



# CRCA Presentation

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# Introduction

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Highlight the major developments over last 2 years in Trinidad & Tobago to its financial services regulation and give a forecast of significant events for the next year.



# FATF plenaries

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- Latest on 16 February 2012- Trinidad & Tobago still “light grey- ongoing process”. Need to:
  - Implement adequate procedures to identify and freeze terrorist assets without delay (Special Recommendation III); and
  - Ensure a fully operational and effectively functioning Financial Intelligence Unit, including supervisory powers (Recommendation 26).
  - The FATF encourages Trinidad and Tobago to address its remaining deficiencies and continue the process of implementing its action plan.

# Local association views

Association of Compliance Professionals  
of Trinidad and Tobago

## A LIGHTER SHADE OF 'GREY'

T&T and the Financial Action Task Force:

### Are we out of the woods yet?

In May 2011, the T&T Chamber published a series of articles looking at the issue of the potential "blacklisting" of this country by the Financial Action Task Force (FATF) if it is found to be insufficiently compliant with international regulations. T&T was subsequently placed on the dark grey list with a call to fast-track implementation of compliance efforts. In January 2012, the FATF will again convene to review progress. Originally established by the 1989 G7 Summit in Paris, the FATF is an independent, inter-governmental body that develops and promotes policies to protect the global financial system against money

laundering (ML) and terrorist financing (TF). Recommendations issued by FATF define criminal justice and regulatory measures that should be implemented to counter ML/TF. The FATF recommendations are recognised as the global Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) standard. Since 2007, the FATF's International Co-operation Review Group (ICRG) has been espoused as the body responsible for analysing high-risk jurisdictions and recommending specific action to address the ML/TF risks emanating from these jurisdictions. On the basis of the results of the ICRG review, jurisdictions may be publicly identified in one of two FATF public documents that are

issued three times a year. In the second of these two public documents, FATF identifies jurisdictions which have strategic AML/CTF deficiencies for which they have developed an action plan with the FATF. In February 2010, T&T was one of the countries named as having made a high-level political commitment to work with the FATF and CFATF to address its strategic AML/CTF deficiencies. As of October 2011, FATF acknowledged the efforts made by T&T to improve its AML/CTF regime, noting, however, that certain strategic AML/CTF deficiencies remain. Specifically, (1) implementing adequate procedures to identify and freeze terrorist assets without delay (special recommendation III); and (2) establishing a

**T&T CHAMBER OF INDUSTRY & COMMERCE**

**There is no doubt that continued inclusion of T&T on FATF's publications can influence our international credit ratings and, by extension, our bilateral and multilateral trade agreements due to a loss of confidence in the integrity of our financial system**

fully operational and effectively functioning Financial Intelligence Unit, inclusive of supervisory powers (Recommendation 20).

**Implications for T&T**

Several organisations have spoken out on the implications for T&T, among them the Association of Compliance Professionals of T&T (ACPTT). This is a legally authorised association

Lengthy delays in completion of foreign currency cross border payment transactions. If payments are time sensitive, penalties or losses may occur to our affected business clients.

The cost of doing business in T&T may escalate as businesses attempt to offset losses or other expenses due to the increased restrictions and delays.

Termination of certain key correspondent banking relationships—limited means to access foreign currency or facilitate cross border payment transactions.

The main correspondent relationships for many of the local banks are in the United States. The US regulator can impose conditions and even prohibit US financial institutions from transacting with correspondents in a designated jurisdiction.

With the US as our largest trading partner, this will have a severe socio-economic impact on the country and also holds true for any of our trading partners.

There is no doubt that continued inclusion of T&T on FATF's publications can influence our international credit ratings and, by extension, our bilateral and multilateral trade agreements due to a loss of confidence

..ARE WE OUT OF THE WOODS YET?



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NEWS RELEASE - Nu-Iron Unlimited ISO 14001 Registration (EMS)

