



CARIBBEAN
FINANCIAL ACTION
TASK FORCE

Fifth Follow-Up Report

Suriname

May 15 2014

© 2014 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



MUTUAL EVALUATION OF SURINAME: FIFTH FOLLOW-UP REPORT

I. INTRODUCTION

1. This report represents an analysis of Suriname's report back to the CFATF Plenary concerning the progress that it has made with regards to correcting the deficiencies that were identified in its third round Mutual Evaluation Report. The third round Mutual Evaluation Report of Suriname was adopted in October 2009 in Curacao and Suriname was placed in expedited follow-up. In May of 2011 Suriname was placed into the first stage of enhanced follow-up. Suriname's fourth follow-up report was presented to the May 2013 Plenary in Nicaragua where it was determined that Suriname would be placed in expedited follow-up and be required to report at the November 2013 Plenary in The Bahamas. At the Bahamas Plenary no follow-up report was presented owing to delays in finalising the report. Based on the review of the actions taken by Suriname since its last follow-up report a recommendation would be made as to whether Suriname should be kept in expedited follow-up or moved to another stage of the follow-up process.
2. Suriname received ratings of PC or NC on 15 of the Core and Key Recommendations as follows:

Table 1: Ratings for Core and Key Recommendations

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

3. Relative to the other non-core or key recommendations, Suriname was rated partially compliant and non-compliant as follows:

Table 2: 'Other' Recommendations rated as PC and NC

Partially Compliant (PC)	Non-Compliant (NC)
R. 14 (Protection & no tipping-off)	R. 6 (Politically exposed persons)
R. 18 (Shell banks)	R. 7 (Correspondent banking)
R. 20 (Other NFBP & secure transaction techniques)	R. 8 (New technologies & non face-to-face business)
R. 25 (Guidelines & Feedback)	R.9 (Third parties and introducers)
R. 27 (Law enforcement authorities)	R. 11 (Unusual transactions)
R. 30 (Resources, integrity and training)	R. 12 (DNFBP – R.5, 6, 8-11)
R. 37 (Dual criminality)	R. 15 (Internal controls, compliance & audit)
R. 38 (MLA on confiscation and freezing)	R. 16 (DNFBP – R.13-15 & 21)
	R. 17 (Sanctions)
	R. 19 (Other forms of reporting)
	R. 21 (Special attention for higher risk countries)
	R. 22 (Foreign branches & subsidiaries)
	R. 24 (Regulation, supervision and monitoring)
	R. 29 (Supervisors)

	R. 32 (Statistics)
	R. 33 (Legal persons – beneficial owners)
	SR. VI (AML requirements for money/value transfer services)
	SR. VII (Wire transfer rules)
	SR. VIII (Non-profit organisations)
	SR. IX (Cross Border Declaration & Disclosure)

4. The following table is intended to assist in providing an insight into the level of risk in the main financial sector in Suriname:

Table 3: Size and integration of Suriname's financial sector

		Banks	Non-bank related	Other Credit Institutions*	Pension funds	Insurance	TOTAL
Number of institutions	Total #	9	3	24	42	13	91
Assets	US\$	2.939.195	75.157	7.733	455.445	284.508	3.762.038
Deposits	Total: US\$	2.532.241	56.358	6.700	N.A.	60.507	2.655.806
	% Non-resident	% of deposits					
International Links	% Foreign-owned:	% of assets	% of assets	% of assets	% of assets	% of assets	% of assets
	#Subsidiaries abroad	N.A.					

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

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

There are no Securities institutions

Data regarding banks and non-banks as of December 2013

Data regarding pension funds, Credit institutions and Insurance companies as of December 2012



II. SCOPE OF THIS REPORT

5. This report will focus on assessing the extent of Suriname's efforts to cure the deficiencies for all Recommendations which were rated as PC or NC. Recommendations which were assessed to have been closed in previous follow-up reports will not be reassessed in this follow-up report.

III. SUMMARY OF PROGRESS MADE BY SURINAME

6. For this reporting period Suriname has indicated that on August 15, 2013 the State Decree on Indicators of Unusual Transactions (SDIUT) was brought into force as (O.G.2013 no.148). Provisions of this law will positively affect Recs. 13, 26 and SR.IV. Additionally, it was previously reported that legislative action by Suriname had resulted in Rec. 3, 5, 10 and SR.II together with Recs. 7, 8, 11, 14, 18 and 22 being closed.

CORE RECOMMENDATIONS

7. For **Recommendation 1**, the criminalization of insider trading and market manipulation continues to be in abeyance. The legislation on Supervision of Capital Markets, which is currently in draft form, is reportedly being discussed by Suriname's Council of Ministers. There is no indication when this law will be enacted. Suriname has however produced statistics which demonstrate the implementation of its existing measures. During 2010 to 2013 there have been a total of 12 money laundering prosecutions involving 24 individuals with 12 of those individuals being convicted in five (5) those court cases. The full details of Suriname's can be found at [Appendix 1](#). This Recommendation remains *outstanding* pending the criminalization of insider trading and market manipulation.
8. As reported in the third follow-up report ([Suriname 3rd Follow-up Report](#)) Recommendations **5** and **10** were *closed*.
9. For **Recommendation 13** and **SRIV** there is some positive action in that the State Decree on Indicators of Unusual Transactions (SDIUT) was enacted and now includes the requirement that attempted unusual transactions must also be reported. The gap with respect to the reporting obligation not covering insider trading and market manipulation continues to remain open pending the legislation on the Supervision of Capital Markets. This Recommendation and Special Recommendation are *outstanding*.
10. For **Special Recommendation II**, the second follow-up report ([Suriname 2nd Follow-up Report](#)) had noted the enactment of **art.1C (2) of O.G. 2011 no 96** which criminalized FT. This Special Recommendation is *closed*.



KEY RECOMMENDATIONS

11. The second follow-up Report ([Suriname 2nd Follow-up Report](#)) noted that the gap discerned for **Recommendation 3**, was *closed*.
12. All the issues raised in the third follow-up report ([Suriname 3rd Follow-up Report](#)) for **Recommendation 4**, are still relevant for this Report. As an update however Suriname reported that the draft MOT Act with amendments regarding information sharing has been sent to the Council of Ministers for advice. This Recommendation continues to remain *outstanding*.
13. For **Recommendation 23**, the Assessors recommendation that *Surinamese authorities should consider regulating and supervising the Stock exchange for AML/CFT purposes* has been addressed and Suriname has reported that a Capital Market Act, which will regulate the stock exchange and which also includes elements of supervision, is currently in draft form. This gap is *closed*. In order to demonstrate implementation of the existing supervisory measures, Suriname, with the assistance of the U.S. Treasury Department Office of Technical Assistance, has conducted two (2) onsite inspections of the credit institutions in April and July of 2013. The inspection itself involved five (5) staff members from the Central Bank of Suriname (CBS) and covered five (5) days onsite plus a number of days in preparation and post examination analysis of gathered information and preparation of a report. This process has had the effect of improving Suriname's technical capacity to conduct future onsite inspections. Additionally, with the assistance of the US Treasury Department a special AML/CFT onsite examination manual for Money Transaction Offices has been prepared which the CBS is expected to use to facilitate its onsite inspection of money transactions offices in October 2013. This Recommendation is *closed*.
14. For **Recommendation 26**, please refer to the third follow-up report, available here ([Suriname 3rd Follow-up Report](#)), for a detailed analysis of the nine (9) recommendations made in the MER. That report concluded that, the “*measures by Suriname have actually closed many of the gaps noted by the assessors, however weaknesses for Recommendation 26 still exists including the fact that Suriname has not issued any guidance aimed at stressing the importance of the timely reporting of suspicious transactions and ii. that the FIU still has not provided feedback.*”-With regard to i. above Suriname has pointed to paragraph 3.2 of the Guidelines Reporting Unusual Transactions and Identification Obligation of Service Providers for financial and non-financial services providers. These guidelines are concerned with the reporting period for unusual transactions and prescribes a maximum period of 14 days for transaction which fall under the scope of objective indicators whilst transactions falling under the scope of a subjective indicator must be reported within five (5) days. By prescribing clear reporting timelines to be followed by reporting entities for the filing of UTRs, Suriname has clearly demonstrated the importance for UTRs to be filed in a timely manner. As a result of this action, the related gap is now *closed*. For ii. Above, Suriname commented that part of the (training) sessions conducted by the FIU addresses issues regarding typologies, which are reported by service providers and documented in their UTR, and by doing so the FIU is giving typology feedback to service providers with the aim to increase their perception of suspicious activities. Whilst this action is an acceptable mode of providing feedback it does not appear to satisfy



criterion 26.8 which speaks to the release of publicly available reports on statistics, typologies and trends. Suriname further commented that the FIU has been publishing an annual report since 2003. A partially translated version of the 2012 report was sent to the Secretariat on April 29, 2014. That document showed detailed statistics on unusual transactions, covering the period 2003 to 2010, with breakdowns on the value of such transactions particularized by categories of reporting institutions. The translated document noted that typologies showing the methods and techniques used for ML/TF and also related trends are included. Suriname has also indicated that copies of the annual report are sent to the Ministers of Justice and Police, Finance, the Attorney General, the Governor of the Central Bank, Embassies and to all service provider. The annual report is made available to the general public and students upon request. This additional information provided by Suriname shows that the Jurisdiction's FIU has been largely complying with the necessary elements of E.C. 26.8. As a consequence, Suriname has demonstrated that it has implemented Recommendation 26 to a large degree with the only very minor shortcoming being that the FIU's annual report is not publicly released.

15. The Assessors recommendations aimed at filling the gaps for **Recommendation 35** and **Special Recommendation I** are identical. There were three (3) recommendations made as follows:

- i. *Suriname should take the necessary steps to fully and effectively implement the Vienna and Palermo Conventions* -Here Suriname previously reported that “Several core principles of the Vienna Convention and the Palermo convention have already been incorporated in domestic law” It was not made clear to which “Core Principles” Suriname was referring and what are the ones still outstanding. This gap is **open**. The Genesis of the assessors’ comments can be found at paragraphs 620, 621 and 622 of the MER. There are four (4) issues outstanding here, two (2) of which are related to the Vienna Convention and the other two (2) are related to the Palermo Convention. Issue#1 - For Art 5 of the Vienna Convention and specifically related to R38.2 (the enforcement of foreign confiscation orders), the Assessors had recommended that “*Legal certainty on the capability to execute foreign confiscation orders should be ensured, if necessary through specific legislation*” Suriname has not as yet reported how this recommendation was addressed. Issue#2 For Arts 15, 17 and 19 of the Vienna Convention is in relation to cross-border cash transportation which Suriname has not as yet conclusively reported on. Issue#3 and #4 are in relation to Art 7 and 20 of the Palermo Convention and are concerned with R.29, SR.IX and R.27.3.R.29 was finalized in this report whilst 27.3 is an additional element. Consequently, issues #3 and #4 have been fully resolved.
- ii. *Suriname should forthwith initiate the accession procedure to the CFT Convention and take the necessary implementation steps*- According to documents provided by Suriname, on July 18, 2013, the Jurisdiction acceded to the United Nations International Convention for the Suppression of the Financing of Terrorism. This gap is **closed**.



- iii. *UN Res. 1267 and 1373 should be implemented fully and without delay* – Suriname reported that draft legislation addressing the freezing regime related to UN resolution 1373 has been sent to Parliament for approval. This gap is ***open***.
16. As noted at paragraph 15 (i) above, two (2) of the three (3) Assessors recommendations continue to be in abeyance therefore Recommendation 35 and Special Recommendation I continue to remain ***outstanding***.
17. For **Recommendation 40**, Suriname has reported having entered into an information exchange, co-operation and consultation agreement (MMOU) with the Caribbean Group of Banking Supervisors in July 2012. Notwithstanding, the gap relative to the third assessor recommendation that *“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 realize 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”* is still ***outstanding***. Consequently, this Recommendation remains ***outstanding***.
18. With regard to **Special Recommendations III and V** the situation is the same as was noted in the second follow-up Report ([Suriname 2nd Follow-up Report](#)). Consequently these Special Recommendations remain ***outstanding***.



