

**SPECIAL  
POINTS OF  
INTEREST:**

- Bermuda updates sanctions regime
- FATF examines main ML/TF threats and countermeasures
- Amendments to Proceeds of Crime (Anti-Money Laundering and Terrorist Financing Supervision and Enforcement) Act 2008 now in force
- Minister issues new Advisory on Countries with AML/CFT Deficiencies

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# NAMLC Quarterly Update

3RD QUARTER

SEPTEMBER 2010

## Bermuda's Sanctions Regime is Updated

The Ministry of Justice is currently updating the Bermuda sanctions regime to ensure that all of the relevant international sanctions are in force in Bermuda. As part of this ongoing work, on 20th August 2010 the *International Sanctions (Iran) (United Nations Measures) Regulations 2010* (BR 52/2010) ("2010 Regulations") brought into force in Bermuda further asset freezing prohibitions and other restrictive measures in relation to Iran, Iranian persons and Iranian entities.

### Sanctions

Sanctions are enforcement measures used by the international community to maintain or restore international peace and security. Sanctions are also used to apply pressure on specified regimes, entities and persons to comply with specific objectives set by the international community.

### Bermuda Sanctions Regime

As a British Overseas Territory, Bermuda has an obligation to implement all international sanctions that are extended to it through legislative action by the United Kingdom Government. By way of background, the majority of the sanctions in effect in the United Kingdom (UK) come from the United Nations (UN) Security Council and the European Union (EU). The implementation and administration of financial sanctions and trade sanctions in the UK rests with HM Treasury and the Department for Business, Innovation and Skills/the Export Control Organisation respectively. The implementation of these sanctions in British Overseas Territories is facilitated through the actions of either the Foreign & Commonwealth Office or the local Parliament of each Overseas Territory.

Currently, there are normally two ways in which international sanctions that are implemented in the UK can also be implemented in Bermuda. Both methods involve UK Statutory Instruments known as "Orders in Council" as follows:

**Orders in Council which are directly applicable to Bermuda:** These Orders are issued by the UK Privy Council, with the Queen's approval, and are directly extended to Bermuda. These are generally Orders in Council that give effect to UN Security Council Resolutions (UNSCR) under Chapter VII of the Charter of the UN;

or

**Orders in Council which are brought into force through domestic legislation:** These are Orders which have also been issued by the UK Privy Council but have not been extended to Bermuda. Such Orders in Council usually give effect not only to UNSCRs, but also to EU law. As EU law is not directly applicable to Bermuda, sanctions-related Orders in Council that give effect to EU law are brought into force in Bermuda through regulations, made by the Bermudian Parliament, pursuant to the *International Sanctions Act 2003*.

### The recent financial sanctions relating to Iranian persons and entities

**The impact of the 2010 Regulations is that all of the relevant UN and EU sanctions, which have been issued since 2007 in relation to Iran and Iranian persons and entities, are now in effect in Bermuda.**

These sanctions include:

1. Subjecting specified Iranian persons and entities to asset freezing measures;
2. Banning the sale, supply or transfer to Iran of specified goods including those which are proliferation-sensitive; and
3. Prohibiting the procurement of military goods, technology and other restricted goods from Iran.

These 2010 Regulations were made pursuant to the *International Sanctions Act 2003* and brought the *Iran* (Continued on page 2)

## Bermuda's Sanctions Regime is Updated

*Cont'd*

(United Nations Measures) (Overseas Territories) (Amendment) Order 2007 ("the Amendment Order") into effect in Bermuda. The purpose of this Amendment Order is to amend the *Iran (United Nations Measures) (Overseas Territories) Order 2007* ("2007 Order") and to give effect to UN Security Council Resolution (UNSCR) 1747 (2007) and to the wider restrictive measures adopted by the Council of the European Union.