**NU-IRON**

Trinidad and Tobago

February 3, 2012

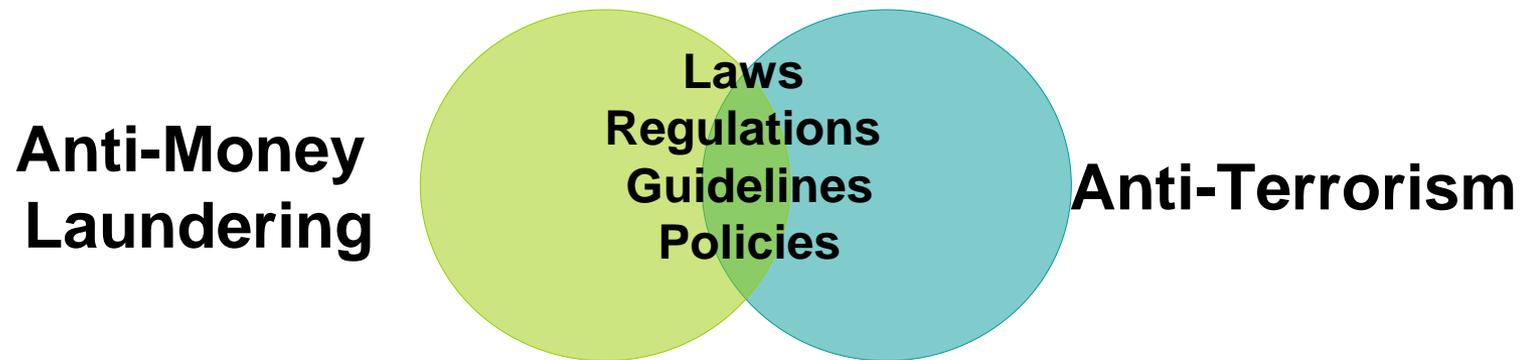
MS 14001 Registration

- The Association of Compliance Professionals of Trinidad and Tobago (ACPTT):
  - established 2009 and their recent statement re FATF recommendations



# T&T AML framework before 2009

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Central Bank – main regulator involved

# New AML laws

- Proceeds of Crime (Amendment) Act 2009 that amended the Proceeds of crime Act, 2000 (POCA)
- Financial Obligations Regulations 2010



# New ATF laws

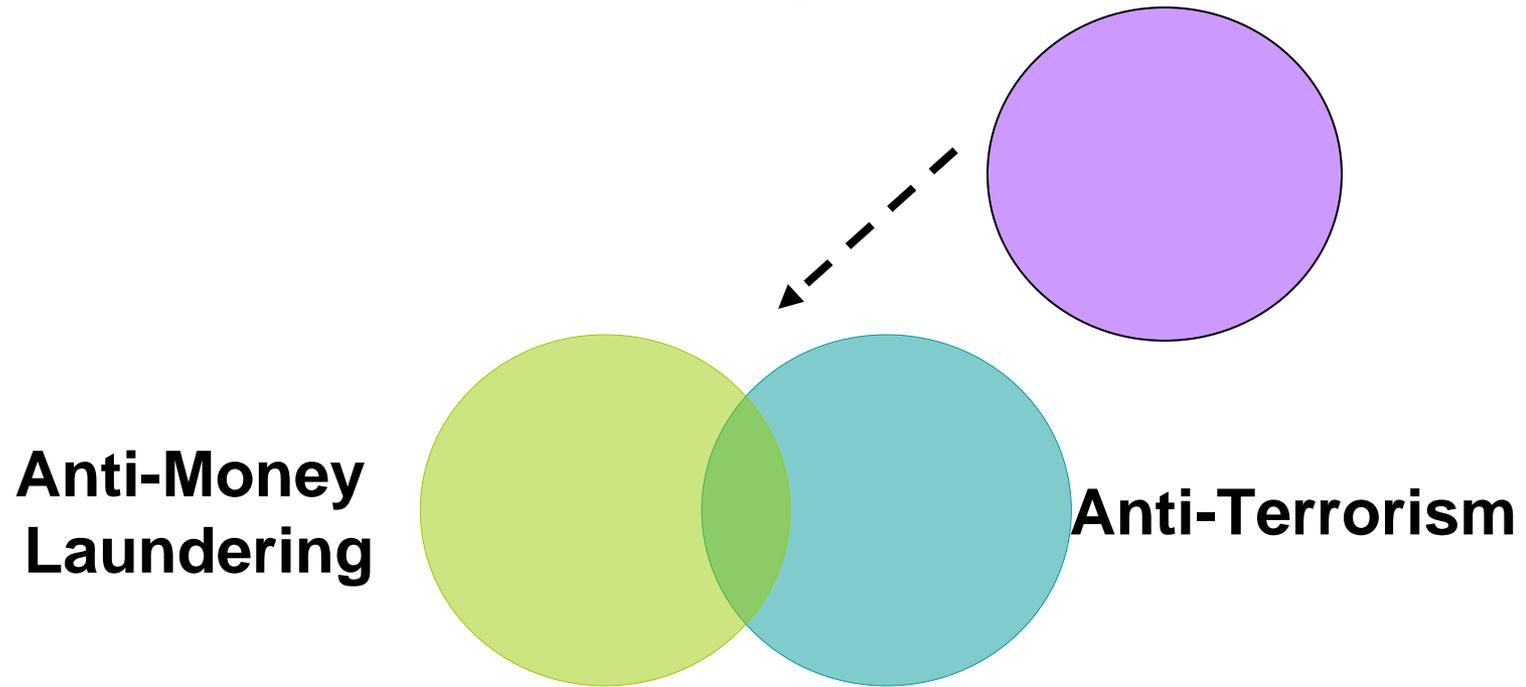
- Anti-Terrorism (Amendment) Act 2010
- Anti-Terrorism (Amendment) Act 2011
- Financial Obligations (Financing of Terrorism) Regulations 2011





# T&T AML framework transitioning 2009-2011

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# New FIU laws

- Financial Intelligence Unit Act of Trinidad and Tobago, 2009
- Financial Intelligence Unit Act of Trinidad and Tobago (Amendment) Act, 2011
- Financial Intelligence Unit Act of Trinidad and Tobago (Amendment) (No.2) Act, 2011
- Financial Intelligence Unit of Trinidad and Tobago Regulations, 2011