OTHER RECOMMENDATIONS

19. For **Recommendation 6** the 3rd follow-up report noted that there was some vagueness surrounding the term “important public functions” as they relate to determining persons considered to be PEPs. On April 29, 2014, Suriname reported that the explanatory notes of the WID act state defines PEPs as persons who are entrusted or have been entrusted with a prominent government function abroad, for example heads of state, heads of government, prominent politicians, high ranked government officials, court officers or senior military officers, directors of state enterprises and important political party officials. According to Suriname the explanatory notes further points out that business relationships with family members or partners of PEPs can damage the reputation in a similar way as with the PEPs themselves. This explanation has the effect of clearing up any ambiguities surrounding the use of the term “important public functions” and consequently Recommendation 6 is now *closed*.
20. The status of **Recommendation 9** remains as reported in the third follow-up report ([Suriname 3rd Follow-up Report](#)). Suriname was rated NC for Recommendation 9 because the Assessors had determined that none of the five (5) essential criteria were present in Surinamese laws. Suriname has attempted to address this through **art 12** of the **WID**. This article permits service providers to rely on the client screening performed by a financial service provider *having its registered office in Suriname*. However both the WID and the CBS’ 2012 directives are still silent on the requirement for service providers relying on a third party to perform aspects of the CDD process to immediately obtain from such third party the necessary information concerning certain elements of the CDD process. There is also no requirement for service providers to satisfy themselves that the third party is regulated and supervised for AML/CFT and has measures in place to comply with Suriname’s CDD requirements. This Recommendation continues to remain *outstanding*.
21. The status of **Recommendation 15** is exactly as was noted in the third follow-up report. The CBS directives of 2012 are relevant and the third follow-up report has already provided an analysis of the enforceability of the CBS’ directives. Suriname was rated NC and the Assessors had noted seven (7) shortcomings for which there were no ‘general enforceable requirements’. **Directive X paragraphs a-e** of the 2012 directives has subsumed all of these shortcomings *with the exception of the requirement that the internal audit function be adequately resourced*. Once this apparent issue has been addressed by Suriname this Recommendation would be closed. As an update Suriname reported that new directives regarding internal audits are expected to come into effect before the end of 2014. This Recommendation is *outstanding*.
22. For **Recommendation 16**, the third follow-up report ([Suriname 3rd Follow-up Report](#)), lists the action already taken by Suriname to fix the shortcomings noted by the Assessors. The open gap here continues to be in relation to the non-issuing of guidelines by the Gaming Supervision and Control Institute, insofar as gaming providers are involved. This Recommendation has been significantly addressed and will be fully *closed* once the said guidelines have been issued.
23. For **Recommendation 17**, the third follow-up report ([Suriname 3rd Follow-up Report](#)) had noted that “*Whilst these actions by Suriname have resulted in its AML/CFT regime being*

endowed with a broadened range of sanctions it is not clear whether they can be applied to directors and senior management of Suriname's service providers.” Suriname has contended that article 1B of the Act Penalization of Legal Entities of September 5, 2002, regarding detailed amendments to the criminal code in connection with the adoption of general provisions on the criminal liability of legal persons and sanctions for AML/CFT violations can be applied to directors, senior management and financial institutions. Based on a translated copy of the relevant Articles from the code which were provided for this follow-up report, article 1B which is concerned with criminal acts perpetrated by legal persons, provides for the punishments and measures provided by law to be imposed on the legal person itself or against those persons who ordered the crime, as well as against those persons who were actually in charge of the prohibited act. This provision appears to provide for criminal sanctions to be imposed on directors and senior management. Even though no sanctions have as yet been imposed, the Assessors recommendations have been all been taken on board. This Recommendation is **closed**.

24. As for **Recommendation 19**, no action has as yet been taken by Suriname.
25. At **Recommendation 20**, which was rated PC, the Assessors made four (4) recommendations to cure the deficiencies they noted in the MER.
 - i. *Suriname is urged to correct the deficiencies discussed in sections 4.1 and 4.2 of this report which are also present with respect to the real estate agents and car dealers*—According to article 1, paragraph d of the ID law trading in immobile property and trading in motor vehicles are non-financial services which are subject to identification requirements. This effectively places real estate agents and car dealers under the scope of the ID law. Likewise, pursuant to the articles 1, paragraph d, and 12 of the MOT Act real estate agents and car dealers are subject to the reporting obligation of the MOT Act. Categories F and H of the Decree Indicators Unusual Transactions deal with real estate agents and car dealers respectively by providing objective and subjective indicators for the reporting of performed or intended unusual transactions by these entities. Consequently, the gap noted above has been effectively subsumed with the implementation measures to address Recommendation 12. Please see the ([Suriname 3rd Follow-up Report](#)). This gap is **closed**.
 - 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*—The main element here is the establishment of the transaction amounts. Both real estate agents and car dealerships are already captured as non-financial services at Art 1 of the WID. Because Rec.20 is concerned about the application of AML/CFT measures to non-financial businesses and professions, other than DNFBP, this recommendation has now become irrelevant so this gap is **closed**.
 - 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* -Suriname reported having lowered the threshold amount pursuant to a national risk assessment which was conducted in 2012. For money exchange offices and money transfer offices the



under its supervision for the purpose of facilitating compliance with the MOT Act. This gap remains *is closed*.

- ii. *The CBS should have the authority to conduct inspections of all relevant financial institutions including on-site inspection to ensure compliance - According to **art 29 sub 2** of the BCSSA the CBS is authorised to carry out inspections at any credit institution, holding company, subsidiary, or other companies affiliated to the credit institution as frequently as it considers necessary in order to assess the financial condition and activities of the credit institution and the effect of the business management and the financial relations between the credit institution and its affiliated companies. The comments at i above are also relevant here because the combined effect of art 22 of the MOT Act and art 29 sub 2 of the BCSSA provides the CBS with the authority to conduct the inspections recommended by the Assessors. This gap is *closed*.*
- 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 –Paragraph 6 of the third follow-up report has already noted the powers of the CBS to enforce sanctions against credit institutions for failure to comply with the AML/CFT guidelines issued pursuant to art. 16 of the BCSSA. Suriname has pointed to art 22 of the MOT Act which enables the supervisory authority i.e. the CBS to impose a maximum fine of SRD 1 million for each contravention on a service provider that does not comply, or does not comply on time, with the obligations laid down in the aforementioned directives of the CBS. This gap is *closed*.*

31. As detailed above, all of the deficiencies noted by the Assessors have been addressed by Suriname and consequently Recommendation 29 is *closed*.
32. For **Recommendation 30** the comments noted for Recommendation 23 above are also relevant specifically as they relate to the examination team set up by the CBS. This positive action by Suriname has the effect of significantly closing this Recommendation.
33. For **Recommendation 32**, Suriname has completed and distributed a template to keep comprehensive statistics on the number of investigations, prosecutions, convictions and mutual legal assistance. The jurisdiction produced [Appendix 1](#) to demonstrate the statistics currently being maintained. This Recommendation is now *closed*.
34. For **Recommendation 33** Suriname was rated as NC owing to the fact that there were no measures to prevent the unlawful use of legal persons in relation to money laundering and terrorist financing; no adequate transparency concerning the beneficial ownership and control of legal persons and the information at the registries were not kept up to date. The recommended actions and Suriname's progress at implementing them are detailed below:
 - i. *Suriname should take measures to prevent the unlawful use of legal persons in relation to money laundering and terrorist financing and there should be adequate transparency concerning the beneficial ownership and control of legal persons–*



Suriname has put forward **art 3a** of the **MOT Act** as implementing this recommended action. According to Suriname at art. 3a of the MOT Act, provisions are established regarding a transparent system of identification of local and foreign legal persons and special provisions have been made in art. 3a sub 4 for the identification of religious organization. The provisions articulated here appear to be concerned with the manner in which legal entities registered in Suriname and the parties representing such entities should be identified and makes no prescriptions relative to beneficial ownership information. Notwithstanding, according to GG no.86 (as amended June 15th, 1986) a trade register has been established at the Suriname Chamber of Commerce (Chamber) and is the national registrar for all legal persons. The information held there can be assessed by anyone including Surinamese competent authorities. The information contained at the Chamber include beneficial ownership information which must be particularized according to art 5-12 of 20 GG no.86 (as amended June 15th, 1986) upon request. In practice, the competent authorities in Suriname do have timely access to the information held at the Chamber. This gap is **closed**.

ii. *Measures should be taken to ensure that the information with the different registrars is accurate and kept up to date* –In responses to the Secretariat question on how information is kept up to date, Suriname reported that “There is a digital database with input coming from registered entities”. It should be noted that the Assessors comments here was “*The information at the registries cannot be trusted. They are not kept up to date*”. According to art 20 GG no.86 (as amended June 15th, 1986) the Permanent Secretary has the overarching responsibility to ensure that the information held at the Chamber is kept up to date. Registrants are bounded by articles 5-12 which detail the documents and information which must be provided and the Secretary of the Chamber is empowered to take the necessary action to ensure that the relevant information is always provided. The action which can be taken by the Secretary of the Chamber here include a removal notice sent to the Trade Register Committee. This gap is **closed**.

iii. *Measures will have to be taken to prevent the misuse of bearer shares for ML* – Suriname has put forward **art 22** of the **BCSSA** as a cure for this deficiency. Whilst paragraphs 1, 2 and 3 of art 22 are concerned with the registration of the shares of credit institutions no mention of bearer shares is made. This gap remains **open**.

35. Suriname has been able to demonstrate that Rec. 33 is being partially implemented through GG no.86 (as amended June 15th, 1986) thereby improving the NC status applied by the Assessors. The only existing deficiency is in relation to the prevention of the misuse of bearer shares. This Recommendation is still **outstanding**.

36. Relative to **Recommendations 37** and **38** the situation in Suriname is still as noted in the third follow-up report. This Recommendation continues to remain **outstanding**.

37. For **Special Recommendation VI** which was rated NC, the Assessors made four (4) recommendations to cure the deficiencies of the MER. The recommended actions and Suriname’s progress at implementing them are detailed below:



- i. *A competent authority should be designated to register or licence MTCs and be responsible for ensuring compliance with licensing and/or registration requirements* – The fourth follow-up report has already noted that this gap was **closed**.
 - 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 indicate circumstances in which a transaction might be considered as “unusual”* – Suriname reported having already conducted two (2) onsite inspections for MCTs which were done in collaboration with the OTA. At Chapter 5 **art 26. 1** of the Money Transaction Offices Supervision Act (S.B. 2012 no 170) (Supervision and Information) the CBS may issue guidelines for the business operations and the administrative organisation of MTOs. At **art 26.1 d** such guidelines will include regulations regarding the combating of ML and TF. Suriname has reported that the CBS directives of 2012 have covered MTCs. Under **art 16.1** of the **Banking and Credit System Supervision Act 2011**(BCSSA)the CBS is authorised to issue guidelines for the administrative and management organization of credit institutions, including financial administration and internal control, to their business operations to combating of money laundering and the financing of terrorism. Based on this, MTCs in Suriname are covered by the CBS directives of 2012. This gap is **closed**.
 - 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* -Here Suriname reported on April 29, 2014 that the Financial Markets Division of the CBS maintains this list, a copy which was provided to the Secretariat on May 14, 2014. This gap is **closed**.
 - 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.* – The comments for Recommendation 17 in this report are relevant here in that the CBS can enforce sanctions against credit institutions for failure to comply with the AML/CFT guidelines issued pursuant to art. 16 of the BCSSA. This gap is **closed**.
38. All four (4) deficiencies for SR.VI have been addressed by Suriname resulting in this Special Recommendation being **closed**.
39. For **Special Recommendation VII** there are seven (7) essential criteria for this Special Recommendation. Pages 78 and 79 of the MER, (paragraphs 334, 335, 338, 339, 340, 341 and 342) provides the related discussions. Even though the Assessors made one Recommendation to close the deficiencies, that sole recommendation was intended to cover several weaknesses discerned.
40. At page 8 of the CBS 2012 Directives there is the requirement relating to wire transfers whereby, accurate and relevant information must be provided on the origin of the funds (name, address, customer account number, country of origin), and the related notifications. According to article 22 of the Disclosure of Unusual Transactions Act (O.G. 2002 no. 65,



as lastly amended in O.G. 2012 no.133) the CBS is entrusted with supervising compliance by financial service providers. The Assessors had noted at paragraph 339 of the MER that there was no requirement in Suriname for the intermediary and beneficiary financial institutions in the payment chain to ensure that all originator information that accompanies a wire transfer is transmitted with the transfer. Suriname has pointed to **art 12** of the **WID Act** and paragraph IV of the CBS directives as satisfying this requirement. Article 12 of the WID appears to be concerned with the circumstances under which a service provider may relay on the CDD conducted by a third party. Paragraph IV of the CBS directives is concerned with intermediaries and prescribes the conditions under which a financial intermediary is permitted to use another intermediary to apply CDD. At paragraph 341 of the MER the Assessors noted that there was no requirement for financial institutions to adopt effective risk-based procedures for identifying and handling wire transfers that are not accompanied by complete originator information. Suriname has pointed to **art 4** of the **WID Act** and page 8 of the CBS directives as satisfying this requirement. Article 4 of the WID Act is concerned with ‘more stringent’ client screening for transactions involving a higher risk of money laundering or terrorist financing and details specific situations which may trigger such screening. Even though the art 4 of the WID Act makes no mention of wire transfers not accompanied by complete originator information, page 8 of the CBS directives mandates that financial institutions pay close attention to the transfer of funds when full information on their origin is not available. These provisions however appear to fall short of the standard anticipated by the SR VII.5 which speaks to the adoption of risk-based procedures for identifying and handling wire transfers that are not accompanied by complete originator information. Based on these apparent shortcomings the gaps noted by the Assessors are still *open*.