The 2007 Order makes it a criminal offence for any person, unless they have a license from the Governor, to:

- \* Make available to, or have any dealings with the funds, financial assets and economic resources, of any designated person; any person or entity controlled or directed, or in the case of an entity, owned, controlled or directed, by a designated person; or any person or entity acting on behalf of or at the direction of a designated person; and
- \* Supply and export restricted goods to Iran; procure restricted goods or military goods from Iran; and provide technical or financial assistance relating to restricted goods.

It is also a criminal offence to use any relevant ships, aircraft and vehicles to carry restricted goods to Iran.

The list of designated persons can be found on the UK Treasury website at [www.hm-treasury.gov.uk/d/iran.htm](http://www.hm-treasury.gov.uk/d/iran.htm). The listing of restricted goods and military goods is being compiled as a matter of priority and will be gazetted, as required by the amended 2007 Order. To further understand the nature and extent of their obligations under the 2007 Order and its amendments, persons can find the relevant legislation on the "Legislation and Orders" page on the website of the National Anti-Money Laundering Committee at [www.namlc.bm](http://www.namlc.bm).

Please note that a 'Bermuda Sanctions Regime' webpage is being developed for the NAMLC website to provide further information on the financial and trade sanctions that apply to Bermuda .

**For more details  
on the financial  
sanctions regime  
relating to Iran  
visit UK HM**

**Treasury web-  
site:**

**[www.hm-treasury.gov.uk/fin\\_sanctions\\_index.htm](http://www.hm-treasury.gov.uk/fin_sanctions_index.htm)**

### Most recent UN and EU Sanctions relating to Iran

On 26<sup>th</sup> July 2010, the EU published Regulation 668/2010 and Council Decision 2010/413/CFSP (together the "EU measures"). These EU measures adds further persons and entities to the list of those subject to EU financial sanctions in respect of Iran and sets out how UNSCR 1929 (2010), which strengthens and widens existing measures, will be implemented. It is noteworthy that certain measures in EU Council Decisions come into effect immediately, while other measures require further action by the EU in order to be implemented. The full range of measures in this Council Decision will be brought into effect through an implementing Regulation which is expected later in October 2010. Measures to be implemented by the forthcoming EU Regulation include additional restrictions on business between the EU financial services sector and Iran, including the following unprecedented financial restrictions:

- ◆ Grants, financial assistance and concessional loans to the Government of Iran will be prohibited;
- ◆ Iranian banks will be prohibited from opening branches, subsidiaries, or representative offices and from entering into joint ventures in the EU;
- ◆ EU banks will be prohibited from opening correspondent accounts for Iranian banks including branches and subsidiaries of Iranian banks in the EU;
- ◆ Any transfers of funds to and from Iran over €10 000 will be reported to the authorities. Transactions over €40 000 will require prior authorisation;
- ◆ Providing insurance or reinsurance to the Government of Iran and Iranian persons/entities will be prohibited; and
- ◆ EU entities may not participate in the sale, purchasing, issuance or brokering of any public or public guaranteed bonds to and from the Iranian Government or Iranian financial institutions.

These EU measures also include several asset freezes which are already in place, most notably the list includes: Bank Mellat, its UK subsidiary Persia International Bank; Bank Saderat, and its UK subsidiary Bank Saderat plc; subsidiaries of Bank Melli; four Iranian banks (Post Bank, Bank Refah, Export Development Bank of Iran, and Future Bank); the Islamic Revolutionary Guard Corps (IRGC), affiliated companies and affiliated individuals; The Islamic Republic of Iran Shipping Lines (IRISL) and twenty four affiliated companies.

**Further information on the impact to the Bermuda Sanctions Regime of this forthcoming EU Regulation will be provided once it is available.**

## FATF REPORT ON GLOBAL MONEY LAUNDERING & TERRORIST FINANCING THREAT ASSESSMENT

Money Laundering and Terrorist Financing (ML/TF) activities pose real threats to the global community if left unchecked and the Financial Action Task Force (FATF) plays a vital role in building systems to combat these ML/TF activities. The primary focus of FATF has been to combat ML and TF through establishing global standards to fight ML/TF, such as the FATF 40+9 Recommendations; creating mechanisms or systems to encourage effective compliance with the standards; and identifying ML/TF trends to inform the international community, including governments, regulators, and law enforcement, on emerging challenges and how to address them.

