requirement to keep all documents longer than 7 years (if requested to do by a competent authority).
7. **Rec. 13** – No concrete action has as yet been taken in furtherance of complying with the Examiners many recommendations to close the gaps exposed in the MER.

## Key Recommendations

### Recommendations 3, 4, 23, 26, 35, 40, SRI, SR.III and SR.V

8. **Rec. 26** – Amongst the shortcomings noted in Suriname’s MER was the fact that the FIU’s remit did not include TF related disclosures and there was insufficient protection for the information and staff of the FIU. Additionally, the Examiners had discerned that there was an overall problem with effectiveness of the implementation of the requirements of Recommendation 26 and that there was insufficient use of the analytical and inquiry powers of the FIU. In its attempt to fill these gaps, Suriname has reportedly increased the staff complement of the FIU from four (4) to twelve and the FIU has applied for its own budget for the year 2011. No information was provided as to the size of the budget and whether or

<sup>1</sup> The core Recommendations as defined in the FATF procedures are R.1, R.5, R.10, R.13, SR.II and SR.IV

<sup>2</sup> The key Recommendations as defined in the FATF procedures are R.3, R.4, R.23, R.26, R.35, R.36, R.40, SR.I, SR.III, SR.V

not it was approved so that an analysis could be done to determine to what extent the Examiners recommendation to substantially increase the financial resources of the FIU was met. No other action has been taken by Suriname to improve its performance with regards to the Key Recommendations.

### **Other Recommendations**

9. Suriname has taken a decision to enact new legislation to provide for the supervision of its DNFBP sector. Notwithstanding this, no decision has been taken regarding the actual mode of supervision that will be adopted. Relative to the lack of enforceable requirements for financial institutions to establish and maintain internal procedures policies and controls to prevent ML and to communicate these to their employees pursuant to the requirements of Recommendation 15, the Central Bank of Suriname is in the process of redrafting it's the AML regulations so as to bring them in line with the Examiners recommendations. No other action has been reported by Suriname that would positively affect their performance with these Recommendations.

### **Conclusion**

10. It is now two (2) years since the mutual evaluation of Suriname and sixteen (16) months since the adoption of its MER. Judging from the information provided in Suriname's matrix it can easily be concluded that other than increasing the staff of the FIU from four (4) to twelve (12) persons, no other concrete action has been taken to address the shortcomings in its AML/CFT infrastructure related to the Key, Core and other Recommendations. Suriname has reported that the legislative amendments which they anticipate will positively affect their compliance with the FATF Recommendations are now in the form of drafts. They have however given no indication of the status of those drafts and any timelines that speak to when such draft will be enacted.
11. Given all of the above, Plenary is being asked to consider placing Suriname into the first stage of enhanced follow up and that a letter from the CFATF Chairman be sent to the relevant Surinamese minister(s) drawing their attention to the non-compliance with the FTAF Recommendation.

CFATF Secretariat  
April 2011

**Matrix With Ratings And Follow-Up Plan 3<sup>rd</sup> Round Mutual Evaluation  
Suriname (30<sup>th</sup> March, 2011)**

Forty Recommendations	Rating	Summary of factors underlying rating <sup>3</sup>	Recommended Action	Action Undertaken
<b>Legal systems</b>				
1. ML offence	PC	<ul style="list-style-type: none"> <li>• Not all designated categories of predicate offences are covered in the absence of the criminalization of ‘terrorism and financing of terrorism’ and ‘insider trading and market manipulation’ in Suriname penal legislation;</li> <li>• It is virtually impossible to do any assertion with regards to the effectiveness and efficiency of the systems for combating ML, due to the lack of comprehensive and reliable (annual) statistics.</li> <li>• Evidentiary requirements for autonomous ML still untested (effectiveness issue).</li> </ul>	<ul style="list-style-type: none"> <li>i. It is recommended that legislation is adopted to make insider trading and market manipulation and terrorism and the financing of the same offences under Surinamese laws.</li> <li>ii. Besides the criminalization of FT, local authorities should see to it, that, as soon as there is an act criminalizing the FT, comprehensive statistics be kept on the number investigations, prosecutions and convictions for the act of FT</li> </ul>	<p>The new elected government who came in office August 2010, has reviewed all draft legislation, and so far, the draft legislation on FT is not yet presented to the new Parliament.</p> <p>Comprehensive statistics on the number of investigations, prosecutions and convictions will be kept, as soon there is an act on FT.</p>
2. ML offence – mental element	LC	<ul style="list-style-type: none"> <li>• It is virtually impossible to do any</li> </ul>	<ul style="list-style-type: none"> <li>i. Besides the criminalization of FT,</li> </ul>	

<sup>3</sup> These factors are only required to be set out when the rating is less than Compliant.

and corporate liability		<p>assertion with regards to the effectiveness and efficiency of the systems for combating ML, due to the lack of comprehensive and reliable (annual) statistics.</p> <ul style="list-style-type: none"> <li>Evidentiary requirements for autonomous ML still untested (effectiveness issue).</li> </ul>	<p>local authorities should see to it, that, as soon as there is an act criminalizing the FT, comprehensive statistics be kept on the number investigations, prosecutions and convictions for the act of FT</p>	<p>Comprehensive statistics on the number of investigations, prosecutions and convictions will be kept, as soon there is an act on FT.</p>
3. Confiscation and provisional measures	PC	<ul style="list-style-type: none"> <li>No legal basis for the confiscation of TF related assets, in the absence of a TF offence</li> <li>It is impossible to assess the effectiveness and efficiency of the systems for combating ML, due to the lack of comprehensive and reliable (annual) statistics with respect to property / objects seized and confiscated.</li> </ul>	<p>i. The two shortcomings are the fact that the FT is no offence under Surinamese laws, and there are no statistics available to see how effective the legislation is in practice.</p>	<p>As soon as the new Parliament (which was installed in June 2010) has adopted the act on FT, comprehensive statistics on the number of investigations, prosecutions and convictions will be kept, to see how effective the legislation is in practice.</p>
Preventive measures				
4. Secrecy laws consistent with the Recommendations	PC	<ul style="list-style-type: none"> <li>While most of the competent authorities have access to information, there are no measures allowing for the sharing of information locally and internationally.</li> <li>There are no measures for the sharing of information between financial</li> </ul>	<p>i. The assessment team recommends that the relevant competent authorities in Suriname be given the ability to share locally and internationally, information they require to properly perform their functions.</p>	<p>Article 9 of the MOT act will be revised in order to make sharing of information possible, both, locally and internationally.</p>