41. **Special Recommendation VIII** was rated **NC** and the Assessors noted a “*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*” Religious organizations have been brought within the scope of the WID Act. However it is yet unclear whether the non-religious types of NPOs have also been captured.
42. Suriname has noted that part VIII of the CBS’ 2012 directives created obligations for financial institutions and further reported on April 29, 2014 that even though there are no specific obligations for non-religious type NPOs, in general all CDD measures related to financial transactions are applicable for non-religious types of NPOs. At part VIII of the CBS directives terrorist financing guidance is given and financial institutions are pointed to the FATF document entitled “Combating the Abuse of Non-Profit Organizations, International Best Practices”. It therefore does not appear correct for Suriname to assert that part VIII of the directives creates CDD requirements for “all foundations and charitable organizations”. This Special Recommendation is *outstanding*.
43. The status of **Special Recommendation IX** is as noted in the fourth follow-up ([Suriname 4th Follow-up Report](#)) report whereby the Border Management System was to have been introduced in March 2013 following the complementary introduction of a new embarkation and disembarkation card requesting passengers to declare if he/she is carrying currency or monetary instruments over USD10,000 or equivalent in any other currency. For this period



Suriname has reported that the related customs declaration form is being developed. This Special Recommendation remains *outstanding*.

CONCLUSION

44. For the Core Recommendations, Recs. 5, 10 and SR.II are closed whilst Recs. 1, 13 and SR.IV require legislative intervention to criminalise insider trading and market manipulation.
45. For the Key Recommendations, Recs. 3 and 23 were closed whilst Rec. 26 now only has very minor deficiencies. Additionally, Recs. 4, 35, 40, SR.I, SR.III and SR.V continue to be outstanding with Recs. 35 and SR.I, SR.III and SR.V requiring legislative attention including legislation to give effect to U.N. S/RES/1267(1999) and U.N. S/RES/1373(2001).
46. For the Other Recommendations Recs. 6, 7, 25, 29 and 32 are now closed.
47. Following the presentation of the Jurisdiction's first follow-up report at the May 2011 Plenary, Suriname was placed into the first stage of enhanced follow-up with a letter from the CFATF Chairman being dispatched to the Hon. Minister of Justice and Police on June 29, 2011. On Monday February 27, 2012 a High Level Mission was undertaken to Suriname and on March 28, 2012 the Jurisdiction submitted an Action Plan which formed the basis of the third follow-up report.
48. Suriname's fourth follow-up report acknowledged the positive efforts of the Jurisdiction, aimed at closing the gaps in its AML/CFT infrastructure, but observed that it had not kept its commitment, to cure the shortcomings, that was made to the November 2012 BVI Plenary. Notwithstanding, based on the recommendations of the fourth follow-up report, the May 2013 Managua Plenary agreed to allow Suriname another six (6) months to fully comply with all outstanding Core and Key recommendations.
49. On August 15, 2013 Suriname enacted the State Decree on Indicators of Unusual Transactions (SDIUT) and this had a positive effect on Core Recs. 13, 26 and SR.IV
50. Based on the above it is recommended that Suriname be kept in expedited follow-up and report back to the November 2014 Plenary.

CFATF Secretariat
May 15 2014



Appendix 1

Financial Intelligence Unit Suriname (FIU Suriname)

FIU ML/ T.F. Investigation

	Own analysis	Prosecutor general request	FIU request
2010		8	
2011	10	20	3
2012	5	14	1
2013	2	8	1

FIU M.L/T.F CASES

	#STARTED	# PASSED ON			#DISCARDED	#RUNNING
		Own Analysis	Prosecutor general request	FIU request		
2010	8		3		5	
2011	33	12	0	3	18	
2012	20	1	1	1	8	4
2013	15	1	0	1	9	4

Central Bank of Suriname

Template Supervision Financial Institutions

		2013	2014	2015	2016
1	Number of on-site inspections *	3			
2a	Number of formal requests on information exchange from other supervisors	0			
2b	Requestsdenied	0			

*AML on-site inspections conducted by the Bank Supervision Department

Statistics FOT

Law enforcement



		2010	2011	2012	2013	2014
1. a.	Number of ML/TF cases investigated	23	34	36	33	
b.	Number of perpetrators in investigated ML/TF cases	43	65	29	26	

Prosecution

		2010	2011	2012	2013	2014
2. a.	Number of ML/TF cases prosecuted	0	2	5	5	
b.	Number of perpetrators prosecuted ML/TF cases	0	2	13	9	

Penal court decision

		2010	2011	2012	2013	2014
3. a.	Number of ML/TF cases prosecuted ending in a conviction	0	1	4	0	
b.	Number of perpetrators prosecuted in ML/TF cases ending with a conviction	0	1	11	0	
		2010	2011	2012	2013	2014
4.	What was the total amount of confiscated funds by court order					
		2010	2011	2012	2013	2014
5.	How many suspicious transaction reports resulted in investigation, prosecution or convictions for ML, FT or an underlying predicate offence	1	0	0	1	
6.	Indicate the legal framework for the investigation and prosecution of the ML/TF offences and for confiscation					

Mutual legal assistance or other international requests for co-operation

		2010	2011	2012	2013	2014
7. a.		2	1	16	17	



	Number of mutual legal assistance and extradition requests (including requests relating to freezing, seizing and confiscation) that are made or received, relating to ML, the predicate offences and FT					
		2010	2011	2012	2013	2014
b.	The nature of the requests for legal assistance	ML	ML	ML	ml	
		2010	2011	2012	2013	2014
c.	Number of granted requests	2	1	16	17	
		2010	2011	2012	2013	2014
d.	Number of refused requests	0	0	0	0	
e.	Reasons for refusing	NA	NA	NA	geen	
f.	The time required to respond on, or execute a request for legal assistance	3 months	3 months	3 months	Drie mnd	

**Matrix with ratings and follow-up action plan 3rd round Mutual Evaluation
Suriname February 2014**

Forty Recommendations	Rating	Summary of factors underlying rating ¹	Recommended Action	Action Undertaken
Legal systems				
1. ML offence	PC	<ul style="list-style-type: none"> • 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; • 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. • Evidentiary requirements for autonomous ML still untested (effectiveness issue). 	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.	<p>i. CBS is drafting legislation regarding the supervision of the capital market. In this legislation insider trading and market manipulation will be criminalized. According to the Suriname ICRG/CFATF Action Plan 2012 this legislation should come into force before the end of this year.</p> <p>i Central Bank working group is discussing draft legislation with stakeholders. The draft was prepared in collaboration with CARTAC. The stakeholder for this activity is the Suriname Stock Exchange Board who requests the</p>

¹ These factors are only required to be set out when the rating is less than Compliant.



			<p>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</p>	<p>bank to review certain parts of the draft. Discussions will result in finalizing this draft in the very near future.</p> <p>The draft Act on Capital Markets has been approved by the Council of Ministers and was forwarded to the State Advisory Council. Their comments have been forwarded to the ministry of Finance to be implemented in the draft. Insider trading and market manipulation will be covered by this act.</p> <p>The Act penalizing Terrorism and the Financing of Terrorism (O.G. 2011 no. 96) (CFT legislation) came into force on July 30, 2011. In the legislation also amendments were made regarding the Fire arms Act (art. II) and the Act regarding suspicious transactions (MOT Act art. III). In general all categories of predicate offences, related to money laundering are applicable to the financing of terrorism (art. I C sub art. 71a). That also includes</p>
--	--	--	--	--



				<p>acts in preparation of activities related to terrorism.</p> <p>ii.</p> <p>A template to keep comprehensive statistics on the number of investigations, prosecutions and convictions is developed and will be formally distributed in August 2012 to the stakeholders: FIU, Prosecutors office and the Central Bank. This is in line with the Suriname ICRG/CFATF Action Plan 2012.</p> <p>ii.</p> <p>Templates to keep comprehensive statistics on the number of investigations, prosecutions, convictions and mutual legal assistance has been developed and formally distributed to the stakeholders: FIU, Financial Investigative Team (FOT), Gaming Board, Prosecutors office and the Central Bank.</p> <p>See attachment</p>
--	--	--	--	---



<p>2. ML offence – mental element and corporate liability</p>	<p>LC</p>	<ul style="list-style-type: none"> • 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. • Evidentiary requirements for autonomous ML still untested (effectiveness issue). 	<p>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</p>	<p>A template to keep comprehensive statistics on the number of investigations, prosecutions and convictions is developed and will be formally distributed in August 2012 to the stakeholders: FIU, Prosecutors office and the Central Bank. This is in line with the Suriname ICRG/CFATF Action Plan for 2012.</p> <p>Templates to keep comprehensive statistics on the number of investigations, prosecutions, convictions and mutual legal assistance has been developed and formally distributed to the stakeholders: FIU, Financial Investigative Team (FOT), it Gaming Board, Prosecutors office and the Central Bank.</p> <p>Closed 4th follow up report</p>
---	-----------	---	---	--



<p>3. Confiscation and provisional measures</p>	<p>PC</p>	<ul style="list-style-type: none"> • No legal basis for the confiscation of TF related assets, in the absence of a TF offence • 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. 	<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>Terrorism has been penalized in art. I A of the Act dated July 29, 2011 (O.G. 2011 no. 96). The financing of terrorism is penalized in art. IC of the same Act, in which art.71a was added to the Penal Code.</p> <p>Provisional and confiscation measures also related to TF are addressed, respectively in art. 82 and 82a of the Criminal Proceeding Code, and in art. 50, 50a, 50b and 50c of the Penal Code as amended in O.G. 2002 no. 67.</p> <p>A template to keep comprehensive statistics on the number of investigations, prosecutions and convictions is developed and will be formally distributed in August 2012 to the stakeholders: FIU, Prosecutors office and the Central. This is in line with the Suriname ICRG/CFATF Action Plan for 2012.</p>



				<p>Templates to keep comprehensive statistics on the number of investigations, prosecutions, convictions and mutual legal assistance has been developed and formally distributed to the stakeholders: FIU, Financial Investigative Team (FOT), Gaming Board, Prosecutors office and the Central Bank.</p> <p>Closed 4th follow up report</p>
Preventive measures				
4. Secrecy laws consistent with the Recommendations	PC	<ul style="list-style-type: none"> • While most of the competent authorities have access to information, there are no measures allowing for the sharing of information locally and internationally. • There are no measures for the sharing of information between financial institutions as required by Recommendations 7 and 9 and Special Recommendation VII. 	<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 is revised in order to make sharing of information possible, both, locally and internationally. In line with the Suriname ICRG/CFATF Action Plan for 2012, this legislation was adopted by Parliament on the 17th of July 2012 and entered into force on the 9th of August 2012.</p> <p>Art 9 addresses the aspect of sharing of information for investigation and prosecution purposes. Art 13 will be revised in order to allow MOT to share information with other</p>



				<p>supervisory authorities i.e. the Central Bank and the Gaming Board</p> <p>The draft MOT Act with amendments regarding sharing of information has been sent to the Council of Ministers for advice</p> <p>The Banking and Credit System Supervision Act, which entered into force on November 23rd 2011, gives the CBS the authority to enter into information exchange agreements (MOU's) with supervisory authorities' abroad (art. 46).</p> <p>Based on the Banking and Credit System Supervision Act of 2011, the CBS entered into an information exchange agreement (MOU) with the Caribbean Group of Banking Supervisors in July 2012.</p>
5. Customer due diligence	NC	<ul style="list-style-type: none"> All financial institutions should be fully and effectively brought under AML and CFT regulation and especially 	Suriname should implement the following elements from Recommendation 5 which have not been fully addressed:	By amending the WID Act and the MOT Act, Suriname has implemented the following elements from Recommendation 5.