# New AML guidelines

- Customer Due Diligence guide No. 1 of 2011
- Guide to structuring an AML/ATF Program
- STR/SAR Reporting Standard No. 1 (STR-RS/1/2011)
- Guidelines on Anti-Money Laundering and the Combating of Terrorist Financing, Oct 2011

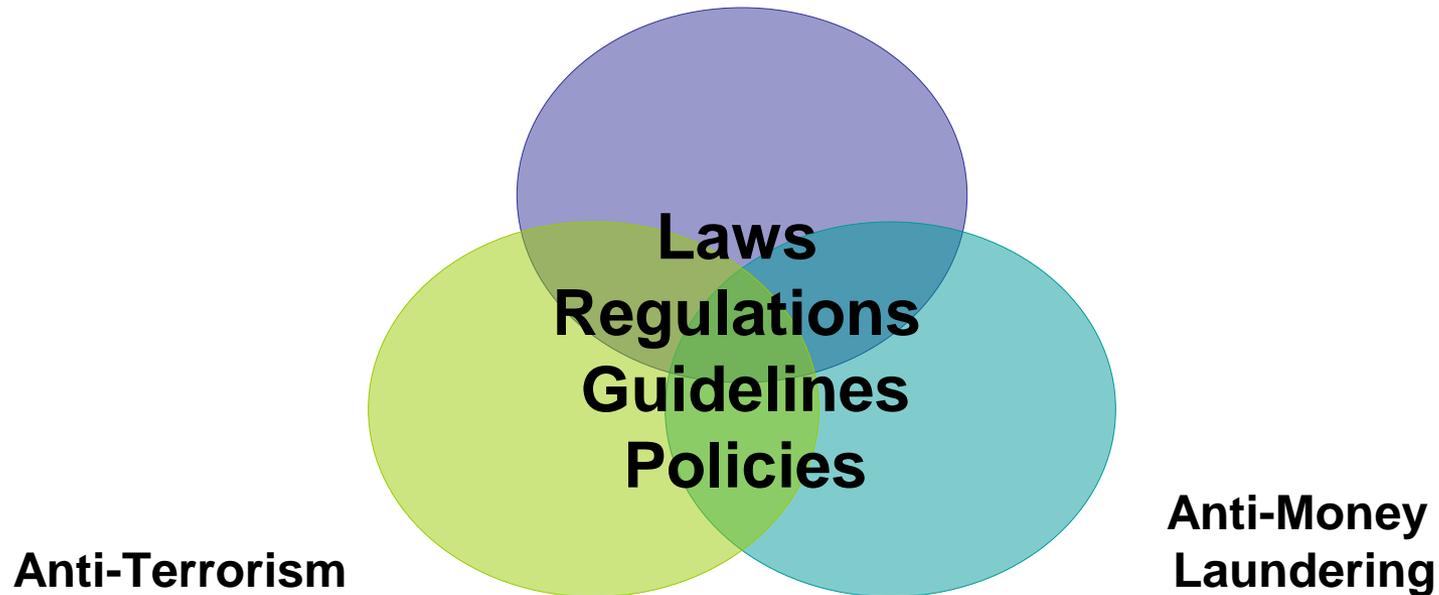




# T&T AML framework after 2009

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**Financial Intelligence Unit**



CBTT, FIU, TTSEC, MNS- all playing major regulatory roles.



# Challenges with changes

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- Implementation by all
- Avoiding being “paper compliance”
- Insufficient training
- Regulatory bodies having the right staff
- Consequences to non compliance not seen or felt



# Overcoming obstacles

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- Grow collaboration
- Make relevant amendments
- Make tough decisions to take appropriate action
- Increase training opportunities



# Other key changes affecting financial services in T&T

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- The Securities Bill, 2010- lapsed
- The Insurance Bill, 2011- tabled
- Data Protection Act, 2011-partially in effect
  - St. Lucia and Barbados also have Data Protection Bills
- Electronic Transactions Act, 2011-partially in effect
  - St. Kitts & Nevis recently made effective their Electronic Transactions Act, 2011

# Key AML/ATF changes in other CARICOM regions



- St. Kitts & Nevis new Anti-Money Laundering Regulation, 2011
- & Anti-Terrorism (prevention of Terrorist Financing) Regulation, 2011
- Barbados revised Money Laundering and Financing of Terrorism (Prevention & Control) Act, 2011-13

# Further key AML/ATF changes in CARICOM



- Antigua & Barbuda- Prevention of Terrorism (Amendment) Act 2010
- Antigua & Barbuda, similar “ongoing” FATF position to Trinidad and Tobago
- Turks & Caicos- Anti-Money Laundering and Prevention of Terrorist Regulations 2010
- Turks & Caicos- Anti-Money Laundering and Terrorist Financing Code 2011- revoked the one of 2007



# Forecast-light grey→white

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- FIU's being created and made stronger to enhance regulatory regime
- Further amendments to laws:
  - Enhanced freezing provisions
  - To address issues with seeking prosecutions
- Enhanced financial regulatory environment e.g. with Insurance Act
- Greater stakeholder collaboration
- More focussed training



# Questions

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Thank You!!!