The recently published FATF report **Global Money Laundering & Terrorist Financing Threat Assessment (GTA)** provides an assessment of these global systemic ML/TF threats and their negative impact, and also provides a framework for jurisdictions to use to counter such threats. The GTA is based on typologies studies and FATF's *Strategic Surveillance Initiative* which was developed in 2008 in order for FATF to fulfill its mandate to "deepen the global surveillance of evolving criminal and terrorists threats". To this end, each year members of FATF and FATF Styled Regional Bodies (FSRBs) are asked to respond to a detailed questionnaire, which provides FATF with information on ML/TF sources, trends and methods.

The findings of the 2009 FATF Strategic Surveillance Survey highlighted the continued importance of the use of cash in ML/TF activities and identified crimes such as fraud, embezzlement and drug related crimes as major sources of criminal proceeds. An increase was noted in the use of the internet-based systems, new payment methods, and the use of complicated commercial structures and trusts. The survey also identified a wide range of sources used to raise funds for terrorist activities including fraud (tax and internet), narcotics trafficking, smuggling (cigarettes, weapons, humans and diamonds) and extortion.

The GTA builds on the approach established by FATF but has developed a new framework to give an overview of the systemic ML/TF threats. The GTA identifies common 'features' utilised by criminals and terrorists in most ML/TF activities, and offers a rationale for why these features are used and how they contribute to the success of ML/TF activities. These features are:

1. Cash and bearer negotiable instruments;
2. Transfer of value;
3. Assets and stores of value;
4. Gatekeepers; and
5. Jurisdictional/Environmental aspects.

A common thread identified in the GTA Report by which criminals have been able to abuse these features is through the use of stolen or false identities. The GTA also sets out the main harms that are caused by the abuse of these features and provides a non-exhaustive list of possible measures to reduce or mitigate these harms. These harms have considerable social, economic and security consequences: with examples of such harms including the profits of ML being used to pay for more crime; legitimate businesses being put at a competitive disadvantage; and the 'transparency, good governance and accountability' of public and private institutions being damaged.

One of the aims of the Report includes making the framework available for use by governments in carrying out national assessments. Such assessments should assist governments to: identify the harm created when these features are misused; understand what the drivers are that attract criminals to these features and what enables them to be abused; and develop effective mechanisms that can be implemented within their jurisdictions to address the problems caused by such abuse.

Moving forward, it is important for countries to conduct assessments of their ML/TF risks in order to identify the main threats to their respective jurisdictions. Once such threats are identified, then systems can be put in place to mitigate the risks on a priority basis. FATF recognises that many countries still have to conduct such assessments

*(Continued on page 4)*

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**FATF REPORT ON GLOBAL MONEY LAUNDERING & TERRORIST FINANCING THREAT ASSESSMENT***Cont'd*

and FATF is currently developing international best practices to assist in this regard. The GTA Report provides valuable information that can be used to raise global awareness and understanding of ML/TF threats, as well as clearly identifying the significant harms created from ML/TF activity on the national and international level; the community and regional level; and the individual and local level.