		<p>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.</p> <ul style="list-style-type: none"> • 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; • 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 	<ul style="list-style-type: none"> 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; ii. The definition of “financial activities” should be updated in accordance with the definition of “financial activities” in the FATF Methodology; 	<p>In line with the Suriname ICRG/CFATF Action Plan for 2012, legislation regarding the following elements was adopted by Parliament on the 17th of July 2012 and entered into force on the 9th of August 2012.</p> <ul style="list-style-type: none"> i. The CBS has issued in April 2012, new AML/CTF regulations for the financial sector. These new regulations are in line with the recommendations of the MER with regard to: Comprehensive CDD requirements, Peps, cross border correspondent banking, none face to face transactions, KYC regarding third parties and beneficiaries, recordkeeping, enhanced due diligence on high risk and complex transactions. ii. Legislation amending the MOT Act and the WID Act, art. 1, in order to bring the definition of financial activities in accordance with the FATF Methodology was adopted by Parliament.
--	--	---	--	---

		<p>obtained customer identification data.</p> <ul style="list-style-type: none"> • 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. • There is no legal requirement regarding identification and verification of the beneficial owner of a legal person. • There is no legal requirement to obtain information on the purpose and intended nature of the business relationship. • No specific requirement to perform ongoing due diligence on business relationships. • Performing enhanced due diligence on higher risk categories of customers, 	<p>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;</p> <p>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;</p> <p>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</p>	<p>iii. In legislation amending the WID Act, ART. I sub B amendments are made to art. 2, requiring CDD measures when carrying out wire transfers for occasional transactions.</p> <p>iv. In legislation amending the WID Act, ART. I sub F and G amendments are made to art. 4 and 6, in order to update previously obtained CDD information and to keep it relevant.</p> <p>v. In legislation amending the WID Act, ART. I sub E a new art. 3a is added, regarding CDD measures for Suriname and foreign legal persons.</p> <p>vi.</p>
--	--	--	--	--



		<p>business relationships or transactions.</p> <ul style="list-style-type: none"> • 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. • There are no general requirements to apply CDD measures to existing customers on the basis of materiality and risk. • 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. 	<p>exercise(s) effective control over a legal arrangement such as a trust;</p> <p>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;</p> <p>vii. The obligation to obtain information on the purpose and intended nature of the business relationship;</p> <p>viii. No specific requirement to perform ongoing due diligence on business relationships;</p>	<p>In legislation amending the WID Act, ART. I sub G provisions has been included regarding the identification requirements of the beneficial owner for legal persons.</p> <p>vii. In legislation amending the WID Act, ART. I sub D amendments are made to art. 3, with the obligation to obtain information regarding the purpose and nature of the business relation.</p> <p>viii. In legislation amending the WID Act, ART. I sub G amendments are made to art. 6, in order to update previously obtained CDD information and to keep it relevant.</p> <p>ix. In legislation amending the WID Act, ART. I sub F amendments are made to art. 4 for enhanced due diligence on higher risk categories</p>
--	--	---	--	--



		<ul style="list-style-type: none"> • 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. 	<p>ix. Performing enhanced due diligence on higher risk categories of customers, business relationships or transactions;</p> <p>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;</p> <p>xi. There are no general requirements to apply CDD measures to existing customers on the basis of materiality and risk;</p>	<p>of customers, business relations and transactions.</p> <p>x. In legislation amending the WID Act, ART. I sub K adds a new art. 10 requiring special attention regarding business relations and transactions with natural and legal persons from countries or territories with none or less compliance with international recommended AML/CFT requirements.</p> <p>xi. In legislation amending the WID Act, ART. I sub F and G amendments are made to art. 4 and 6, in order to apply CDD measures to existing clients on the basis of the business relationship or nature and higher risks of transactions to be conducted.</p> <p>xii. In legislation amending the WID Act, ART. I sub C adds a new article 2a section 3 and 4, prohibiting a transaction to be conducted if identification and verification of the</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>	<p>client pose difficulties and as a last resort the business relation can be terminated.</p> <p>xiii. In legislation amending the WID Act, ART. I sub C adds a new article 2a section 4 which requires termination of the business relationship. Accordingly the business relation will be terminated. Closed 4th follow up report</p>
6. Politically exposed persons	NC	<ul style="list-style-type: none"> Suriname has not implemented any AML/CDD measures regarding the establishment and maintenance of customer relationships with politically exposed persons (PEP's). 	<p>i. Suriname should implement the necessary requirements pertaining to PEPs.</p>	<p>Legislation to amend article 1, art. 4 and art. 9 of the WID act, in order to include AML/CDD measures regarding PEPs was adopted by Parliament, on the 17th of July 2012 and entered into force on the 9th of August 2012.</p> <p>The CBS has issued in April 2012, new AML/CTF regulations for the financial sector in line with the</p>



				<p>recommendations of the MER with regard to comprehensive CDD requirements for Peps.</p> <p>According to the Explanatory Notes of the Act on the Identification Requirements for Service Providers the term “important public functions” includes head of States, prominent politicians, high-ranking officials, court officers or senior officers, directors of state enterprises, important political party officials. Business relationships with family members or partners of Peps harm the reputation in the same way as with these Peps itself. Persons in the middle or lower part of the aforementioned categories do not fall under this definition.</p> <p>Closed 3th follow up report</p>
7. Correspondent banking	NC	<ul style="list-style-type: none"> There are no legal requirements applicable to banking relationships. 	<ul style="list-style-type: none"> 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 	<p>Legislation to amend article 1, 4, 13 and 14 of the WID act, introducing legal requirements applicable to correspondent banking relationship was adopted by Parliament, on the</p>



			<p>through accounts, to be satisfied that the respondent has performed all normal CDD obligations.</p>	<p>17th of July 2012 and entered into force on the 9th of August 2012.</p> <p>The CBS has issued in April 2012, new AML/CTF regulations for the financial sector in line with the recommendations of the MER with regard to comprehensive CDD requirements related to cross border correspondent banking.</p> <p>Closed 3th follow up report</p>
<p>8. New technologies & non face-to-face business</p>	<p>NC</p>	<ul style="list-style-type: none"> 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. 	<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>	<p>Legislation amending article 11 of the WID act, which require financial institutions to pay special attention to ML/TF threats that can arise from new or developing technologies and to have policies and procedures in place to address specific risks associated with non-face to face business relations or transactions was adopted by Parliament, on the 17th of July 2012 and entered into force on the 9th of August 2012.</p> <p>These non-face to face businesses are also addressed by the new CBS AML/CFT regulations for the financial sector and are among</p>



				<p>others: internet banking, phone banking, POS payments, reloadable or account-linked value cards.</p> <p>Closed 3th follow up report</p>
9. Third parties and introducers	NC	<ul style="list-style-type: none"> • 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. • 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 • 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. 	<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>	<p>Legislation amending article 12 of the WID act, permitting financial institutions to rely on the client screening performed by another financial service provider having its registered office in Suriname with regard to a client introduced by this financial service provider, was adopted by Parliament, on the 17th of July 2012 and entered into force on the 9th of August 2012.</p> <p>According to this new legislation the ultimate responsibility for customer identification and verification remains with the financial institution which relies on the introducer.</p> <p>The CBS has issued in April 2012, new AML/CTF regulations in line with the recommendations of the MER which contain criteria for</p>



		<ul style="list-style-type: none"> • 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. • 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. 		<p>financial institutions who rely on intermediaries.</p> <p>According to the CBS AML/CFT Directive of April 2012 financial service providers established in Suriname may act as intermediaries as long as they meet the applicable conditions. The ultimate responsibility for customer identification and verification remains with the institution.</p> <p>Article 12 of the Act on the Identification Requirements for Service Providers stipulates that upon request of a service provider all data and information of the client screening will be provided by the third party and that all information will be made available without delay.</p>
10. Record keeping	PC	<ul style="list-style-type: none"> • No requirement to keep all documents recording the details of all transactions carried out by the client in the 	<p>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</p>	<p>i. In this regard article 8 of the ID law requires all service providers to keep all documents, which record details of transactions carried out by the client in the course of an</p>



		<p>course of an established business relationship.</p> <ul style="list-style-type: none"> • No requirement to maintain account files and correspondence for at least five years following termination of an account or relationship. • No general requirement in law or regulation to keep documentation longer than 7 years if requested by a competent authority. • 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. 	<p>documents longer than 7 years (if requested to do by an competent authority).</p> <p>ii. There should be a requirement for financial institutions to ensure availability of records to competent authorities in a timely manner.</p>	<p>established business relationship, longer than 7 years (if requested to do by an competent authority).</p> <p>ii.</p> <p>Legislation amending article 8 of the WID Act, in order to make it possible to continue recordkeeping of details regarding transactions which has been carried out by a client, for a period longer than 7 years, once requested by a competent authority was adopted by Parliament on the 17th of July 2012 and entered into force on the 9th of August 2012.</p> <p>Closed 4th follow up</p>
11. Unusual transactions	NC	<ul style="list-style-type: none"> • No requirement to pay special attention to all complex, unusual large transactions, or unusual patterns of 	<p>i. There should be a requirement for financial institutions to pay special attention to all complex, unusual large transactions, or unusual</p>	<p>i.</p> <p>Article 10 of the WID Act was amended. Financial institutions are now required to pay special</p>



		<p>transactions, that have no apparent or visible economic or lawful purpose.</p> <ul style="list-style-type: none"> • 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. • 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 	<p>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>	<p>attention to all complex, unusual large transactions and all unusual patterns of transactions which have no apparent economic or feasible lawful purpose.</p> <p>The background and purpose of such transactions should be examined, the findings should be established in writing and be available for competent authorities for seven years. Upon request of a competent authority, the findings should be available for a longer period.</p> <p>In line with the Suriname ICRG/CFATF Action Plan for 2012, this new legislation was adopted by Parliament on the 17th of July 2012 and entered into force on the 9th of August 2012.</p> <p>ii. The CBS has issued in April 2012, new AML/CTF regulations for the financial sector in line with the recommendations of the MER with regard to the aspects of complex, unusual large transactions or unusual patterns of transactions that</p>
--	--	---	---	---



				<p>have no apparent or visible economic or lawful purpose.</p> <p>Closed 3th follow up</p>
12. DNFBP – R.5, 6, 8-11	NC	<ul style="list-style-type: none"> • The ID law does not contain any provisions with regard to the supervision of DNFBPs on their compliance with their obligations pursuant to the ID law; • There is a significant lack of guidance to the DNFBPs as to the proper application of the identification obligations pursuant to the ID law; • 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; • The ID law lacks an effective sanctioning system; 	<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>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</p>	<p>In line with the Suriname ICRG/CFATF Action Plan for 2012, Suriname has modified the ID law to cover the full range of CDD measures as set out in the FATF standards. This legislation was adopted by Parliament on the 17th of July 2012 and entered into force on the 9th of August 2012.</p> <p>In this regard, the following elements are implemented in the ID law.</p> <p>A new article 22 has been added to the MOT Act, regarding supervision of the DNFBP's, respectively the Gaming Board for the casinos and lotteries and MOT to supervise the</p>



		<ul style="list-style-type: none"> • The above leads to an overall problem of effectiveness of the ID law in so far as it concerns DNFBPs; • 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 • The ID law does not contain specific provisions regarding the identification by the DNFBPs of the ultimate beneficiary owner; • The ID law does not contain explicit provisions regarding 	<p>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 with the ID law, in order to raise their awareness of their obligations and responsibilities under the ID law and to facilitate and enhance their compliance.</p>	<p>other DNFBP's as mentioned in the Act.</p> <p>The new art. 22 of the MOT Act enables the supervisory authorities to impose administrative sanctions once a service provider does not comply with the obligations pursuant to the law.</p> <p>The supervisory authorities will deposit the collected fines and collection costs in the treasury.</p> <p>FIU has started awareness raising sessions for all service providers since 2009, and will continue doing this. On the 28th of February 2012 an awareness raising session for financial and non-financial service providers and all other stakeholders was held in collaboration with the CFATF.</p> <p>Awareness raising sessions for 7 Categories of DNFBP's including casinos, real estate agencies,</p>
--	--	---	---	---



		<p>transactions carried out by DNFBPs involving ultimate beneficiary owner;</p> <ul style="list-style-type: none"> • DNFBP-specific laws such as the new Law on lawyers, which may provide for useful additional identification requirements, have not been fully implemented; • The ID law requires only civil notaries, accountants and lawyers to establish the transaction amount when recording additional personal data of the customer 	<p>The ID law should contain more specific provisions for the identification of the ultimate beneficiary owners involved in transactions carried out by DNFBPs. 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.</p> <p>Article 4, first section, of the ID law, which deals with identification of natural persons acting on behalf of a customer, requiring DNFBPs in the process to establish the identity of such a natural person prior to the provision of a <u>financial</u> service, should be modified so</p>	<p>notaries public, jewellers, car dealers, administration offices and accountancy firms were organized by the FIU in November 2012. During these sessions also the reporting aspects according to the AML/CFT Guidelines of October 2012 were addressed.</p> <p>FIU will continue its awareness raising sessions for the non-financial service providers during 2013.</p> <p>In these sessions issues related to AML/CFT guidelines and the completion of UTR's will also be addressed. It is expected that 2 training sessions will be held before August 2013.</p> <p>In April 2013 the first training sessions for all financial and non-financial service providers (a total of 153 participants) were held and the second training session is planned for November 2013 whereby approximately 450 participants will be invited. The training sessions will be held</p>
--	--	---	--	---