		institutions as required by Recommendations 7 and 9 and Special Recommendation VII.		
5. Customer due diligence	NC	<ul style="list-style-type: none"> <li>• All financial institutions should be fully and effectively brought under AML and CFT regulation and especially under the broad range of customer due diligence requirements. The definition of “financial activities” should be updated in accordance with the definition of “financial activities” in the FATF Methodology.</li> <li>• Financial institutions should be required to undertake full CDD measures when carrying out occasional transactions that are wire transfers in circumstances covered by the Interpretative Note to SR VII or occasional transactions above the applicable threshold of USD/EUR 15.000;</li> <li>• There is no legal requirement to undertake CDD measures in cases where there is a suspicion of terrorist financing and in cases where there are doubts about the veracity or adequacy of previously obtained customer identification data.</li> </ul>	<p>Suriname should implement the following elements from Recommendation 5 which have not been fully addressed:</p> <ol style="list-style-type: none"> <li>i. All financial institutions should be fully and effectively brought under AML and CFT regulation and especially under the broad range of customer due diligence requirements;</li> <li>ii. The definition of “financial activities” should be updated in accordance with the definition of “financial activities” in the FATF Methodology;</li> <li>iii. Financial institutions should be required to undertake full CDD measures when carrying out occasional transactions that are wire transfers in circumstances covered by the Interpretative Note to SR VII or occasional transactions above the applicable threshold of USD/EUR 15.000;</li> <li>iv. The requirement to undertake CDD measures in cases where there is a suspicion of terrorist financing and in cases where there are doubts about the veracity or adequacy of previously obtained customer identification data;</li> </ol>	CBS is preparing a draft regarding the introduction of guidelines, including CDD measures, for the financial sector.

	<ul style="list-style-type: none"> <li>• There is no legal requirement to verify the legal status of legal arrangements like trusts and understand who is (are) the natural person(s) that ultimately owns or control the customer or exercise(s) effective control over a legal arrangement such as a trust.</li> <li>• There is no legal requirement regarding identification and verification of the beneficial owner of a legal person.</li> <li>• There is no legal requirement to obtain information on the purpose and intended nature of the business relationship.</li> <li>• No specific requirement to perform ongoing due diligence on business relationships.</li> <li>• Performing enhanced due diligence on higher risk categories of customers, business relationships or transactions.</li> <li>• There should be some consideration/assessment made based on which there is a satisfaction about compliance with the Recommendations by countries which are currently seen as compliant without any doubt.</li> <li>• There are no general requirements to apply CDD measures to existing</li> </ul>	<ul style="list-style-type: none"> <li>v. The requirement to verify the legal status of legal arrangements like trusts and understand who is (are) the natural person(s) that ultimately owns or control the customer or exercise(s) effective control over a legal arrangement such as a trust;</li> <li>vi. The requirements regarding identification and verification of the beneficial owner for legal persons, including the obligation to determine the natural persons who ultimately own or control the legal person;</li> <li>vii. The obligation to obtain information on the purpose and intended nature of the business relationship;</li> <li>viii. No specific requirement to perform ongoing due diligence on business relationships;</li> <li>ix. Performing enhanced due diligence on higher risk categories of customers, business relationships or transactions;</li> <li>x. There should be some consideration/assessment made based on which there is a satisfaction about compliance with the Recommendations by countries which are currently seen as compliant without any doubt;</li> <li>xi. There are no general requirements to</li> </ul>	
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		<p>customers on the basis of materiality and risk.</p> <ul style="list-style-type: none"> <li>• When regulating the identification and verification of beneficial owners, a requirement to stop the financial institution from opening an account, commence business relations or performing transactions when it is unable to identify the beneficial owner satisfactorily is needed.</li> <li>• There is no legal requirement to terminate the business relationship and to consider making a suspicious transaction report when identification of the customer cannot be performed properly after the relationship has commenced.</li> </ul>	<p>apply CDD measures to existing customers on the basis of materiality and risk;</p> <p>xii. When regulating the identification and verification of beneficial owners, a requirement to stop the financial institution from opening an account, commence business relations or performing transactions when it is unable to identify the beneficial owner satisfactorily.</p> <p>xiii. The requirement to terminate the business relationship and to consider making a suspicious transaction report when identification of the customer cannot be performed properly after the relationship has commenced.</p>	
6. Politically exposed persons	NC	<ul style="list-style-type: none"> <li>• Suriname has not implemented any AML/CDD measures regarding the establishment and maintenance of customer relationships with politically exposed persons (PEP's).</li> </ul>	<p>i. Suriname should implement the necessary requirements pertaining to PEPs.</p>	
7. Correspondent banking	NC	<ul style="list-style-type: none"> <li>• There are no legal requirements applicable to banking relationships.</li> </ul>	<p>i. With regard to correspondent banking, financial institutions should be required to determine that the respondent institution's AML/CFT controls are adequate and effective, and regarding payable through accounts, to be satisfied</p>	

			that the respondent has performed all normal CDD obligations.	
8. New technologies & non face-to-face business	NC	<ul style="list-style-type: none"> <li>The (legal) requirement for financial institutions to have policies in place or take such measures as may be needed to prevent misuse of technological developments in ML or TF schemes is not covered.</li> </ul>	<p>Suriname should also implement the necessary requirements pertaining non-face to face business relationships or (ongoing) transactions.</p> <p>In addition, steps should be taken to ensure that financial institutions have policies in place or take such measures as may be needed to prevent the misuse of technological developments in ML or TF schemes.</p>	
9. Third parties and introducers	NC	<ul style="list-style-type: none"> <li>There is no legal provision that addresses the reliance on intermediaries or third party introducers to perform some of the elements of the CDD process or to introduce business.</li> <li>Financial institutions are not required to take adequate steps to satisfy themselves that copies of the relevant documentation will be made available from the third party upon request without delay</li> </ul>	<p>i. If financial institutions are permitted to rely on third parties or introducers the Surinamese legislation needs to be adjusted accordingly. If financial institutions are not permitted to rely on third parties or introducers for some elements of the CDD process, the law or regulation should specify this</p>	

		<ul style="list-style-type: none"> <li>• There is no requirement that the financial institution must be satisfied that the third party is regulated and supervised and has measures in place to comply with the CDD requirements.</li> <li>• In determining in which countries the third party that meets the conditions can be based, competent authorities do not take into account information available on whether those countries adequately apply the FATF Recommendations.</li> <li>• There is no legal provision that indicates that the ultimate responsibility for customer identification and verification remains with the financial institution relying on the third party.</li> </ul>		
10. Record keeping	PC	<ul style="list-style-type: none"> <li>• No requirement to keep all documents recording the details of all transactions carried out by the client in the course of an established business relationship.</li> <li>• No requirement to maintain account files and correspondence for at least five years following termination of an account or relationship.</li> <li>• No general requirement in law or regulation to keep documentation longer than 7 years if requested by a</li> </ul>	i. There should be a requirement to keep all documents, which record details of transactions carried out by the client in the course of an established business relationship, and a requirement to keep all documents longer than 7 years (if requested to do by an competent authority).	The ministry of Justice and Police has prepared draft legislation in which this aspect of record keeping has been taken care of. In this regard article 8 of the ID law will be amended so that there will be a requirement to keep all documents, which record details of transactions carried out by the client in the course of an established business relationship, longer than 7 years (if requested to do by an competent authority).