For access to the full text of the report visit the FATF website at: <http://www.fatf-gafi.org/dataoecd/48/10/45724350.pdf>

**BERMUDA LEGISLATIVE UPDATES**

The *Proceeds of Crime Regulations (Supervision and Enforcement) Amendment Act 2010* (Amendment Act) came into operation on 25th August 2010. As noted in NAMLC's June 2010 Quarterly Update, the ultimate aim of this Amendment Act is to allow Bermuda to achieve greater compliance with the FATF 40+9 Recommendations, particularly in relation to Designated Non-Financial Businesses and Professions (DNFBPs). The legislation affected by this Amendment Act includes: the *Proceeds of Crime Regulations (Supervision and Enforcement) Act 2008* (SEA); the *Bermuda Bar Act 1974* (Bar Act); the *Institute of Chartered Accountants of Bermuda Act 1973* (ICAB Act); and the *Financial Intelligence Act 2007*. It should be noted that the title of SEA has also been amended, to reflect the fact that the provisions address the requirements of the entire statutory AML/ATF regime in Bermuda and not merely the requirements set out in the 2008 Regulations. The newly amended title is *Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Act 2008* (the Act).

**Key changes under the Act**

**FIA:** The Act expands the role of the FIA, establishing it as an AML/ATF 'supervisory authority' for a new class of entities which are required to register with the FIA. This new class of entities is known as 'regulated non-financial businesses and professions' (RNFBP) and will be those entities that will not be supervised by either the Bermuda Monetary Authority (BMA) or a designated professional body. By Order of the Minister of Justice, Schedule 2 of the Act will list the persons or entities to be supervised by the FIA. Furthermore at the time of registration and on an ongoing basis, the FIA will also be required to apply fit and proper requirements to the directors, controllers, senior executives and reporting officers of those RNFBNs that Schedule 2 indicates are subject to the fit and proper requirements. It is expected that such requirements will only be imposed on persons/entities that act as financial intermediaries to assist their clients in the management of their financial affairs. There are currently no persons or entities included in Schedule 2 and it is expected that during the upcoming sessions of Parliament, Orders will be tabled by the Minister to bring specified RNFBNs under the supervision of the FIA. Pursuant to section 5 of the Act the supervisory duties of the FIA include the effective monitoring of RNFBNs to ensure compliance with the requirements of the AML/ATF legislation, the issuing of guidance on AML/ATF legislation, and the provision of an annual report of its activities to the Minister.

The FIA is now a competent authority under the Act and as such has the same investigative and enforcement powers, in relation to RNFBNs, as the BMA has in relation to AML/ATF regulated financial institutions. The significant difference in the respective powers of the FIA and BMA relates to the maximum value of civil penalties that can be issued by each competent authority. However, the other difference under this Act is the fact that the FIA also has the power to issue directives to the persons and entities to be supervised by it, in respect of any breach of the AML/ATF Regulations, as well as for failure to satisfy the fit and proper requirements, where they are applicable. This latter power enables the FIA to have greater capabilities under this Act, similar to those already available to the BMA under the Regulatory Acts.

Now that the new provisions of the Act are in force the FIA can address, with the relevant industry sectors, the operational matters related to the development of an effective supervisory regime. Furthermore once the Orders by the Minister are made in relation to the Schedule 2 list of persons and entities, the appropriate sectors will then be brought into scope under the AML/ATF requirements.

**Barristers and Accountants AML/ATF Board:** This new Board is established under the Bar and ICAB Acts to supervise a new class of entities, known as 'regulated professional firms', for compliance with the AML/ATF Regulations and laws. Regulated Professional Firms will be comprised of accountants who are members of ICAB and also lawyers. Once the Board is established it will be designated by the Minister, pursuant to section 4 of the Act, as a supervisory authority with the functions as set out in section 5 and the powers and responsibilities as set out in a new Part 4A of the Act. Under Part 4A, designated professional bodies are given the same range of powers as other supervisory authorities except these powers are appropriately modified to take into account that the designated professional bodies are self regulating organisations. In terms of when the Board will be designated as a supervisory authority, it is expected that the necessary preparations will be done so that the Ministers' designation can come into effect no later than 1st January 2011.

The successful passage of the Amendment Act is another positive step forward in the strengthening of Bermuda's AML/ATF Supervisory regime. Further updates on the developments in relation to the FIA and the Board as a supervisory authority will be provided in upcoming NAMLC Quarterly Updates. The consolidated version of the Act is available at [www.namlc.bm](http://www.namlc.bm).