			<p>as to requiring identity establishment of a natural person acting on behalf of another when providing a service as meant in paragraph d of article 1 of the ID law.</p> <p>Article 7, second section, of the ID law should be expanded to require other 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</p>	<p>annually. For 2014 a semi-annual training program is scheduled.</p> <p>In the WID Act a new art. 3a has been added regarding special CDD measures relating to local and foreign legal persons, public corporations and religious organizations.</p> <p>Legislation to require identity establishment of a natural person acting on behalf of another when providing a service as meant in paragraph d of article 1 of the ID law was adopted by Parliament.</p> <p>The ID law was modified, art. 1 sub q, art 2 and art. 2a, so as to inquire about ownership and control structure of the customers, and to determine who the natural persons are that ultimately own or control the customer.</p> <p>The ID law, art. 4, was modified, so as to require identity establishment of a natural person acting on behalf</p>
--	--	--	---	--



			<p>essential criterion 12.1. This means introducing a monetary threshold for 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>	<p>of another for all services provided, financial and non-financial.</p>
--	--	--	--	---



<p>13. Suspicious transaction reporting</p>	<p>NC</p>	<ul style="list-style-type: none"> 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. 	<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</p>	<p>Criminalization of insider trading and market manipulation in the capital Market Act will qualify these offenses as predicate offences with the obligation to report these offences to the FIU.</p>



		<ul style="list-style-type: none"> • There is no requirement to report suspicious transactions related to terrorist financing because the legislation on TF is not yet in place. • Not <u>all</u> institutions and DNFBPs that have a reporting requirement are fully aware of this requirement. • 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. • 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. • Reporting institutions mainly rely in the objective criteria to 	<p>related to, or to be used for terrorism, for terrorist acts, 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</p>	<p>Central Bank working group is discussing draft legislation with Stakeholders. The draft was prepared in collaboration with CARTAC. The stakeholder for this activity is the Suriname Stock Exchange Board who requests the bank to review certain parts of the draft. Discussions will result in finalizing this draft in the very near future.</p> <p>The draft State Decree on Indicators of Unusual Transactions (SDIUT) has been forwarded to the council of Ministers for approval. After approval it will be sent to the State Advisory Council, and based on their advice it will be enacted through publication in the State Gazette.</p> <p>The State Decree on Indicators of Unusual Transactions (SDIUT) has been approved (O.G.2013 no.148) and entered into force on August 15th, 2013.</p>
--	--	---	--	---



		<p>report and pay little or no attention to elements that would make a transaction suspicious.</p> <ul style="list-style-type: none"> • Overall serious concern about the effectiveness of the system 	<p>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</p>	<p>Based on art. III sub C of the CFT legislation (OG 2011 no. 96)</p> <p>UTR’s are filed with the FIU regarding transactions, which are suspected to be related to terrorism, terrorist acts of terrorists organizations. Art 12 MOT Act already incorporates attempted unusual transactions.</p> <p>Sub 1 of art. 12 was amended in order to include UTR’s based on TF (Art. III of the Terrorist Act (O.G. 2011 no. 96).</p> <p>Art. 12 of the MOT Act, explicitly requires reporting of all unusual transactions or attempted unusual transactions.</p> <p>Sub 2 of art. 12, where the reporting requirements are stipulated was amended, obligating financial institutions to improve the quality of the UTRs.</p>
--	--	--	--	---



			<p>and DNFBPs regarding money laundering and terrorist financing risks.</p>	<p>Enforcement of the obligation to report transactions without delay is supervised by the authorities mentioned in art. 22 of the MOT Act.</p> <p>In the legislation amending the MOT Act art. 22 has been added which gives the FIU the supervision over the DNFBP's. In this article sanctions are applied in case of non-compliance. This legislation was adopted by Parliament on the 17th of July 2012 and entered into force on the 9th of August 2012.</p> <p>FIU continues with awareness raising session for all service providers and will continue these sessions in 2014. During these sessions ML/FT typologies will be shared with the service providers.</p>
--	--	--	---	--



<p>14. Protection & no tipping-off</p>	<p>PC</p>	<ul style="list-style-type: none"> 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. 	<p>Violation of the prohibition against tipping-off should be enforced by sanctions.</p>	<p>Art 22 and 23 of the Mot Act include sanctions in case of tipping-off.</p> <p>Legislation amending art. 25 of the MOT Act, which prohibits disclosure of data and information given or received in relation to the MOT Act, including data related to UTR's as mentioned in art. 12 sub 1 was adopted by Parliament, on the 17th of July 2012 and entered into force on the 9th of August 2012.</p> <p>Violation of this prohibition is sanctioned in art. 21 of the MOT Act</p> <p>The new AML/CTF regulations of the CBS also address the aspects of protection and no tipping off.</p> <p>Closed 3th follow up</p>
<p>15. Internal controls, compliance & audit</p>	<p>NC</p>	<p>No general enforceable requirements to:</p> <ul style="list-style-type: none"> Establish and maintain internal procedures, policies and controls to prevent money 	<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</p>	<p>The CBS has issued in April 2012, new AML/CTF regulations for financial institutions in line with the recommendations of the MER with regard to the internal control, compliance and audit. The</p>



		<p>laundering and to communicate them to employees;</p> <ul style="list-style-type: none"> • Designate compliance officers at management level; • Ensure compliance officers have timely access to information; • Maintain an adequately resourced and independent audit function to test compliance with AML/CFT procedures, policies and controls; • Establish ongoing employee training; • Put in place screening procedures; • Ensure high standard when hiring employees. 	<p>which requirements should be capable of being sanctioned.</p>	<p>regulations introduce a formal requirement for the financial sector to appoint a compliance officer, who will be responsible for the design and implementation of the compliance policy.</p> <p>Specific directive from the Central Bank for the financial service providers regarding internal audit is pending. It is expected to come in effect by the end of 2014.</p>
16. DNFBP – R.13-15 & 21	NC	<p>The same deficiencies and shortcomings detected in the MOT legislative framework and its implementation with respect to the financial institutions recur with the</p>	<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</p>	<p>Art 12 sub 1 of the MOT Act was amended in order to include UTR's based on TF (Art. III of the Terrorist Act (O.G. 2011 no. 96).</p>



		<p>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;</p> <p>Due to practical constraints the FIU has been focusing primarily on financial institutions, further compromising the effectiveness of the reporting system for DNFBPs;</p> <p>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;</p> <p>Only certain groups of DNFBPs or individual DNFBPs submit</p>	<p>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 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>Reporting by DNFBP's of ML/TF is based on art. 12 sub 1 of the MOT Act.</p> <p>Art. 22 sub 1c of the MOT Act gives the FIU the supervision over DNFBP's. Art 22 sub 2 gives FIU the authority to introduce AML/CFT guidelines.</p> <p>Art. 22 sub 3 and sub 4 introduces administrative sanctions.</p> <p>Art. 1 sub d of the MOT Act has been amended in order to include a wide range of services performed by DNFBP's.</p> <p>In line with the Suriname ICRG/CFATF Action Plan for 2012, this legislation was adopted by Parliament on the 17th of July 2012 and entered into force on the 9th of August 2012.</p> <p>The October 2012 MOT Guidelines for all service providers also addresses the gaming providers. Additional guidelines related to the</p>
--	--	---	---	---



		<p>unusual transactions reports to the FIU;</p> <p>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;</p> <p>No requirement with respect to the presence of AML/CFT programs as required by Recommendation 15;</p> <p>Absence of measures or legal basis for such measures with respect to countries that do not or insufficiently comply with the FATF Recommendations.</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 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</p>	<p>operations of the gaming providers will be introduced at a later stage.</p>
--	--	--	--	--



			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.	
17. Sanctions	NC	<ul style="list-style-type: none"> 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. No requirement to report suspicion of terrorist financing 	<ul style="list-style-type: none"> 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. The range of sanctions should be broadened with administrative sanctions for financial institutions, DNFBPs, for 	<ul style="list-style-type: none"> Art. 21 and 22 of the MOT Act include a wide range of penal and administrative sanctions to deal with natural and legal persons mentioned as service providers in the act, that fail to comply with AML/CFT requirements. In line with the Suriname ICRG/CFATF Action Plan for 2012, this legislation was adopted by Parliament on the 17th of July 2012 and entered into force on the 9th of August 2012. Based on art. 16 of the Banking and Credit system Supervision Act



		<p>and consequently no supervision of this issue.</p> <ul style="list-style-type: none"> The effectiveness of the overall sanctioning regime, at present, is questioned because penal sanctions have not been imposed for AML failings. 	<p>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 restrict the powers of managers, directors, or controlling owners for AML& CFT breaches. In addition, there should be the possibility to restrict or revoke a license for AML and CFT violations.</p>	<p>(O.G. 2011 no. 155), the CBS has the authority to issue AML/CFT regulations for financial institutions.</p> <p>Art. 56 of the Banking and Credit system Supervision Act, enables the CBS to impose fines for breaches of AML/CTF regulations.</p> <p>Based on art. 11 sub 1h of the Banking and Credit system Supervision Act the CBS will be able to revoke a license of a financial institution for violations of AML/CTF regulations.</p> <p>According to art. 17 of the Banking and Credit System Supervision Act, the CBS has the authority to place the credit institution under undisclosed custody. This may happen when the CBS is of the opinion that the credit institution neglects to act on a directive of the CBS including AML/CFT guidelines. The CBS may appoint a person upon whose instructions the credit institution must perform their</p>
--	--	--	--	--



				<p>tasks, according to the directives of the CBS.</p> <p>In the new article 22 of the MOT Act the CBS has been appointed as the AML supervisory authority of financial service providers. Under this article the CBS is authorised to give directives to the service providers that fall under its supervision for the purpose of facilitating compliance with the MOT Act. This article also enables the supervisory authority i.c the CBS to impose a maximum fine of SRD 1 million for each contravention on a service provider that doesnot comply, or does not comply on time, with the obligations laid down in the aforementioned directives of the CBS.</p> <p>According to article 1B of the Act Penalization of Legal Entities of September 5, 2002, regarding detailed amendments to the criminal codeinconnectionwiththe adoption of generalprovisionsonthecriminalliabilityof legal persons, sanctions for</p>
--	--	--	--	---



				AML/CFT violations can be applied to directors, senior management and financial institutions.
18. Shell banks	PC	<ul style="list-style-type: none"> 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. 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 	<ol style="list-style-type: none"> 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. There should a specific enforceable obligation on financial institutions to reassure themselves that a respondent financial institution in a foreign 	<ol style="list-style-type: none"> Legislation amending the WID Act, art. 1 and 14, prohibits financial institutions to enter into a correspondent bank relation or to establish relations with shell banks. In line with the Suriname ICRG/CFATF Action Plan for 2012, this legislation was adopted by Parliament on the 17th of July 2012 and entered into force on the 9th of August 2012. Based on art. 14 sub.2of the WID Act financial institutions should also ensure that their foreign correspondent relations do not have



			country does not permit its accounts to be used by shell banks.	accounts with, or facilitate shell banks. The CBS has issued in April 2012, new AML/CTF regulations for the financial sector in line with the recommendations of the MER with regard to prohibiting financial institutions to have correspondent bank relationships with shell banks. Closed 3th follow up report
19. Other forms of reporting	NC	<ul style="list-style-type: none"> Feasibility and utility of CTR or threshold reporting has not been considered 	<ul style="list-style-type: none"> 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. 	
20. Other NFBP & secure transaction techniques	PC	Although real estate agents and car dealers are also subject to basically 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;	<ul style="list-style-type: none"> Suriname is urged to correct the deficiencies discussed in sections 4.1 and 4.2 of this report which are also present with respect to the real estate agents and car dealers. Suriname should require the transaction amounts to be 	<ul style="list-style-type: none"> The National AML commission has reviewed the State Decree on Indicators of Unusual Transactions including the transaction amounts that are required for all financial and non - financial services. The draft SDIUT was sent to the council



		<p>No obligation in the ID law for real estate agents and car dealers to establish the transaction amounts during the identification of their clients;</p> <p>Threshold for reporting of unusual transactions based on monetary objective indicator is too high;</p> <p>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.</p>	<p>established as well when real estate agents and car dealers establish the identity of a client pursuant to the ID law.</p> <p>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.</p> <p>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</p>	<p>of Ministers for approval and will be forwarded to the State Advisory Council for advice.</p> <p>The State Decree on Indicators of Unusual Transactions (SDIUT) has been approved (O.G.2013 no.148) and entered into force on August 15th, 2013.</p> <p>The Central Bank has lounded a project regarding the modernisation of the payment system, which will result in electronic clearing and settlement. This will encourage the development and use of modern and secure techniques for conducting financial transactions.</p> <p>Banking Network Suriname N.V. (BNETS) was founded in February 2005 with the aim of promoting electronic payments and integrating payments between financial institutions operating in Suriname as well as integrating payments</p>
--	--	---	--	--