		<p>competent authority.</p> <ul style="list-style-type: none"> <li>• There is no general requirement for financial institutions to ensure that all customers and transactions records and information are available on a timely basis to domestic competent authorities upon appropriate authority.</li> </ul>	<p>ii. There should be a requirement for financial institutions to ensure availability of records to competent authorities in a timely manner.</p>	
11. Unusual transactions	NC	<ul style="list-style-type: none"> <li>• No requirement to pay special attention to all complex, unusual large transactions, or unusual patterns of transactions, that have no apparent or visible economic or lawful purpose.</li> <li>• The obligation to examine as far as possible the background and purpose of the transaction and to set forth the findings in writing is not dealt with explicitly in the legislation.</li> <li>• No specific requirements for financial institutions keep findings regarding examinations about complex, unusual large transactions available for competent authorities and auditors for at least five years</li> </ul>	<p>i. There should be a requirement for financial institutions to pay special attention to all complex, unusual large transactions, or unusual patterns of transactions, that have no apparent or visible economic or lawful purpose.</p> <p>ii. There should be requirement for financial institutions to examine as far as possible the background and purpose of the transaction and to set forth the findings in writing and to keep these findings available for competent authorities and auditors for at least five years.</p>	
12. DNFBP – R.5, 6, 8-11	NC	<ul style="list-style-type: none"> <li>• The ID law does not contain any provisions with regard to the supervision of DNFbps on their compliance with their obligations</li> </ul>	<p>Suriname should modify the ID law in order for it to cover the full range of CDD measures as set out in the FATF standards</p>	

		<p>pursuant to the ID law;</p> <ul style="list-style-type: none"> <li>• There is a significant lack of guidance to the DNFBPs as to the proper application of the identification obligations pursuant to the ID law;</li> <li>• There is no public entity or government agency explicitly tasked with guidance and supervision for DNFBPs with respect to their obligations under the ID law;</li> <li>• The ID law lacks an effective sanctioning system;</li> <li>• The above leads to an overall problem of effectiveness of the ID law in so far as it concerns DNFBPs;</li> <li>• The registration system for legal persons is not always adequate, thereby hampering certain DNFBPs to properly identify the persons behind a legal person involved in a transactions</li> <li>• The ID law does not contain specific provisions regarding the identification by the DNFBPs of the ultimate beneficiary owner;</li> <li>• The ID law does not contain explicit provisions regarding transactions carried out by DNFBPs involving ultimate beneficiary owner;</li> </ul>	<p>Suriname should introduce in the ID law or in another law provisions regarding the supervision of the DNFBPs on their compliance with the identification requirements of the ID law. In doing so Suriname should set out the supervisory instruments and powers, and designate a public entity or government agency tasked with the actual supervision of DNFBPs.</p> <p>Suriname should introduce in the ID law or in another law provisions enabling effective, proportionate and dissuasive sanctioning of non-compliance by DNFBPs with their obligations pursuant to the ID law. More specifically Suriname should consider the introduction of administrative sanctioning of violations of the ID-law by DNFBPs next to the existing general criminal sanctioning provision of article 10 of the ID law. In doing so Suriname should also designate a public entity or government agency tasked with the imposition of the administrative sanctions on non-compliant DNFBPs.</p> <p>Suriname should provide proper, continuous and effective guidance to the DNFBPs on the purpose and compliance</p>	<p>Provisions regarding the supervision of the DNFBPs are yet to be developed. Therefore the decision was made to draft a separate law regarding supervision on DNFBPs which will prevent the other changes of the ID law to be delayed.</p> <p>Decisions are to be made regarding the system of supervision of the DNFBP's. In this regard FIU Aruba shared useful information with Suriname.</p> <p>Provisions regarding the supervision of the DNFBPs are yet to be developed. Therefore the decision was made to draft a separate law regarding supervision on DNFBPs which will prevent the other changes of the ID law to be delayed.</p> <p>Decisions are to be made regarding the system of supervision of the DNFBP's. In this regard FIU Aruba shared useful information with Suriname.</p>
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			<p>DNFBPs besides currently civil notaries, accountants and lawyers, to record the transaction amount as part of the identification requirements pursuant to article 7 and 3 of the ID law.</p> <p>Suriname should improve its registration system for legal persons, especially for foundations, in order to better enable DNFBPs to better comply with their identification obligations under the ID law. Additionally, measures, including legal ones, should be taken to better enable DNFBPs to identify the ultimate beneficiary owner through the legal persons registration system.</p> <p>Suriname should consider bringing the scope of the ID requirements for casinos, real estate agents, dealers in precious metals, dealers in precious stones, lawyers, civil notaries, accountants and other DNFBPs in accordance with essential criterion 12.1. This means introducing a monetary threshold for</p>	paragraph d of article 1 of the ID law.
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			<p>casinos, dealers in precious metals and dealers in precious stones, as well as a description of activities for real estate agents, lawyers, civil notaries, accountants and other legal professionals, for activities subject to the identification requirements.</p> <p>Suriname should fully implement the Law on lawyers. In doing so, Suriname might consider to have an order decree pursuant to article 34 of this law enacted with provisions on the identification of clients by lawyers, thereby further strengthening the identification framework for lawyers. Suriname may also consider introducing similar provisions for other professionals such as civil notaries and accountants</p>	
13. Suspicious transaction reporting	NC	<ul style="list-style-type: none"> <li>• The reporting obligation does not cover transactions related to insider trading and market manipulation as these are not predicate offences for money laundering in Suriname.</li> <li>• There is no requirement to report suspicious transactions related to terrorist financing because the legislation on TF is not yet in place.</li> </ul>	<p>The reporting obligation under the MOT Act should cover transactions related to insider trading and market manipulation.</p> <p>The reporting duty needs to be explicitly in the law to include all funds where there are reasonable grounds to suspect or they are suspected to be linked or related to, or to be used for terrorism, for terrorist acts,</p>	