## NAMLC Agency & Ministry Updates

### BERMUDA MONETARY AUTHORITY (BMA)

The BMA reported that since late March, the AML Unit has conducted 18 onsite visits and it is anticipated that by the end of the year, 24 onsite visits will have been conducted. These onsite visits indicate that institutions need to conduct risk analyses/assessments of their businesses and apply the regulations accordingly. The BMA has developed a detailed form to assist financial institutions in documenting their progress with this. Further, the BMA supervisory teams have undergone training on compliance testing on the AML regulations and this compliance testing is now incorporated in the onsite visits.

### BERMUDA POLICE SERVICE (BPS)

The BPS reported that in August two male foreign visitors, one British and one Canadian, pleaded guilty to money laundering offences and were sentenced in the Supreme Court. This case is connected to a large shipment of cannabis that was imported into the island via a yacht in October 2009. The defendants agreed to confiscation orders by the Supreme Court of \$28,820 and \$27,950 respectively, and a further forfeiture order was made for the vessel, valued at \$93,000. In a separate unrelated case, the BPS noted that a confiscation order for \$25,000 was agreed for a Bermudian male convicted in Magistrates' Court for possession of cannabis with intent to supply.

In August, a cash seizure under section 50 of the Proceeds of Crime Act 1997 was made at L.F. Wade International Airport raising the total amount seized this year, from fifteen separate seizures, to \$268,408. The BPS also reported that during the month of September there were three arrests for money laundering made in the course of one week. The Financial Crime Unit Office has stepped up its liaison with the Financial Intelligence Agency in an effort to assist in targeting key offenders who pose the greatest threat from crimes related to drugs, guns, gangs or violence.

### DEPARTMENT OF PUBLIC PROSECUTIONS (DPP)

The DPP reported that the position of Crown Counsel (Specialist) has been filled by Ms. Kirsty Kiellor who is fully trained in the FATF Methodology. The DPP also reported that there have been 2 convictions for Money Laundering, 3 confiscation orders and 2 forfeitures made - for further details see the above BPS update.

### FINANCIAL INTELLIGENCE AGENCY (FIA)

The FIA reported that during the third quarter of 2010, a total of 39 Suspicious Activity Reports (SARs) were filed as compared with 174 during the third quarter in 2009. This reduction in SARs filed is in part due to the closure of a Money Service Business, the economic downturn, and the proactive stance which some of the financial institutions have taken e.g. in the closing of accounts that were potentially used for laundering money. Of the 39 SARs filed approximately 6 disclosures have been made: 4 to the BPS; 1 to the BMA; and 1 to a foreign authority. There are a further 6 matters currently under review for potential disclosure during this period. This is compared to 10 disclosures made for the third quarter in 2009, which consisted of 4 local and 6 foreign disclosures.

In keeping with its training mandate, the FIA made a presentation entitled 'The International Charting Course in the use of Visual Analytical Software' at the 18<sup>th</sup> Egmont Plenary held in Columbia. The FIA also facilitated a workshop on FIU Governance and facilitated the first meeting of the Donors and Providers Working Group. During the said Plenary MOUs were signed with Israel, Columbia, Taiwan, South Africa, Aruba and San Marino; and a further 3 MOUs signed via correspondence with the Ukraine, Albania and Peru. The FIA now has a total of 34 MOUs in place with its fellow Egmont members.

### CUSTOMS

The Bermuda Customs reported that it continues its efforts to combat drug trafficking and money laundering with the following successes during this quarter: 23 drug seizures, 13 prohibited seizures, and \$28,496 in currency seized from 5 individuals traveling from Bermuda to the USA. The Bermuda Customs maintains a system of cooperation with its overseas and domestic counterparts and the Joint Intelligence Unit (JIU) continuously shares information with US Customs and Border Protection, Canada Border Service Agency, the Joint Intelligence Office in St. Lucia, and Customs Departments throughout the Caribbean. Further, Bermuda Customs has strengthened its ties with the Bermuda FIA and a Customs Officer is currently on secondment at the FIA.