				<p>with foreign financial institutions. BNETS has the following key activities:</p> <ul style="list-style-type: none"> - Counseling, support and encourage collective cashless payment services that contribute to an innovative, high-quality, secure and efficient electronic payment system in Suriname; - Integration of payments between financial institutions operating in Suriname and abroad; - Encouraging the awareness regarding the electronic payments in Suriname. <p><i>Both transactions through ATM and POS have increased annually. Statistics indicates that since 2007 to 2013 the use of debit cards has doubled while payments via POS increased by almost six times</i></p>
21. Special attention for higher risk countries	NC	<ul style="list-style-type: none"> • No obligation to examine as far as possible the background and purpose of transactions with persons from countries which 	<ul style="list-style-type: none"> i. Suriname should issue a law or regulation to implement the 	<p>Legislation amending the WID Act, art. 4 and 10, introducing legal requirements to pay special attention to transactions with persons and institutions from high</p>



		<p>do not or insufficiently apply FATF Recommendations.</p> <ul style="list-style-type: none"> No specific requirements to keep written findings available to assist competent authorities and auditors. No provision for the financial institutions to apply appropriate counter-measures against countries which do not or insufficiently apply the FATF. 	<p>requirements of Recommendation 21.</p>	<p>risk countries, was adopted by Parliament, on the 17th of July 2012 and entered into force on the 9th of August 2012.</p> <p>The CBS has issued in April 2012, new AML/CTF regulations for the financial sector in line with the recommendations of the MER with regard to transactions with countries that are considered to be high risk.</p>
22. Foreign branches & subsidiaries	NC	<ul style="list-style-type: none"> 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; There is no requirement to pay particular attention to situations where branches and 	<p>1) There should be a binding obligation on all financial institutions:</p> <ol style="list-style-type: none"> To pay particular attention to the principle with respect of countries which do not or insufficiently apply FATF Recommendations; 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; 	<p>In accordance with art. 16 of the Bank and Credit System Supervision Act, the Central Bank has issued AML/CTF regulations that address the requirement for credit institutions to ascertain that said regulations also apply to their foreign branches and subsidiaries. If standards of the foreign country are higher, the highest standard should apply, notwithstanding the requirements of the home country.</p>



		<p>subsidiaries are based in countries that do not or insufficiently apply FATF Recommendations;</p> <ul style="list-style-type: none"> • Provision should be made that where minimum AML/CFT requirements of 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; • No general obligation to inform the home country supervisor when a foreign branch or subsidiary is unable to observe appropriate AML/CFT measures. 	<p>iii. To inform the home country supervisor when a foreign branch or subsidiary is unable to observe appropriate AML/CFT measures.</p>	<p>Closed 3th follow up report</p>
<p>23. Regulation, supervision and monitoring</p>	<p>NC</p>	<ul style="list-style-type: none"> • Relevant supervisory authority has not been designated as responsible for ensuring the compliance of their supervised financial institutions and 	<p>i. A relevant supervisory authority should be designated as responsible for ensuring the compliance of their supervised financial institutions and</p>	<p>i Legislation which introduces a new art 22 of the MOT Act gives supervisory authority to:</p>



		<p>DNFBPs with AML/CFT requirements.</p> <ul style="list-style-type: none"> • The money & value transfer companies, money exchange offices and stock exchange are not subject to AML/CFT supervision. • Money transfer offices and money exchange offices are not registered or licensed and appropriately regulated. • No requirement to report suspicion of terrorist financing and consequently no supervision of this issue. 	<p>DNFBPs with AML/CFT requirements.</p> <p>ii. 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.</p> <p>iii. Surinamese authorities should consider regulating and</p>	<p>a. CBS for the financial sector</p> <p>b. The Gaming Board for the gaming industry</p> <p>c. FIU for all other DNFBP's</p> <p>In line with the Suriname ICRG/CFATF Action Plan for 2012, this legislation was adopted by Parliament on the 17th of July 2012 and entered into force on the 9th of August 2012.</p> <p>i In January 2013 CBS in collaboration with the US Treasury Department conducted a AML/CFT training for its Supervision Department, Financial Market Department and Legal Department. The CBS is now working on a AML/CFT onsite examination manual.</p> <p>For 2013 three AML/CFT on-site inspections of credit institutions are scheduled of which two has been conducted in April and July 2013 with assistance of the U.S. Treasury Department, Office of Technical</p>
--	--	---	--	--



			<p>supervising the Stock exchange for AML/CFT purposes.</p>	<p>Assistance. The inspection itself involved five staff members plus the advisor and covered 5 days onsite plus a number of days in preparation and post examination analysis of gathered information and preparation of a report.</p> <p>ii</p> <p>The draft Act concerning the Supervision of money transfer offices (MTOs) and money exchange offices (MEOs) is already in Parliament. Discussions concerning the adoption of this draft act by Parliament will commence soon.</p> <p>Under the Act concerning the supervision of Money Transaction Offices the CBS is the sole licensing authority for Money Transfer Offices and Money Exchange Offices.</p> <p>With assistance of the US Treasury Department a special AML/CFT onsite examination manual for</p>
--	--	--	---	--



				<p>Money Transaction Offices has been prepared. The CBS has started AML/CFT onsite inspections on MTO's in November 2013 and will continue in 2014.</p> <p>ii</p> <p>The Act on Money Transaction Offices came into force on October 29th 2012. This act governs the supervision of money transfer companies and money exchange offices. In accordance with article 26 of this act, the Central Bank has specific authority to issue regulations on among other AML/CFT. Article 28 authorizes the Bank to share information with local and foreign government bodies as well as institutions that are responsible for supervision on the financial markets.</p> <p>The draft Act on Capital Markets has been approved by the Council of Ministers and was forwarded to the State Advisory Council. Their</p>
--	--	--	--	--



				<p>comments have been forwarded to the ministry of Finance to be implemented in the draft. Insider trading and market manipulation will be covered by this act.</p> <p>The draft Act on Capital Markets also include the stock exchange and securities firms.</p>
24. DNFBP - regulation, supervision and monitoring	NC	<p>No AML/CFT based regulation and supervision of casinos currently present.</p> <p>No adequate regulatory and monitoring measures regarding AML/CFT in place for the other categories of DNFBPs currently operating in Suriname</p>	<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</p>	<p>In the MOT Act a new art. 22 (sub 1b) has been added, which appoint the Gaming Board as the supervisory authority for casinos and lotteries.</p> <p>As supervisory authority the Gaming Board can issue AML/CFT guidelines.</p> <p>In the new art. 22 (sub 1c) the FIU is appointed as the supervisory authority for all other DNFBP's, and is authorized to issue AML/CFT guidelines.</p> <p>In line with the Suriname ICRG/CFATF Action Plan for 2012, this legislation was adopted by</p>



			<p>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 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>	<p>Parliament on the 17th of July 2012 and entered into force on the 9th of August 2012.</p>
--	--	--	---	--



<p>25. Guidelines & Feedback</p>	<p>PC</p>	<ul style="list-style-type: none"> • 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. • 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. • No guidelines present for DNFBPs to assist them with the implementation and compliance with their 	<ol style="list-style-type: none"> i. Suriname is strongly urged to introduce guidelines for DNFBPs to assist them with the implementation and compliance with their respective AML/CFT requirements. ii. The assessment team recommends the CBS to work together with the FIU and the Anti-Money Laundering Commission in drafting guidelines for financial institutions (and DNFBPs) that give a description of money laundering and terrorist financing techniques and methods. 	<p>For all service providers financial and non financial guidelines were issued in October 2012 and part of these guidelines addresses the area of subjective indicators in which typologies for the services are included.</p> <p>According to art. 4 sub 2 of the MOT Act, the FIU will be able to provide feedback to DNFBP's in order to assist in applying national AML/CFT measures and in detecting and reporting suspicious transactions. Based on art. 4 sub 3 the FIU is authorized to issue guidelines regarding the reporting of UTR's.</p> <p>Based on art. 5 sub 3 MOT Act, the FIU can request the service provider to supply detailed information within a certain period of time.</p> <p>Based on art. 6 and 8 MOT Act, the FIU is required to provide information once requested by investigating and prosecuting</p>
--------------------------------------	-----------	---	--	---



		<p>respective requirements</p> <p>AML/CFT</p>		<p>agencies. Such requests should be channelled through the AG.</p> <p>Based on art. 22 sub 2 of the act, the FIU is authorized to issue AML/CFT guidelines for the DNFBP's.</p> <p>Based on art. 4 sub 2, of the act, the FIU will provide financial institutions, DNFBP's, prosecutors, investigators and the general public with typologies and methodologies in order to prevent and combat ML/CFT.</p> <p>In line with the Suriname ICRG/CFATF Action Plan for 2012, this legislation was adopted by Parliament on the 17th of July 2012 and entered into force on the 9th of August 2012.</p> <p>In October 2012 the FIU issued guidelines for the financial and the non-financial service providers regarding the filing of UTR's and</p>
--	--	---	--	--



				subjects related to compliance and supervision.
Institutional and other measures				
26. The FIU	PC	<ul style="list-style-type: none"> • Overall problem of effectiveness • Insufficient use of the analytical and enquiry powers • Insufficient protection of the information and staff security • The FIU remit does not cover TF related disclosures 	<ul style="list-style-type: none"> 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; ii. To substantially increase the human and financial resourcing of the FIU; 	<p>i) By Ministerial decree of the Minister of Justice and Police, the organization chart of the Ministry of Justice and Police has been changed as of May 2011 and the FIU has been identified as an independent institute.</p> <p>Art 2 sub 1 of the amended MOT Act confirms the independent status of the FIU.</p> <p>ii) FIU personnel have been increased from 4 to 12, including 4 analysts and 2 lawyers. The budget for the FIU has been incorporated in the</p>



			<ul style="list-style-type: none"> iii. To move MOT to a location that ensures a secure conservation and management of the sensitive information and the safety of the staff; iv. To improve the IT security measures to protect the sensitive and confidential information; 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>budget of the Ministry of Justice and Police for the fiscal year 2012.</p> <p>iii</p> <p>Since September 2011 the FIU is located in a new building situated in the business area of Paramaribo.</p> <p>The office space 170 m2 with a 24/7 electronic security system.</p> <p>iv</p> <p>Since October 2009 a server (Local Area Network) is in use by the FIU to store information. Sensitive and confidential information are stored in a secured database. Backups are made once a week.</p> <p>v</p>
--	--	--	---	--



			<p>vi. To issue the necessary guidance to the sector stressing the importance of timely reporting, particularly of suspicious activity;</p>	<p>The FIU has started with awareness raising session for all service providers since 2009, and will continue.</p> <p>Part of the sessions addresses issues regarding typologies which are reported by service providers and documented in their UTR. By doing so FIU is giving typology feedback to service providers with the aim to increase their perception of suspicious activities. For all service providers financial and non financial guidelines were issued in October 2012 and part of these guidelines addresses the area of subjective indicators in which typologies for the services are included.</p> <p>vi Guidelines regarding mandatory reporting for the service providers are being drafted determining time limits for all reports.</p>
--	--	--	---	---



			<p>vii. To increase the quality of the analytical process by systematically 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>In the FIU guidelines as mentioned above explicitly in paragraph 3.2 a time frame has been given for reporting of UTR's . When objective indicator is involved reporting should be done in 14 days and in case of subjective indicator reporting should be completed in 5 days.</p> <p>vii According to art. 7 of the MOT Act, the FIU can, on a case to case basis, requests information from law enforcement and governmental agencies, to be used in the analytical process.</p> <p>viii idem viii Based on art.13 of the MOT act, the FIU will institutionalize a forum of government agencies including supervisory bodies for the financial and the non-financial sectors in</p>
--	--	--	---	---



				<p>order to collect information related to ML/TF or any suspicious grounds for these activities. The government agencies will include police, immigration, customs, Central Bank and the Gaming board.</p> <p>ix. 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> <p>In cooperation with the US Treasury Department analysis and supervision training will start in October 2012.</p>
27. Law enforcement authorities	PC	<ul style="list-style-type: none"> No designated financial investigation team until recently – effectiveness untested 	<p>The performance of the AML/CFT effort should be enhanced by:</p> <ol style="list-style-type: none"> A better interaction between the FIU and the police 	<p>Interaction between Police (FOT) and FIU has been improved.</p> <p>Members of the Financial Investigative Team (FOT) have</p>