		<ul style="list-style-type: none"> <li>• Not <u>all</u> institutions and DNFBPs that have a reporting requirement are fully aware of this requirement.</li> <li>• There is a concern on the quality of STRs under the objective criteria, since quite a lot of STRs do not contain the information as prescribed by article 12.2 of the MOT Act; only 32 out of 101 institutions file STRs that comply with the article 12.2 of the MOT Act.</li> <li>• There is a concern on the delay of STRs reported under the objective criteria; since this is virtually always done by using fixed period intervals, rather than without delay, as required by the MOT Act.</li> <li>• Reporting institutions mainly rely in the objective criteria to report and pay little or no attention to elements that would make a transaction suspicious.</li> <li>• Overall serious concern about the effectiveness of the system</li> </ul>	<p>or by terrorist organizations or those who finance terrorism.</p> <p>The assessment team advises to include in the State Decree on Unusual Transactions the requirement to also report “attempted unusual transactions”</p> <p>The financial institutions that choose to use an UTR-interface for reporting purposes, should be obliged to improve the quality of the UTRs as soon as possible and in such a way that the disclosures contain all information as prescribed by article 12.2. of the MOT Act.</p> <p>The authorities should consider whether the obligation to report unusual transactions “without delay” is sustainable.</p> <p>The FIU and other competent authorities should make an inventory to identify all financial institutions and DNFBPs that have a reporting requirement, reach out to these parties and apply sanctions in case of non-compliance.</p> <p>The FIU and other competent authorities should raise awareness and enhance the sensitivity of all financial institutions and</p>	<p>Art 12 MOT Act already incorporates attempted unusual transactions.</p> <p>Art. 12.2 Mot act will be amended.</p> <p>FIU already started with awareness raising sessions for some DNFDPs, and will continue throughout 2011.</p>
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			DNFBPs regarding money laundering and terrorist financing risks.	FIU already started with awareness raising sessions for some DNFDPs, and will continue throughout 2011.
14. Protection & no tipping-off	PC	<ul style="list-style-type: none"> <li>No compliance with the prohibition by law to disclose the fact that a UTR or related information is being reported or provided to the FIU, is not enforced by sanctions, as Suriname is lacking effective AML/CFT supervision.</li> </ul>	Violation of the prohibition against tipping-off should be enforced by sanctions.	Art 22 and 23 of the Mot act, include sanctions in case of tipping-off.
15. Internal controls, compliance & audit	NC	<p>No general enforceable requirements to:</p> <ul style="list-style-type: none"> <li>Establish and maintain internal procedures, policies and controls to prevent money laundering and to communicate them to employees;</li> <li>Designate compliance officers at management level;</li> <li>Ensure compliance officers have timely access to information;</li> <li>Maintain an adequately resourced and independent audit function to test compliance with AML/CFT procedures, policies and controls;</li> <li>Establish ongoing employee training;</li> </ul>	<p>i. The Surinamese authorities need to ensure that Recommendation 15 in all its aspects is clearly required by law, regulation or other enforceable means all of which requirements should be capable of being sanctioned.</p>	The Bank is in the process of redrafting the AML regulations in line with the recommendations of the MER.

		<ul style="list-style-type: none"> <li>• Put in place screening procedures;</li> <li>• Ensure high standard when hiring employees.</li> </ul>		
16. DNFBP – R.13-15 & 21	NC	<ul style="list-style-type: none"> <li>• The same deficiencies and shortcomings detected in the MOT legislative framework and its implementation with respect to the financial institutions recur with the DNFBPs. These include the absence of TF-related provisions, of compliance supervision, effective, proportionate and dissuasive sanctions to enforce compliance and the lack of clear and effective guidance;</li> <li>• Due to practical constraints the FIU has been focusing primarily on financial institutions, further compromising the effectiveness of the reporting system for DNFBPs;</li> <li>• The definition of legal professionals services in the MOT Act and the Decree Indicators Unusual Transactions is excessive while the legal professional secrecy of lawyers and civil notaries has not been taken into account;</li> </ul>	<p>Suriname should address the deficiencies and shortcomings noted in sections 2.5 and 3.7 regarding the functioning of the FIU and the application and enforcement of the provisions of the MOT Act and the Decree Indicators Unusual Transactions, since these are equally applicable to the DNFBPs. These include, but is not limited to, DNFBPs should also be required to understand the ownership and control structure of the customers, and to determine who are the natural persons that ultimately own or control the customer the introduction of adequate compliance supervision provisions in the MOT Act and the introduction of effective, proportionate and dissuasive sanctions in the MOT Act. The latter could be done by introducing administrative sanctions in the MOT Act.</p> <p>More specifically, Suriname should provide adequate and continuous guidance to the DNFBPs in order to reach and maintain satisfactory compliance with the MOT Act and the Decree</p>	

		<ul style="list-style-type: none"> <li>• Only certain groups of DNFBPs or individual DNFBPs submit unusual transactions reports to the FIU;</li> <li>• Deficient reporting of unusual transactions in which only unusual transactions based on objective indicators containing monetary thresholds are reported, while unusual transactions based on subjective indicators are not reported at all;</li> <li>• No requirement with respect to the presence of AML/CFT programs as required by Recommendation 15;</li> <li>• Absence of measures or legal basis for such measures with respect to countries that do not or insufficiently comply with the FATF Recommendations.</li> </ul>	<p>Indicators Unusual Transactions. This guidance should have as one of its primary objectives the prompt and continuous reporting of transactions based on the subjective indicators as well as transactions based on the objective indicators.</p> <p>Suriname should bring the definitions of services by lawyers, civil notaries and other legal professionals in the MOT Act and Decree Indicators Unusual Transactions in line with the circumstances set out in essential criterion 16.1 of the Methodology. While doing so Suriname should also take the legal professional secrecy of lawyers and civil notaries into account.</p> <p>Suriname should consider lowering the threshold amounts mentioned in the relevant objective indicators in order to better reflect the current realities of the Surinamese financial-economic situation, thereby increasing the amount of reports to be received pursuant to these indicators.</p> <p>It should be noted that a significant amount of subjective indicators described in the various categories are very broad</p>	
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			<p>and actually do not relate with the typical activities pursued by the relevant DNFBPs. For example, the subjective indicators for legal professionals cover various services which are typically financial services but are not services provided by legal professionals. Reference can be made to sections 7 up to and including 11 of the subjective indicators for legal professionals (category F of article 3 of the Decree Indicators Unusual Transactions). Suriname should address this issue in order to ensure effective reporting based on the subjective indicators.</p>	
17. Sanctions	NC	<ul style="list-style-type: none"> <li>The range of sanctions is not sufficiently broad. There are no administrative sanctions, which can be imposed against financial institutions, directors, controlling owners and senior management of financial institutions directly for AML/CFT breaches. The available sanctions do not include the possibility to directly bar persons from the sector. Currently, there is not the general possibility to restrict or revoke a license for AML/CFT violations.</li> <li>No requirement to report suspicion of terrorist financing and consequently no</li> </ul>	<ol style="list-style-type: none"> <li>The assessment team recommends to include administrative (e.g. fines) or civil sanctions in the AML/CFT framework, which are in practise easier enforceable and in practice more effective than penal provisions.</li> <li>The range of sanctions should be broadened with administrative sanctions for financial institutions, DNFBPs, for directors and senior management of financial institutions, to include the more direct possibility to bar persons from the sector, to be able to more broadly replace or</li> </ol>	