### MINISTRY OF FINANCE

The Ministry of Finance and Attorney General's Chambers reported that a Bermuda delegation attended the Organisation for Economic Cooperation and Development (OECD) Global Forum on Transparency and Exchange of Information for Tax Purposes meeting in Singapore on September 29<sup>th</sup>-30<sup>th</sup> 2010. Bermuda's peer review report was adopted at this meeting by the full Global Forum membership, comprising of more than 90 jurisdictions. This report follows a six-month exhaustive review process covering all aspects of Bermuda's legal and regulatory framework for transparency and exchange of information in relation to tax matters against ten identified essential elements. In addition to Bermuda, only one other jurisdiction's report, out of the 8 submitted for adoption to the Global Forum, met all the criteria identified by the peer

## NAMLC Agency & Ministry Updates

review methodology. The delegation was headed by Assistant Financial Secretary Wayne Brown, along with treaty adviser Laura Hershey, research officer Dennis Simons and Crown Counsel Shakira Dill, from the Attorney General's Chambers. The Ministry of Finance reported that Bermuda has now signed a total of 23 Tax Information Exchange Agreements (TIEAs), with the most recent TIEA signed with India. Additionally, the TIEA negotiations were concluded with Greece at the Global Forum Steering Group in Singapore.

### NAMLC OFFICE

The NAMLC Office conducted extensive consultation with various persons in industry, the Bar Association, the Institute of Chartered Accountants of Bermuda and the Financial Intelligence Agency; and worked closely with Parliamentary Counsel in relation to the *"The Proceeds of Crime Regulations (Supervision and Enforcement) Amendment Act 2010"* which came into operation on 25th August 2010. The Office has also engaged with the Ministry of Culture and Social Rehabilitation to assist in its ongoing efforts to modernize and upgrade the Charities legislation.

The NAMLC Office has commenced "Lunch and Learn" sessions on Bermuda's legislative AML/CFT framework to which all NAMLC Agencies were invited. The first session, held in August, focused on the recently amended *Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Act 2008* and was facilitated by the NAMLC Chairman, Mrs. Cheryl-Ann Lister. In September the session focused on the *Proceeds of Crime Act 1997* and was facilitated by Ms. Paula Tyndale, NAMLC's Legal Consultant. The NAMLC team has also recently added a News page to its website, where current and recent happenings in the local AML/CFT world will be featured.

The team's involvement in the international arena continued with their active involvement in finalizing the FATF/CFATF typologies report on 'Money Laundering Using Trust and Company Service Providers'. Members of the team also continued its work in assisting the CFATF in committees to address the strengthening of the financial and operational framework of that organisation.

## The United States' New Iranian Sanctions

On August 16, 2010 the U.S. Treasury issued the **Iranian Financial Sanctions Regulations (IFSR)** that implement some of the requirements of the **Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA)** that was signed into law by President Barack Obama in July. These U.S. sanctions expand upon the recently adopted United Nations Security Council Resolution (UNSCR) 1929 and are part of continued U.S. efforts to prevent terrorist activities and the development of nuclear weapons in Iran. President Obama's remarks on the signing of CISADA noted that the Act *"...strengthens existing sanctions, authorizes new ones, and supports our multilateral diplomatic strategy to address Iran's nuclear program. It makes it harder for the Iranian Government to purchase refined petroleum and the goods, services, and materials to modernize Iran's oil and natural gas sector. It makes it harder for the Revolutionary Guards and banks that support Iran's nuclear programs and terrorism to engage in international finance."*

The IFSR prohibits, or imposes strict conditions on, U.S. financial institutions opening or maintaining correspondent accounts or payable-through accounts in the U.S. for foreign financial institutions linked to Iran's nuclear program or terrorist organisations. Sanctions can be imposed on a foreign financial institution if it is determined that such an institution "knowingly" engages in any of the following activities in any location or country:

- ◆ Facilitating the efforts of the Government of Iran to acquire or develop weapons of mass destruction or their delivery systems, or to provide support for terrorist organisations or acts of international terrorism;
- ◆ Facilitating the activities of a person subject to financial sanctions pursuant to UNSCR 1737, 1747, 1803, or 1929, or any other Security Council Resolution that imposes sanctions with respect to Iran;
- ◆ Engaging in money laundering or facilitating the efforts by the Central Bank of Iran or any other Iranian financial institution, to carry out either of the above; or
- ◆ Facilitating significant transactions or providing significant financial services for Iran's Islamic Revolutionary Guard Corps (IRGC) including any of its agents or affiliates whose property or interests in property are blocked, or a financial institution whose property or interests in property are blocked in connection with the Government of Iran's proliferation of weapons of mass destruction or its support for international terrorism.

The IFSR also prohibits any person owned or controlled by a U.S. financial institution from knowingly engaging in any transaction with or benefiting from IRGC or any of its agents or affiliates. Non compliance with the IFSR includes civil penalties of \$250,000 or twice the value of the transaction, and criminal penalties of up to \$1 million per transaction and 20 years imprisonment.

## Global News

### Bangladesh

In August, the Ministry of Finance in Bangladesh formed a National Coordination Committee to focus on and finalise the national Action Plan to prevent money laundering and terrorist financing. The committee has been given a three month period in which to advance its work and is comprised of persons from the Central Bank, the Attorney General's Office and various divisions in the Ministry. As part of its Action Plan to address deficiencies noted in its July 2009 Mutual Evaluation Report, the Bangladesh Government proposes to amend its Anti-Money Laundering and Terrorist Fi-

ancing Acts of 2009 as well as to include references to money laundering and terrorist financing in its existing Extradition Act. Additionally, the Government proposes to enact a new Mutual Legal Assistance Act and to ratify the Palermo Convention and the relevant UN Security Council Resolutions on terrorist financing and terrorism.

### Seychelles

The Government of the Seychelles has recently signed a Tax Information Exchange Agreement with the Government of the Netherlands, in a bid to begin the process of elevating itself from the Organisation for Eco-

nomie Cooperation and Development's (OECD) 'grey list' of countries yet to comply with OECD tax cooperation rules to its 'white list' of compliant nations.

Under the agreement, the two countries will not only cooperate in the exchange of tax information, but will also share information relating to suspected money laundering. This agreement is consistent with the OECD standards and the Government of the Seychelles is preparing to sign similar agreements with other countries in order to sign a network of cooperation in compliance with the OECD tax standards.



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## Indonesian Parliament considering Money Laundering Bill

The Indonesian Parliament is considering a Money Laundering Bill which aims to expand the number of State agencies that will have the power to investigate money laundering. At the moment, only the National Police are empowered to investigate money laundering activities. A working committee of the House of Representatives has announced that under the Bill, five additional agencies including the Attorney General's Office, the Corruption Eradication Commission, the Tax and Customs Offices and the National Narcotics Agency, will in the future have the authority to investigate money laundering activities pertinent to their respective areas of responsibility. Additionally, the Bill proposes to expand the authority of the national FIU, the Financial Transaction Reports and Analysis Centre, to now include the right to request reporting entities to reveal all data regarding their suspicious customers.

## Regional Happenings

### Cayman

During the 32<sup>nd</sup> Caribbean Financial Action Task Force (CFATF) Plenary the Cayman Islands will take over Chairmanship of the CFATF, whose objective is to achieve effective implementation of Anti-Money Laundering and Countering the Financing of Terrorism standards in the region. The Plenary will be hosted by the Cayman Islands government from 2nd to 4th November 2010, at the Grand Cayman Marriott Beach Resort.