		<ul style="list-style-type: none"> • Loss of effectiveness by <ul style="list-style-type: none"> - insufficient focus on the financial aspects of serious criminality - unsatisfactory exploitation of FIU reports a. non-observance of the legal obligation to spontaneously informing MOT of ML relevant information 	<ul style="list-style-type: none"> ii. A more efficient use of the information supplied by the FIU iii. A reinforced focus on the financial aspects when investigating (proceeds generating) offences 	<p>participated in a training course hosted by CIFAD in march 2012 in Paramaribo. In April 2012 two members of the FOT team have attended a financial investigating training seminar in France.</p> <p>In cooperation with the US Treasury Department financial investigative training will start in October 2012.</p> <p>New dates for the above mentioned training are set for April 2013. There will also be a mixed setting for FOT/MOT trainees.</p>
28. Powers of competent authorities	C	This Recommendation has been fully observed		Closed
29. Supervisors	NC	<ul style="list-style-type: none"> • The CBS should have the authority to conduct inspections of relevant financial institutions including on-site inspection to ensure compliance. • The CBS should have the <u>general</u> power to compel production or to obtain access 	<ul style="list-style-type: none"> 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. 	<p>I</p> <p>According to Article 29 of the Banking and Credit System Supervision Act CBS is authorized to conduct (on-site) inspections to ensure compliance with AML/CTF regulations for all supervised banks. Similar legislation has been drafted</p>



		<p>to all records, documents or information relevant to monitoring compliance.</p> <ul style="list-style-type: none"> 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. 	<p>ii. The CBS should have the authority to conduct inspections of all relevant financial institutions including on-site inspection to ensure compliance.</p> <p>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</p>	<p>to address the aspect of inspection by CBS of MTOs and MEOs.</p> <p>ii According to Articles 17 and 55 of the Banking and Credit System Supervision Act, CBS has the authority to enforce the AML/CTF regulations and impose sanctions.</p> <p>ii The Supervision also regards AML/CFT guidelines issued according to art.16 sub 1 of the Bank and Credit System Supervision Act.</p> <p>iii In the MOT Act a new article 22 has been added appointing the CBS as AML supervisor of the financial sector. Under this legislation adequate powers of enforcement and sanction for failure to comply with AML/ CFT requirements is given to CBS.</p> <p>According to article 16, 17 and 19 sub 1 and 2 the Central Bank can conduct AML/CFT on-site</p>
--	--	---	--	--



				<p>inspections and impose sanctions against credit institutions and their directors for failure to comply with AML/CFT guidelines issued by the Central Bank.</p> <p>In the new article 22 of the MOT Act the CBS has been appointed as the AML supervisory authority of financial service providers. Under this article the CBS is authorised to give directives to the service providers that fall under its supervision for the purpose of facilitating compliance with the MOT Act. This article also enables the supervisory authority i.e the CBS to impose a maximum fine of SRD 1 million for each contravention on a service provider that does not comply, or does not comply on time, with the obligations laid down in the aforementioned directives of the CBS.</p> <p>According to article 1B of the Act Penalization of Legal Entities of September 5, 2002, regarding detailed amendments to the criminal</p>
--	--	--	--	---



				<p>code in connection with the adoption of general provisions on the criminal liability of legal persons, sanctions can be applied for AML/CFT violations to directors, senior management and financial institutions.</p> <p>For 2013 three AML/CFT on-site inspections of credit institutions are scheduled of which two have been conducted in April and July 2013 with assistance of the U.S. Treasury Department, Office of Technical Assistance. The inspection itself involved five staff members plus the advisor and covered 5 days on-site plus a number of days in preparation and post examination analysis of gathered information and preparation of a report.</p> <p>In line with the Suriname ICRG/CFATF Action plan for 2012, this legislation was adopted by Parliament, on the 17th of July</p>
--	--	--	--	--



				2012 and entered into force on the 9 th of August 2012.
30. Resources, integrity and training	PC	<p><u>FIU:</u></p> <ul style="list-style-type: none"> • Serious capacity problem by lack of adequate financial and human resources • Analyst training rather basic <p><u>PP:</u></p> <ul style="list-style-type: none"> • Low number of PP magistrates disproportionate to workload <p><u>SUPERVISORS (CBS):</u></p> <ul style="list-style-type: none"> • Insufficient staffing for (future) AML/CFT supervision on all FI • No adequate training on AML/CFT issues 	<p>i. To substantially increase the human and financial resourcing of the FIU;</p> <p>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.</p>	<p>FIU personnel have been increased from 4 to 12, including 4 analysts and 2 lawyers. The FIU is looking into increasing the staff.</p> <p>The CBS will increase the number of examiners. All examiners will be trained in conducting AML/CFT examinations by the US Treasury Department.</p> <p>On October 1st 2012 the Central Bank recruited 40 young trainees, right out of the university, for placement on a number of departments in the Bank. 15 of these trainees were allotted to the Supervision Department. After the initial orientation phase of 6 months ending in March 2013, these trainees will be assigned to the different sections where they will be trained in supervision of banks,</p>



				<p>insurance companies, pension funds and credit unions and other aspects of supervisory work including AML/CFT.</p> <p>On November 5th2012 the Governor of the CBS and the Ambassador of the USA signed a Terms of Reference for Technical Assistance (TA). According to the accompanying work plan the US Treasury will train employees of the Supervision Department, the Legal Department and the Financial Market Department in AML/CFT supervision. The TA also includes the drafting of AML/CFT manuals, policies and procedures.</p> <p>PP</p> <p>Within the office of the Attorney general, a senior prosecutor was appointed in order to instruct and guide FOT/KPS in the investigation of ML/TF cases. In 2013, 9 persons will complete their 5 years period in order to become a junior prosecutor.</p>
--	--	--	--	---



				They also receive training to investigate and prosecute ML/TF cases.
31.National co-operation	LC	<ul style="list-style-type: none"> The legal mandate of the existing monitoring and advisory body does not extend to cooperation and coordination 	<ul style="list-style-type: none"> 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. 	As of December 9th 2011 a AML Steering Council was established consisting of the Minister of Justice and Police, Minister of Finance and the President of the Central Bank. This council constitutes a partnership to strengthen the legal framework for countering ML and TF and to strengthen the supervision structure for the financial and non-financial sectors.



<p>32. Statistics</p>	<p>NC</p>	<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> <p>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.</p> <p>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.</p>	<p>i.</p> <p>A template to keep comprehensive statistics on the number of investigations, prosecutions and convictions is developed and will be formally distributed in August 2012 to the stakeholders: FIU, Prosecutors office and the Central Bank. (This is in line with the Suriname ICRG/CFATF Action Plan for 2012).</p> <p>i</p> <p>Templates to keep comprehensive statistics on the number of investigations, prosecutions, convictions and mutual legal assistance has been developed and formally distributed to the stakeholders: FIU, Financial Investigative Team (FOT), Gaming Board, Prosecutors office and the Central Bank.</p> <p>ii.</p> <p>The Central Bank will keep statistics of AML/CFT on-site</p>
-----------------------	-----------	--	---	---

			<p>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.</p> <p>iv. The authorities should endeavour to maintain more detailed statistics allowing them to assess and monitor the performance of the MLA regime.</p>	<p>inspections. They will also keep track of sanctions applied. The Bank will also keep record of formal request by law enforcement authorities and the decisions on such request.</p>
33. Legal persons – beneficial owners	NC	<ul style="list-style-type: none"> • There are no measures to prevent the unlawful use of legal persons in relation to money laundering and terrorist financing; • There is no adequate transparency concerning the beneficial ownership and control of legal persons; • The information at the registries can not be trusted. They are not kept up to date. 	<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</p>	<p>According to art. 3a of the MOT Act, provisions are established regarding a transparent system of identification of local and foreign legal persons. Special provisions have been made in art. 3a sub 4 for the identification of religious organization.</p> <p>According to art. 6 jo. Art. 4 of the MOT Act, special attention is required for business relationships and transactions regarding the identification of beneficial owners and control of legal persons.</p>



			<p>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>	<p>In line with the SurinameICRG/CFATF Action plan for 2012, this legislation was adopted by Parliament, on the 17th of July 2012 and entered into force on the 9th of August 2012.</p> <p>Based on art. 22 of the Bank and Credit System Supervision Act it is prohibited to use bearer shares in credit institutions. Furthermore all shareholdings of 5% or more are subject to permission from the CBS.</p>
34. Legal arrangements – beneficial owners	N/A	<ul style="list-style-type: none"> Suriname does not have trusts or other legal arrangements. 		
International Co-operation				
35. Conventions	PC	<ul style="list-style-type: none"> No signing, ratification and implementation of the TF Convention; no full and effective implementation of the relevant provisions of the 	<p>iv. Suriname should take the necessary steps to fully and effectively implement the Vienna and Palermo Conventions</p>	<p>i. Several core principles of the Vienna Convention and the Palermo convention have already been incorporated in domestic law.</p>



		<p>Vienna and Palermo Convention</p>	<p>v. Suriname should forthwith initiate the accession procedure to the CFT Convention and take the necessary implementation steps.</p> <p>vi. UN Res. 1267 and 1373 should be implemented fully and without delay (see comments above on SRIII).</p>	<p>ii. Draft legislation to become part of the CFT UN convention is in Parliament. According to the Suriname Action Plan to the ICRG, this legislation should come into force by mid August 2012.</p> <p>The CFT legislation (O.G. 2011 no. 96) is in accordance with the recommendations of the UN/CFT Convention. ART. I A sub 8, of the CFT legislation explicitly refer to the UN convention.</p> <p>ii. On October 16th 2012 Parliament adopted the Act concerning the accession of the Republic of Suriname to the International Convention for the Suppression of the financing of terrorism. This legislation entered into force on November 2nd 2012.</p> <p>The instrument of accession to the UN/ CTF Convention has been</p>
--	--	--------------------------------------	---	---



				<p>deposited and came into force for Suriname on August 18th, 2013</p> <p>iii.</p> <p>Provisions have been incorporated in the CFT Act (O.G. 2011 no. 96) implementing UN Res. 1373. ART IA sub 9, 71 a, 111a, 111b, 160 b, 188a, 228a, 228b of the CFT Act (O.G. 2011 no. 96) i.a. criminalizes the willful provision or collection, directly or indirectly with the intention that the funds will be used in order to carry out terrorist acts.</p>
36. Mutual legal assistance (MLA)	C	This Recommendation has been fully observed.		Closed
37. Dual criminality	PC	<ul style="list-style-type: none"> 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 	<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</p>	<p>i.</p> <p>In the Act penalizing Terrorism and the Financing of Terrorism (O.G. 2011 no. 96) in general all categories of predicate offences, related to money laundering are applicable to the financing of terrorism (art. I C sub art. 71a). This</p>



		<ul style="list-style-type: none"> • Formalistic and restrictive interpretation of the dual criminality rule impeding extradition based on mutually criminalised conduct • Effectiveness cannot be assessed on the basis of the available information 	<p>the offence of terrorism financing, so as to avoid all prohibitions resulting 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>	<p>also includes acts in preparation of activities related to terrorism.</p> <p>CBS is drafting legislation regarding the supervision on capital markets in this legislation insider trading and market manipulation are criminalized according to the Suriname Action Plan this legislation should come into force before the end of the year.</p> <p>The draft Act on Capital Markets has been approved by the Council of Ministers and was forwarded to the State Advisory Council. Their comments have been forwarded to the ministry of Finance to be implemented in the draft. Insider trading and market manipulation will be covered by this act.</p>
--	--	---	--	---



<p>38. MLA on confiscation and freezing</p>	<p>PC</p>	<ul style="list-style-type: none"> • Seizure and confiscation possibilities negatively affected in the MLA context by the non-criminalisation of all designated predicate offences and TF. • No formal legal basis for enforcement of foreign confiscation orders. 	<ol style="list-style-type: none"> 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. 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 	<p>According to art. 71a of O.G. 2011 no. 96, seizure and confiscation of goods and values, related to all designated predicate offences, including TF, has been made possible.</p> <p>Provisional and confiscation measures also related to TF are addressed, respectively in art. 82 and 82a of the Criminal Proceeding Code, and in art. 50, 50a, 50b and 50c of the Penal Code as amended in O.G. 2002 no. 67.</p>
---	-----------	--	---	--



			the capability to execute foreign confiscation orders should be ensured, if necessary through specific legislation.	
39. Extradition	LC	<ul style="list-style-type: none"> Extradition grounded on certain designated predicate activity is subject to challenge 	<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>	<p>Money laundering and terrorist financing are extraditable offences. Nationals who committed ML/TF crimes abroad cannot be extradited. Based on article 466a of the Criminal Proceeding Code, the AG can request the competent judicial authorities of the foreign country to transfer the ML/TF cases for the purpose of prosecution.</p> <p>Closed</p>
40. Other forms of co-operation	PC	<p><u>FIU:</u></p> <ul style="list-style-type: none"> Excessive treaty condition No legal basis for collecting information at the request of a counterpart Deficient protection of the exchanged information, both formally and physically <p><u>Supervisor</u></p>	<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 discarded and replaced by the generally accepted rule of information exchange with its counterparts, based on reciprocity</p>	<p>ii. Legislation amending art. 9 of the MOT Act, regarding the sharing of information, both, locally and internationally was adopted by Parliament, on the 17th of July 2012 and entered into force on the 9th of August 2012.</p>