		<p>supervision of this issue.</p> <ul style="list-style-type: none"> <li>The effectiveness of the overall sanctioning regime, at present, is questioned because penal sanctions have not been imposed for AML failings.</li> </ul>	<p>restrict the powers of managers, directors, or controlling owners for AML &amp; CFT breaches. In addition, there should be the possibility to restrict or revoke a license for AML and CFT violations.</p>	
18. Shell banks	PC	<ul style="list-style-type: none"> <li>Measures to prevent the establishment of shell banks and to prevent financial institutions to enter into or continue a correspondent banking relationship with shell banks are not sufficiently explicit.</li> <li>There is no specific enforceable obligation that requires financial institutions to satisfy themselves that respondent financial institutions in a foreign country do not permit their accounts to be used by shell banks</li> </ul>	<ol style="list-style-type: none"> <li>Suriname should review its laws, regulations, and procedures and implement a specific requirement that covers in a formal way, the prohibition on the establishment or continued operation with shell banks.</li> <li>There should a specific enforceable obligation on financial institutions to reassure themselves that a respondent financial institution in a foreign country does not permit its accounts to be used by shell banks.</li> </ol>	
19. Other forms of reporting	NC	<ul style="list-style-type: none"> <li>Feasibility and utility of CTR or threshold reporting has not been considered</li> </ul>	<ol style="list-style-type: none"> <li>Suriname should <u>consider</u> the feasibility and utility of implementing a system where financial institutions report <u>all</u> transactions in currency above a fixed threshold to a national central agency with computerized database.</li> </ol>	
20. Other NFBP & secure	PC	<ul style="list-style-type: none"> <li>Although real estate agents and car dealers are also subject to basically</li> </ul>	<ol style="list-style-type: none"> <li>Suriname is urged to correct the deficiencies discussed in sections</li> </ol>	

<p>transaction techniques</p>		<p>the same legal identification and reporting obligation as the DNFBPs meant in R.12 and R.16, the same legal and practical deficiencies are present;</p> <ul style="list-style-type: none"> <li>• No obligation in the ID law for real estate agents and car dealers to establish the transaction amounts during the identification of their clients;</li> <li>• Threshold for reporting of unusual transactions based on monetary objective indicator is too high;</li> <li>• No measures are currently present encouraging the development and use of modern and secure techniques for conducting financial transactions that are less vulnerable to money laundering.</li> </ul>	<p>4.1 and 4.2 of this report which are also present with respect to the real estate agents and car dealers.</p> <ul style="list-style-type: none"> <li>ii. Suriname should require the transaction amounts to be established as well when real estate agents and car dealers establish the identity of a client pursuant to the ID law.</li> <li>iii. Suriname should also consider lowering the threshold amounts mentioned in Decree Indicators Unusual Transactions in order to improve the amounts of reports received based on the objective indicators.</li> <li>iv. As Suriname has a largely cash-based economy with a fairly large informal component it is encouraged to introduce measures for the development and use of modern and secure techniques for conducting financial transactions that are less vulnerable to money laundering</li> </ul>	
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<p>21. Special attention for higher risk countries</p>	<p>NC</p>	<ul style="list-style-type: none"> <li>• No obligation to examine as far as possible the background and purpose of transactions with persons from countries which do not or insufficiently apply FATF Recommendations.</li> <li>• No specific requirements to keep written findings available to assist competent authorities and auditors.</li> <li>• No provision for the financial institutions to apply appropriate counter-measures against countries which do not or insufficiently apply the FATF.</li> </ul>	<p>i. Suriname should issue a law or regulation to implement the requirements of Recommendation 21.</p>	
<p>22. Foreign branches &amp; subsidiaries</p>	<p>NC</p>	<ul style="list-style-type: none"> <li>• There is no general obligation for all financial institutions which ensures their branches and subsidiaries observe AML/CFT measures consistent with home requirements and the FATF Recommendations to the extent that host country laws and regulations permits;</li> <li>• There is no requirement to pay particular attention to situations where branches and subsidiaries are based in countries that do not or insufficiently apply FATF Recommendations;</li> <li>• Provision should be made that were minimum AML/CFT requirements of</li> </ul>	<p>1) There should be a binding obligation on all financial institutions:</p> <ul style="list-style-type: none"> <li>i. To pay particular attention to the principle with respect of countries which do not or insufficiently apply FATF Recommendations;</li> <li>ii. Where the minimum AML/CFT requirements of home and host country differ to apply the higher standard to the extent that host country laws permit;</li> <li>iii. To inform the home country supervisor when a foreign branch or subsidiary is unable to observe appropriate AML/CFT measures.</li> </ul>	

		<p>the home and host countries differ, branches and subsidiaries in host countries should be required to apply the higher standard to the extent that local (i.e. host country) laws and regulations permit;</p> <ul style="list-style-type: none"> <li>• No general obligation to inform the home country supervisor when a foreign branch or subsidiary is unable to observe appropriate AML/CFT measures.</li> </ul>		
23. Regulation, supervision and monitoring	NC	<ul style="list-style-type: none"> <li>• Relevant supervisory authority has not been designated as responsible for ensuring the compliance of their supervised financial institutions and DNFBBs with AML/CFT requirements.</li> <li>• The money &amp; value transfer companies, money exchange offices and stock exchange are not subject to AML/CFT supervision.</li> <li>• Money transfer offices and money exchange offices are not registered or licensed and appropriately regulated.</li> <li>• No requirement to report suspicion of terrorist financing and consequently no supervision of this issue.</li> </ul>	<ol style="list-style-type: none"> <li>A relevant supervisory authority should be designated as responsible for ensuring the compliance of their supervised financial institutions and DNFBBs with AML/CFT requirements.</li> <li>There should be a general requirement for money transfer offices and money exchange offices to be licensed or registered. In addition, money transfer offices and money exchange offices should also be made subject to a system for monitoring and ensuring compliance with the AML/CFT requirements.</li> <li>Surinamese authorities should consider regulating and supervising the Stock exchange for AML/CFT</li> </ol>	<p>Provisions regarding the supervision of the DNFBBs are yet to be developed. Therefore the decision was made to draft a separate law regarding supervision on DNFBBs which will prevent the other changes of the ID law to be delayed.</p> <p>Decisions are to be made regarding the system of supervision of the DNFBB's. In this regard FIU Aruba shared useful information with Suriname.</p>

			purposes.	
24. DNFBP regulation, supervision and monitoring -	NC	<ul style="list-style-type: none"> <li>• No AML/CFT based regulation and supervision of casinos currently present.</li> <li>• No adequate regulatory and monitoring measures regarding AML/CFT in place for the other categories of DNFBPs currently operating in Suriname</li> </ul>	<p>i. Suriname should effectively introduce as soon as possible an AML/CFT-based regulation and supervision of casinos in accordance with Recommendation 24. This includes the institution of a regulatory body with adequate powers and operational independence, and invested with sanctions instruments that are effective, proportionate and dissuasive</p> <p>ii. As for lawyers, Suriname should fully implement the Law on Lawyers, a.o. by making the Bar Association operational and providing this entity with all the instruments described in the Law. In doing so, Suriname should consider having the Bar Association issue one or more bar decrees on AML/CFT matters which complement and support the current AML/CFT system set out in the ID law and the MOT Act. Suriname should also consider to remove the current</p>	

			<p>ministerial authority set out in article 34 of the Law on Lawyers to annul a bar decree within a given period as this clearly undermines the independent status of the Bar Association.</p> <p>iii. Suriname should consider introducing SRO-style bodies for other (legal) professionals, such as civil notaries, accountants and tax advisors, with mandatory membership and authority to regulate and supervise these professionals. Given the total amount of for example civil notaries (currently 19 against a legal maximum of 20) this does seem quite feasible.</p>	
25. Guidelines & Feedback	PC	<ul style="list-style-type: none"> <li>There is no requirement for the FIU to provide the financial institutions and DNFBPs with adequate and appropriate information on current ML and TF techniques, methods and trends (typologies) and sanitised examples of actual money laundering and terrorist financing cases.</li> </ul>	<p>i. Suriname is strongly urged to introduce guidelines for DNFBPs to assist them with the implementation and compliance with their respective AML/CFT requirements.</p> <p>ii. The assessment team recommends the CBS to work together with the FIU and the Anti Money Laundering Commission in drafting guidelines for</p>	