Welcoming the islands' appointment, the Attorney General, Samuel Bulgin said: "We look forward to enhancing an already solid relationship with CFATF and FATF members.

As incoming Chair, the Cayman Islands are tasked with carrying forward the work programme for the organisation over the next year and ensuring that members adhere to strict anti-money laundering standards."

### Guyana

In August an amendment to the Anti-Money Laundering and Countering the Financing of Terrorism Act was approved. This amendment allows for the Attorney General to further extend the period in which reporting entities under the Act, such as banks, are required to verify the identity of customers.

Finance Minister Dr Ashni Singh said the need for this amendment to

the Act became clear when the administration was approached by a number of entities regarding their concerns that the identities of many of their customers had still yet to be verified. Dr Singh said that the amendment was necessary even though the deadline for the Bill had passed as they did not want to be left in a position where the accounts of thousands of persons yet to comply with the requirement would have to be closed.

The amendment will provide a transition period which will allow the reporting entities under the Act to meet the necessary verification requirements and also avoid the relevant authorities having to issue penalties for non-compliance.



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## NAMLC QUARTERLY UPDATE

September 2010

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GOVERNMENT OF BERMUDA

Ministry of Justice

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**Attorney General & Minister of Justice**

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## Minister of Justice Issues Further Advisory

On the 23rd July 2010 the Minister of Justice issued a further Advisory to Bermuda's financial sector regarding the 'Risks Relating to Deficiencies in Anti-Money Laundering and Anti-Terrorist Financing (AML/ATF) Systems and Controls in Specified Jurisdictions.' The advisory, which superseded the April 2010 Advisory, was issued further to the FATF Public Statement of the 25th June 2010 and the FATF publication on 'Improving Global AML/CFT Compliance: Ongoing Process' which described the AML/ATF deficiencies in a number of jurisdictions.

The Minister noted that the advice is especially relevant to those entities that have or are considering any business relationships with the specified jurisdictions or persons (individuals or corporate entities) in such jurisdictions.

The FATF Public statement drew attention to unaddressed deficiencies in the systems and controls to combat money laundering and terrorism financing in the following jurisdictions: **Democratic People's Republic of Korea (DPRK), Iran, and São Tomé and Príncipe.**

The FATF publication drew attention to countries in which AML/ATF deficiencies have also been detected, but which countries have engaged with the FATF and the relevant regional bodies to work towards addressing those deficiencies. These jurisdictions include **Angola, Ecuador, Ethiopia, Pakistan and Turkmenistan**, all of which had appeared in the FATF Public Statement of 18th February 2010, but, in light of their formal high level commitments as well as progress made in each jurisdiction in regard to their action plans, their risk level was reassessed. The other identified jurisdictions are: **Antigua and Barbuda, Azerbaijan, Bolivia, Greece, Indonesia, Kenya, Morocco, Myanmar, Nepal, Nigeria, Paraguay, Qatar, Sri Lanka, Sudan, Syria, Thailand, Trinidad and Tobago, Turkey, Ukraine and Yemen.**

Please note that as the nature and level of risk in the specified jurisdictions differ it is important that the advisory and the annexes are read in their entirety. The Minister's advisory supported by the full text annexes of the FATF statement and publication has been published in various public media by way of press release and is also available on the NAMLC website at [www.namlc.bm](http://www.namlc.bm).

## Upcoming AML/CFT & Related Training Opportunities

**February 3-4, 2011**      **San Juan, Puerto Rico**

**1st Annual ACAMS Caribbean AML/CTF/Financial Crime Conference**

<http://www.amlcaribbean.org/>

For more information on ACAMS' schedule of  
training & events visit:

[www.acams.org/ACAMS/ACAMS/TrainingEvents/  
ACAMSTrainingEvents/Default.aspx](http://www.acams.org/ACAMS/ACAMS/TrainingEvents/ACAMSTrainingEvents/Default.aspx)

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