		<ul style="list-style-type: none"> • No legal basis for mutual assistance and information exchange with counterparts 	<p>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>iii. Legislation amending art. 9 sub 2 of the MOT act, in order to maintain a line of communication with foreign FIU's, based on a MOU in order to share data was adopted by Parliament, on the 17th of July 2012 and entered into force on the 9th of August 2012.</p> <p>iv. Conditions regarding the confidentiality status of the exchanged information will be included in the MOU.</p> <p>v. The FIU is now located in a new building with an office space of 170 square meters, with a 24/7 electronic security system in the business area in the capital of Paramaribo. Additional IT security measures had been implemented to protect sensitive and confidential data.</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> <p><u>Supervisor</u></p> <p>vii. A legal basis should be provided for information exchange between the CBS and counterpart supervisors, by way of MOUs or otherwise.</p>	<p>vi. In art. III sub C and D of the CFT legislation (O.G. 2011 no. 96), UTR's should be filed once a transaction is, or can be related to TF.</p> <p>vii The Banking and Credit System Supervision Act (O.G. 2011 no. 155), which entered into force on November 23rd 2011 creates a legal basis for information exchange between CBS and counterpart supervisors based on a MMOU.</p> <p>The Central Bank entered into an information exchange, co-operation and consultation agreement (MMOU) with the Caribbean Group of Banking Supervisors in July 2012.</p>
Nine Special Recommendations	Rating	Summary of factors underlying rating		



<p>SR.I Implement UN instruments</p>	<p>NC</p>	<ul style="list-style-type: none"> • No signing, ratification and implementation of the TF Convention; no effective implementation of the UN Res. 1267 and 1373 	<ul style="list-style-type: none"> 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 SRIII). 	<ul style="list-style-type: none"> i. Several core principles of the Vienna Convention and the Palermo Convention have been incorporated in domestic law. ii. Draft legislation to become part of the CFT convention is in Parliament. According to the Suriname Action Plan to the ICRG, this legislation should come into force by mid August 2012. ii. On October 16th 2012 Parliament adopted the Act concerning the accession of the Republic of Suriname to the International Convention for the Suppression of the financing of terrorism. This legislation entered into force on November 2nd 2012. <p>The instrument of accession to the UN/ CTF Convention has been deposited and came into force for Suriname on August 18th, 2013</p>
--------------------------------------	-----------	--	---	--



				<p>iii.</p> <p>Provisions have been incorporated in the CFT Act (O.G. 2011 no. 96) to implement UN Res. 1373. ART IA sub 9, 71 a, 111a, 111b, 160 b, 188a, 228a, 228b of the CFT Act (O.G. 2011 no. 96) i.a. criminalizes the wilful provision or collection, directly or indirectly with the intention that the funds will be used in order to carry out terrorist acts.</p>
SR.II Criminalise terrorist financing	NC	<ul style="list-style-type: none"> • There is no legislation criminalizing FT; • Consequently, there are no TF related investigations, prosecutions and convictions. 	<p>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</p>	<p>The CFT legislation (O.G. 2011 no. 96) also amendments were made regarding the Fire arms Act and the act regarding suspicious transactions. In general all categories of predicate offences, related to money laundering are applicable to the financing of terrorism.</p> <p>A template to keep comprehensive statistics on the number of investigations, prosecutions and convictions is developed and will be formally distributed in August</p>



				<p>2012 to the stakeholders: FIU, Prosecutors office and the Central Bank. (This is in line with the Suriname ICRG/CFATF Action Plan for 2012)</p> <p>Templates to keep comprehensive statistics on the number of investigations, prosecutions, convictions and mutual legal assistance has been developed and formally distributed to the stakeholders: FIU, Financial Investigative Team (FOT), Gaming Board, Prosecutors office and the Central Bank.</p> <p>Closed 4th follow up report</p>
SR.III Freeze and confiscate terrorist assets	NC	<ul style="list-style-type: none"> No system in place complying with the relevant UN Resolutions and providing for an adequate freezing regime 	<p>i. 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 there implications, nor did they have any information regarding the Best Practice Paper.</p>	<p>i. The CFT legislation (OG 2011 no. 96) in art. I and II, makes confiscation of assets related to the financing of terrorism, possible.</p> <p>ii. Provisions have been incorporated in the CFT Act (O.G. 2011 no. 96)</p>



			<p>ii. 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.</p>	<p>to implement UN Res. 1373. ART IA sub 9, 71 a, 111a, 111b, 160 b, 188a, 228a, 228b of the CFT Act (O.G. 2011 no. 96) i.a. criminalizes the willful provision or collection, directly or indirectly with the intention that the funds will be used in order to carry out terrorist acts.</p> <p>Draft legislation addressing the freezing regime related to UN resolution 1373 was approved by the State Advisory Council and will be sent to Parliament.</p>
SR.IV Suspicious transaction reporting	NC	<ul style="list-style-type: none"> 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. 	<p>i. The reporting obligation under the MOT Act should cover transactions related to insider trading and market manipulation.</p>	<p>i</p> <p>After criminalization of insider trading and market manipulation, which legislation should come into force before the end of this year, the MOT Act will be amended.</p> <p>Criminalization of insider trading and market manipulation in the capital Market Act will qualify these offenses as predicate offences with</p>



			<ul style="list-style-type: none"> ii. 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 organizations or those who finance terrorism. iii. The assessment team advises to include in the State Decree on Unusual Transactions the requirement to also report “attempted unusual transactions” 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. v. The authorities should consider whether the obligation to report 	<p>the obligation to report these offences to the FIU.</p> <ul style="list-style-type: none"> ii. Requirements for Financial institutions to report UTR’s to the FIU on grounds based on TF are the same as for ML as stated in art III of the CFT legislation (OG 2011 no. 96). iii. In article I sub C of the CFT legislation amending the Penal Code and the MOT Act(O.G. 2011no. 96), an attempt and preparation act of ML / TF has been penalized. The draft State Decree on Indicators of Unusual Transactions (SDIUT) has been forwarded to the council of Ministers for approval. After approval it will be sent to the State Advisory Council and based on their
--	--	--	---	---



			<p>unusual transactions “without delay” is sustainable.</p> <p>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.</p> <p>vii. The FIU and other competent authorities should raise awareness and enhance the sensitivity of all financial institutions and DNFBPs regarding money laundering and terrorist financing risks.</p>	<p>advice it will be enacted through publication in the State Gazette.</p> <p>The State Decree on Indicators of Unusual Transactions (SDIUT) has been approved (O.G.2013 no.148) and entered into force on August 15th, 2013.</p> <p>iv. Legislation amending art. 12 of the MOT Act, with the obligation for disclosers containing information as prescribed by article 12.2. was adopted by Parliament, on the 17th of July 2012 and entered into force on the 9th of August 2012.</p> <p>v. Sub 2 of art. 12, where the reporting requirements are stipulated was amended, obligating financial institutions to improve the quality of the UTRs.</p> <p>vi. Legislation amending the MOT Act, adding a new art 22, sub 1c,</p>
--	--	--	--	---



				giving the MOT the authority to supervise the DNFBP's, and apply sanctions in case of none compliance as mentioned in art. 22 sub 3, was adopted by Parliament, on the 17 th of July 2012 and entered into force on the 9 th of August 2012.
SR.V International co-operation	NC	<ul style="list-style-type: none"> • No legal basis for TF related MLA in the absence of TF criminalisation • No legal basis for TF related extradition requests in the absence of TF criminalisation • FIU and law enforcement: no legal framework for TF related information exchange and other forms of (non-legal) mutual assistance • Supervisor: No legal basis for mutual assistance and information exchange with counterparts 	<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>	<p>Mutual legal assistance can be requested or provided in all criminal cases, including ML/TF, as stipulated in art. 466a (ART I B, O.G. 2002 no. 71)</p> <p>Draft legislation addressing the freezing regime related to UN resolution 1373 was approved by the State Advisory Council and will be sent to Parliament.</p>



<p>SR VI AML requirements for money/value transfer services</p>	<p>NC</p>	<ul style="list-style-type: none"> • None of the requirements are included in legislation, regulations or other enforceable means. 	<p>i. A competent authority should be designated to register or licence MTCs and be responsible for ensuring compliance with licensing and/or registration requirements.</p> <p>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 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</p>	<p>i. The draft Act concerning the Supervision of money transfer offices (MTOs) and money exchange offices (MEOs) is already in Parliament. Discussions concerning the adoption of this draft act by Parliament will commence soon.</p> <p>i</p> <p>The Act concerning the Supervision of Money Transaction Offices which includes money transfer offices (MTOs) and money exchange offices (MEOs) has been adopted by Parliament on October 29th 2012. (O.G. 2012 no 170).</p> <p>Under the new legislation the CBS is the sole licensing authority for MTOs and MEOs.</p> <p>ii</p> <p>Based on art. I sub A (13) of the MOT Act, unusual transactions are those listed in the State decree MOT indicators. This legislation was adopted by Parliament, on the 17th of July 2012 and entered into force on the 9th of August 2012.</p>
---	-----------	---	--	--



			<p>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>	<p>iv The CBS has issued in April 2012, new AML/CTF regulations for the financial sector in line with the recommendations of the MER.</p>
SR.VII Wire transfer rules	NC	<ul style="list-style-type: none"> Suriname has not implemented any requirement regarding obtaining and maintaining information with wire transfers. 	<p>i. Suriname should issue a law or regulation to implement the requirements of Special Recommendation VII.</p>	<p>The CBS has issued in April 2012, new AML/CTF regulations for the financial sector in line with the recommendations of the MER, with regard to CDD measures for wire transfers. These include the requirement for accurate and meaningful originator information on funds transfer and enhanced scrutiny of and monitoring for suspicious activity funds transfers which do not contain complete originator information.</p>
SR.VIII Non-profit organisations	NC	<ul style="list-style-type: none"> Complete absence of an adequate legislative and regulatory system for the 	<p>i. Suriname should forthwith initiate the accession procedure to</p>	<p>i Draft legislation to become part of the CFT convention is in</p>



		<p>prevention of misuse of the non-profit sector by terrorists or for terrorism purposes</p>	<p>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>	<p>Parliament. According to the Suriname Action Plan to the ICRG, this legislation should come into force by mid August 2012.</p> <p>i</p> <p>On October 16th 2012 Parliament adopted the Act concerning the accession of the Republic of Suriname to the International Convention for the Suppression of the financing of terrorism. This legislation entered into force on November 2nd 2012.</p> <p>The instrument of accession to the UN/ CTF Convention has been deposited and came into force for Suriname on August 18th, 2013</p> <p>ii.</p> <p>Provisions have been incorporated in the CFT Act (O.G. 2011 no. 96) to implement UN Res. 1373.</p> <p>ART IA sub 9, 71 a, 111a, 111b, 160 b, 188a, 228a, 228b of the CFT Act (O.G. 2011 no. 96) i.a. criminalizes the wilful provision or collection, directly or indirectly with the</p>
--	--	--	--	---



				<p>intention that the funds will be used in order to carry out terrorist activities.</p> <p>ii</p> <p>The CBS has issued in April 2012, new AML/CTF regulations for the financial sector in line with the recommendations of the MER that also address the implementation of UN resolution 1267 and 1373.</p> <p>In paragraph 8 of the AML/CFT regulations issued by the Central Bank in 2012 financial institutions are required to take all necessary measures with regard to the prevention of misuse of NPO's such as foundations and charitable organisations by terrorists or by terrorist organisations. These regulations were issued in accordance with the Banking and Credit System Supervision Act of 2011.</p>
--	--	--	--	---



<p>SR.IX Cross Border Declaration & Disclosure</p>	<p>NC</p>	<ul style="list-style-type: none"> • No declaration/disclosure system in place regarding the cross-border transportation of currency in the AML/CFT context 	<p>i. The Suriname authorities should 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.</p>	<p>The Ministry of Foreign Affairs, in collaboration with all stakeholders, will conduct a pilot phase in November 2012, after which it will become official. This system will detect incoming and outgoing passengers and will enable blacklisting, giving the Government tools to address threats in the area of terrorism and illegal trafficking of immigrants. The Ministry is now busy with the drafting of an Embarkation Card in which the money laundering aspect will be tackled.</p> <p>On the 19th November 2012 the Border Management System was officially introduced on 4 border crossing points. This system registers outgoing passengers and the authenticity of passports can also be detected. Currently the ministry of Foreign Affairs is negotiating with Interpol and IMPACS/JRCC to connect the systems, the watchlist and the APIS system. The Military police is discussing the issue of</p>
--	-----------	--	--	--



				embarkation/disembarkation cards with the ministry of Justice and Police and Customs.
--	--	--	--	---