		<ul style="list-style-type: none"> <li>• There is no requirement for the FIU to provide the financial institutions and DNFBPs with an acknowledgement of receipt of the UTRs and whether a report is subject to legal principles, if a case is closed or completed, and if information is available, information on the decision or result.</li> <li>• No guidelines present for DNFBPs to assist them with the implementation and compliance with their respective AML/CFT requirements</li> </ul>	<p>financial institutions (and DNFBPs) that give a description of money laundering and terrorist financing techniques and methods.</p>	
Institutional and other measures				
26. The FIU	PC	<ul style="list-style-type: none"> <li>• Overall problem of effectiveness</li> <li>• Insufficient use of the analytical and enquiry powers</li> <li>• Insufficient protection of the information and staff security</li> <li>• The FIU remit does not cover TF related disclosures</li> </ul>	<ul style="list-style-type: none"> <li>i. That the missing implementing legal instruments be drafted without further delay, so to consolidate the legal framework of the organisation and functioning of the FIU;</li> <li>ii. To substantially increase the human and financial resourcing of the FIU;</li> <li>iii. To move MOT to a location that ensures a secure conservation and management of the sensitive</li> </ul>	<p>FIU personnel have been increased from 4 to 12, including 4 analysts, and 2 lawyers.</p> <p>FIU has applied for an own budget for 2011.</p>

			<p>information and the safety of the staff;</p> <p>iv. To improve the IT security measures to protect the sensitive and confidential information;</p> <p>v. That the sensitisation and education of all reporting entities should be substantially enhanced by awareness raising sessions and typology feedback, aimed at an increased perception of suspicious activity to be reported;</p> <p>vi. To issue the necessary guidance to the sector stressing the importance of timely reporting, particularly of suspicious activity;</p> <p>vii. To increase the quality of the analytical process by systematically</p>	<p>Moving the FIU to another location is still pending.</p> <p>A local Area Network at the FIU premises operational.</p> <p>FIU already started with awareness raising sessions for some DNFDP's, and will continue throughout 2011.</p>
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			<p>querying all accessible sources, particularly the law enforcement and administrative data (including tax information);</p> <p>viii. To fully exploit all possibilities of information collection, particularly by having the supervisory and State authorities report as provided by the Law;</p> <p>ix. Finally, to intensify the efforts for the analysts to acquire better knowledge and insight in money laundering techniques and schemes.</p>	<p>Ongoing training of FIU staff. November 2009 orientation visit to the FIU in Belgium, march 2010 visit to FIU N.A. November 2009 Tactical Analysis Course for FIU personnel (by Egmont instructor mr. Dambruck)</p>
27. Law enforcement authorities	PC	<ul style="list-style-type: none"> <li>• No designated financial investigation team until recently – effectiveness untested</li> <li>• Loss of effectiveness by <ul style="list-style-type: none"> <li>- insufficient focus on the financial aspects of serious criminality</li> <li>- unsatisfactory exploitation of FIU reports</li> </ul> </li> <li>a. non-observance of the legal obligation to spontaneously informing MOT of ML relevant information</li> </ul>	<p>The performance of the AML/CFT effort should be enhanced by:</p> <ul style="list-style-type: none"> <li>i. A better interaction between the FIU and the police</li> <li>ii. A more efficient use of the information supplied by the FIU</li> <li>iii. A reinforced focus on the financial aspects when investigating (proceeds generating) offences</li> </ul>	<p>Interaction between Police (FOT) and FIU has been improved.</p>

28. Powers of competent authorities	C	This Recommendation has been fully observed		
29. Supervisors	NC	<ul style="list-style-type: none"> <li>• The CBS should have the authority to conduct inspections of relevant financial institutions including on-site inspection to ensure compliance.</li> <li>• The CBS should have the <u>general</u> power to compel production or to obtain access to all records, documents or information relevant to monitoring compliance.</li> <li>• The CBS should have adequate powers of enforcement and sanction against financial institutions and their directors or senior management for failure to comply with the AML/CFT requirements.</li> </ul>	<ul style="list-style-type: none"> <li>i. The CBS should have the <u>general</u> power to compel production or to obtain access to all records, documents or information relevant to monitoring compliance.</li> <li>ii. The CBS should have the authority to conduct inspections of all relevant financial institutions including on-site inspection to ensure compliance.</li> <li>iii. The supervisor should have adequate powers of enforcement and sanction against financial institutions and their directors or senior management for failure to comply with the AML/CFT requirements</li> </ul>	
30. Resources, integrity and training	PC	<p><u>FIU:</u></p> <ul style="list-style-type: none"> <li>• Serious capacity problem by lack of adequate financial and human resources</li> <li>• Analyst training rather basic</li> </ul> <p><u>PP:</u></p> <ul style="list-style-type: none"> <li>• Low number of PP magistrates disproportionate to workload</li> </ul> <p><u>SUPERVISORS (CBS):</u></p> <ul style="list-style-type: none"> <li>• Insufficient staffing for (future)</li> </ul>	<ul style="list-style-type: none"> <li>i. To substantially increase the human and financial resourcing of the FIU;</li> <li>ii. The CBS should consider creating a team of examiners specialising in AML/CFT measures that check financial institutions compliance with AML/CFT on an ongoing basis for all supervised entities.</li> </ul>	<p>FIU personnel have been increased from 4 to 12, including 4 analysts, and 2 lawyers. FIU has applied for an own budget for 2011.</p> <p>Recently CBS Supervision Department has hired two personnel (legal &amp; financial expert). The Bank is also looking into hiring a compliance professional.</p>

		<p>AML/CFT supervision on all FI</p> <ul style="list-style-type: none"> <li>No adequate training on AML/CFT issues</li> </ul>		<p>1. A compliance training for all personnel of the CBS and the commercial banks (Augustus 2009).</p> <p>2. Two legal officials have been trained in AML issues in Jamaica. The training was organized by the Association of Supervisors of Banks of Americas (ASBA), the Office of Comptroller of Currency (OCC) and the Caribbean Group of Banking Supervisors (CGBS) June 2009.</p>
31. National co-operation	LC	<ul style="list-style-type: none"> <li>The legal mandate of the existing monitoring and advisory body does not extend to cooperation and coordination</li> </ul>	<p>i. Although the legal mandate of the AML Commission does not include the coordination and cooperation between the different competent authorities, in practice it already goes some way in that direction. It could be an option to give this body a more permanent and structural character, with extension of its mandate to expressly include coordination of the AML/CFT effort and streamlining the cooperation between the relevant actors, but this matter is obviously the sovereign decision of the government. The relatively small size of the Suriname society is already a facilitating factor for an efficient communication and cooperative relation between the relevant actors.</p>	

32. Statistics	NC	<p>Lack of comprehensive and reliable (annual) statistics on the number of ML investigations.</p> <p>No policy of keeping comprehensive statistics at the Public Prosecutor's level</p> <p>Lack of comprehensive and reliable (annual) statistics with respect to property / objects seized and confiscated.</p> <p>MLA: no statistical information on the nature of the requests, on the number and reasons of refusal, nor on the time required to respond</p> <p>Extradition: no information on the underlying offence and response time</p> <p>Supervisor: no statistics on request for assistance</p>	<p>Besides the criminalization of FT, local authorities should see to it, that, as soon as there is an act criminalizing the FT, comprehensive statistics be kept on the number investigations, prosecutions and convictions for the act of FT</p> <ol style="list-style-type: none"> <li>i. The CBS should be given additional resources to be allocated for AML/CFT supervision and maintain statistics of the number of on-site inspections conducted and sanctions applied.</li> <li>ii. The competent authorities do not keep annual statistics on the number of cases and the amount of property seized and confiscated relating to ML, FT and criminal proceeds. No comprehensive statistics are maintained on the number of cases and the amounts of property seized and confiscated relating to underlying predicate offences.</li> <li>iii. The CBS should keep statistics on formal requests for assistance made or received by law enforcement authorities relating to money laundering or financing terrorism, including whether the request was granted or refused.</li> <li>iv. The authorities should endeavour to</li> </ol>	<p>Comprehensive statistics on the number of investigations, prosecutions and convictions will be kept, as soon there is an act on FT.</p>
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			maintain more detailed statistics allowing them to assess and monitor the performance of the MLA regime.	
33. Legal persons – beneficial owners	NC	<ul style="list-style-type: none"> <li>• There are no measures to prevent the unlawful use of legal persons in relation to money laundering and terrorist financing;</li> <li>• There is no adequate transparency concerning the beneficial ownership and control of legal persons;</li> <li>• The information at the registries can not be trusted. They are not kept up to date.</li> </ul>	<p>Suriname should take measures to prevent the unlawful use of legal persons in relation to money laundering and terrorist financing. There should be adequate transparency concerning the beneficial ownership and control of legal persons.</p> <p>The first time a foundation, public limited company, co-operative society / association or association is registered, the information about the directors is at hand and (most of the time) accurate. However there is no information regarding the (ultimate) beneficial owner and changes in directors or beneficial owners are not communicated with the registrars. Measures should be taken to ensure that the information with the different registrars is accurate and kept up to date.</p> <p>Measures will have to be taken to prevent the misuse of bearer shares for ML.</p>	
34. Legal arrangements – beneficial	N/A	<ul style="list-style-type: none"> <li>• Suriname does not have trusts or other legal arrangements.</li> </ul>		

owners				
International Co-operation				
35. Conventions	PC	<ul style="list-style-type: none"> <li>• No signing, ratification and implementation of the TF Convention; no full and effective implementation of the relevant provisions of the Vienna and Palermo Convention</li> </ul>	<ol style="list-style-type: none"> <li>i. Suriname should take the necessary steps to fully and effectively implement the Vienna and Palermo Conventions</li> <li>ii. Suriname should forthwith initiate the accession procedure to the CFT Convention and take the necessary implementation steps.</li> <li>iii. UN Res. 1267 and 1373 should be implemented fully and without delay (see comments above on SRIII).</li> </ol>	
36. Mutual legal assistance (MLA)	C	This Recommendation has been fully observed.		
37. Dual criminality	PC	<ul style="list-style-type: none"> <li>• Restrictive and formalistic interpretation of the dual criminality principle impeding cooperation on the basis of mutually criminalised conduct, also affecting the effectiveness of the MLA system</li> <li>• Formalistic and restrictive interpretation of the dual criminality rule impeding extradition based on</li> </ul>	<ol style="list-style-type: none"> <li>i. In order to enhance the quality and comprehensiveness of its MLA system, the Suriname authorities should endeavour to complete their penal legislation with a speedy introduction of the missing designated predicate offences (insider trading and stock market manipulation) and the offence of terrorism financing, so as to avoid all prohibitions resulting</li> </ol>	

		<p>mutually criminalised conduct</p> <ul style="list-style-type: none"> <li>Effectiveness cannot be assessed on the basis of the available information</li> </ul>	<p>from the dual criminality principle.</p> <p>ii. The narrow and legalistic interpretation of the dual criminality principle should be put to the test and efforts should be made to try and create jurisprudence which would bring the application of this (rightful) principle in line with the broader international standard, which only requires the underlying conduct to be criminalised by both countries. Legal certainty on the capability to execute foreign confiscation orders should be ensured, if necessary through specific legislation.</p>	
38. MLA on confiscation and freezing	PC	<ul style="list-style-type: none"> <li>Seizure and confiscation possibilities negatively affected in the MLA context by the non-criminalisation of all designated predicate offences and TF.</li> <li>No formal legal basis for enforcement of foreign confiscation orders.</li> </ul>	<p>i. In order to enhance the quality and comprehensiveness of its MLA system, the Suriname authorities should endeavour to complete their penal legislation with a speedy introduction of the missing designated predicate offences (insider trading and stock market manipulation) and the offence of terrorism financing, so as to avoid all prohibitions resulting from the dual criminality principle.</p> <p>ii. The narrow and legalistic</p>	

			<p>interpretation of the dual criminality principle should be put to the test and efforts should be made to try and create jurisprudence which would bring the application of this (rightful) principle in line with the broader international standard, which only requires the underlying conduct to be criminalised by both countries. Legal certainty on the capability to execute foreign confiscation orders should be ensured, if necessary through specific legislation.</p>	
39. Extradition	LC	<ul style="list-style-type: none"> <li>Extradition grounded on certain designated predicate activity is subject to challenge</li> </ul>	<p>i. The deficiencies established in respect of the criminalisation of all designated predicate offences and terrorism financing should be remedied forthwith. Also the restrictive interpretation of the dual criminality principle should be subject to reconsideration.</p>	
40. Other forms of co-operation	PC	<p><u>FIU:</u></p> <ul style="list-style-type: none"> <li>Excessive treaty condition</li> <li>No legal basis for collecting information at the request of a counterpart</li> <li>Deficient protection of the exchanged</li> </ul>	<p><u>FIU</u></p> <p>i. In order for MOT Suriname to legally and fully become a player in the international FIU forum and to comply with the present standards, it is recommended that:</p> <p>ii. The treaty condition should be</p>	<p>Article 9 of the MOT act will be revised in order to make sharing of information possible, both, locally and internationally.</p>

		<p>information, both formally and physically</p> <p><u>Supervisor</u></p> <ul style="list-style-type: none"> <li>No legal basis for mutual assistance and information exchange with counterparts</li> </ul>	<p>discarded and replaced by the generally accepted rule of information exchange with its counterparts, based on reciprocity and the Egmont Principles of Information exchange. Ideally such exchange should be allowed on an ad hoc basis or, if deemed necessary, on the basis of a bilateral agreement between FIUs;</p> <p>iii. The Law should expressly allow MOT to collect information outside its register at the request of a counterpart FIU. One simple and adequate way to realise this is to put such foreign request legally at par with a disclosure, which would automatically bring them under the regime of art. 5 and 7 of the MOT Act;</p> <p>iv. The confidentiality status of the exchanged information should be expressly provided for to protect it from undue access or dissemination;</p> <p>v. The (physical) protection of the MOT data-base and its offices be upgraded;</p> <p>vi. The processing of TF related disclosures should be brought within the assignment of the FIU as soon as possible, which would also increase the chance of MOT acceding to the Egmont Group and its ESW.</p>	
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			<u>Supervisor</u> vii. A legal basis should be provided for information exchange between the CBS and counterpart supervisors, by way of MOUs or otherwise.	
Nine Special Recommendations	Rating	Summary of factors underlying rating		
SR.I Implement UN instruments	NC	<ul style="list-style-type: none"> <li>No signing, ratification and implementation of the TF Convention; no effective implementation of the UN Res. 1267 and 1373</li> </ul>	i. Suriname should take the necessary steps to fully and effectively implement the Vienna and Palermo Conventions  ii. Suriname should forthwith initiate the accession procedure to the CFT Convention and take the necessary implementation steps.  iii. UN Res. 1267 and 1373 should be implemented fully and without delay (see comments above on SR.III).	
SR.II Criminalise terrorist financing	NC	<ul style="list-style-type: none"> <li>There is no legislation criminalizing FT;</li> <li>Consequently, there are no TF related investigations, prosecutions and convictions.</li> </ul>	i. Besides the criminalization of FT, local authorities should see to it, that, as soon as there is an act criminalizing the FT, comprehensive statistics be kept on the number investigations, prosecutions and convictions for	

			the act of FT	
SR.III Freeze and confiscate terrorist assets	NC	<ul style="list-style-type: none"> <li>No system in place complying with the relevant UN Resolutions and providing for an adequate freezing regime</li> </ul>	<ol style="list-style-type: none"> <li>None of the criteria of Special Recommendation III are met by Suriname. Many of the people interviewed did not even know of the existence of UN Security Council Resolutions 1267 (1999) and 1373 (2001) and their implications, nor did they have any information regarding the Best Practice Paper.</li> <li>The Suriname authorities should endeavour to introduce the appropriate legislative measures effectively implementing the relevant UN Resolutions and establishing an adequate freezing regime in respect of assets suspected to be terrorism related.</li> </ol>	
SR.IV Suspicious transaction reporting	NC	<ul style="list-style-type: none"> <li>There are no direct requirements for financial institutions to report to the FIU when they suspect or have reasonable grounds to suspect that funds are linked or related to, or to be used for terrorism, terrorist acts or by terrorist organisations, regardless of the amount of the transaction and including attempted transactions.</li> </ul>	<ol style="list-style-type: none"> <li>The reporting obligation under the MOT Act should cover transactions related to insider trading and market manipulation.</li> <li>The reporting duty needs to be explicitly in the law to include all funds where there are reasonable grounds to suspect or they are suspected to be linked or related to, or to be used for terrorism, for terrorist acts, or by terrorist</li> </ol>	

			<p>organizations or those who finance terrorism.</p> <ul style="list-style-type: none"><li>iii. The assessment team advises to include in the State Decree on Unusual Transactions the requirement to also report “attempted unusual transactions”</li><li>iv. The financial institutions that choose to use an UTR-interface for reporting purposes, should be obliged to improve the quality of the UTRs as soon as possible and in such a way that the disclosures contain all information as prescribed by article 12.2. of the MOT Act.</li><li>v. The authorities should consider whether the obligation to report unusual transactions “without delay” is sustainable.</li><li>vi. The FIU and other competent authorities should make an inventory to identify all financial institutions and DNFBPs that have a reporting requirement, reach out to these parties and apply sanctions in case of non-compliance.</li><li>vii. The FIU and other competent authorities should raise awareness and enhance the sensitivity of all financial institutions and DNFBPs</li></ul>	
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			regarding money laundering and terrorist financing risks.	
SR.V International co-operation	NC	<ul style="list-style-type: none"> <li>• No legal basis for TF related MLA in the absence of TF criminalisation</li> <li>• No legal basis for TF related extradition requests in the absence of TF criminalisation</li> <li>• FIU and law enforcement: no legal framework for TF related information exchange and other forms of (non-legal) mutual assistance</li> <li>• Supervisor: No legal basis for mutual assistance and information exchange with counterparts</li> </ul>	<ol style="list-style-type: none"> <li>i. The deficiencies established in respect of the criminalisation of all designated predicate offences and terrorism financing should be remedied forthwith. Also the restrictive interpretation of the dual criminality principle should be subject to reconsideration.</li> </ol>	
SR.VI AML requirements for money/value transfer services	NC	<ul style="list-style-type: none"> <li>• None of the requirements are included in legislation, regulations or other enforceable means.</li> </ul>	<ol style="list-style-type: none"> <li>i. A competent authority should be designated to register or licence MTCs and be responsible for ensuring compliance with licensing and/or registration requirements.</li> <li>ii. A system for monitoring MTCs ensuring that they comply with the FATF Recommendations should be implemented. The mission also recommends that the CBS issues the AML/CFT Guidelines to MTCs that</li> </ol>	

			<p>indicate circumstances in which a transaction might be considered as “unusual”.</p> <p>iii. MTCs should be required to maintain a current list of its agents and sub-agents, which must be made available to the CBS and the Foreign Exchange Commission.</p> <p>iv. The measures set out in the Best Practices Paper for SR.VI should be implemented and Suriname authorities should take FATF R. 17 into account when introducing system for monitoring money transfer companies.</p>	
SR.VII Wire transfer rules	NC	<ul style="list-style-type: none"> <li>Suriname has not implemented any requirement regarding obtaining and maintaining information with wire transfers.</li> </ul>	<p>i. Suriname should issue a law or regulation to implement the requirements of Special Recommendation VII.</p>	
SR.VIII Non-profit organisations	NC	<ul style="list-style-type: none"> <li>Complete absence of an adequate legislative and regulatory system for the prevention of misuse of the non-profit sector by terrorists or for terrorism purposes</li> </ul>	<p>i. Suriname should forthwith initiate the accession procedure to the CFT Convention and take the necessary implementation steps.</p> <p>ii. UN Res. 1267 and 1373 should be implemented fully and without delay (see comments above on SRIII).</p>	
SR.IX Cross Border	NC	<ul style="list-style-type: none"> <li>No declaration/disclosure system in</li> </ul>	<p>i. The Suriname authorities should</p>	

Declaration & Disclosure		place regarding the cross-border transportation of currency in the AML/CFT context	decide on the choice between a disclosure or a declaration system for cross-border transportation of currency or bearer negotiable instruments and put in place such system aimed at discovering criminal or terrorist related assets without delay.	
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