

Financial Services Commission

Securities, Insurance and Pensions Industries Advisory Caribbean Financial Action Task Force (CFATF) Mutual Evaluation June 1-15 2015

The Financial Services Commission (FSC) hereby advises the securities, insurance and pensions industries which comprise part of the 'regulated sector' under the Proceeds of Crime Act 2007 (POCA) and the Terrorism Prevention Act 2005 (TPA), that Jamaica is scheduled to undergo its next Mutual Evaluation (MEV) on June 1-15, 2015.

The Caribbean Financial Action Task Force (CFATF), which is the regional arm of the Financial Action Task Force (FATF), conducts peer reviews of each member on an ongoing basis to assess levels of implementation of the FATF Recommendations, providing an in-depth description and analysis of each country's compliance regime for preventing criminal abuse of the financial system.

"The FATF is the global standard-setter in the fight against money laundering, and the financing of terrorism and proliferation of weapons of mass destruction. Over the past twenty years the FATF has developed, used and refined rigorous compliance mechanisms to help ensure global compliance with its Standards. It assesses compliance through a stringent country evaluation and monitoring process. This evaluation is known as the MEV.

*The new Methodology which has been adopted in the new round of evaluations, provides the basis for an integrated analysis of the extent to which a country is compliant with the FATF Standards and the level of effectiveness of its Anti Money Laundering/ Counter Terrorism Financing (AML/CFT) system."*¹

The new round of evaluations began in 2014. Jamaica last underwent a MEV in June 2007.

Bjørn S. Aamo, President of the FATF, has stated that:

"The new Methodology adds a new dimension to the evaluation of countries compliance with FATF-standards. It remains as important as before that all countries implement the

¹ <http://www.fatf-gafi.org/topics/mutualevaluations/key/fatfissuesnewmechanismtostrengthenmoneylaunderingandterroristfinancingcompliance.html>

Recommendations of the FATF in their legal systems, however, the new Methodology lays the foundation for a systematic assessment of the effectiveness of national systems.”

“The future assessments will determine how well countries achieve the objective of fighting Money Laundering and Financing of Terrorism.”

The Methodology comprises two inter-linked components:

- The technical compliance assessment will address the specific requirements of each of the FATF Recommendations, principally as they relate to the relevant legal and institutional framework of the country, and the powers and procedures of competent authorities. These represent the fundamental building blocks of an AML/CFT system. The level of compliance with each Recommendation will be indicated with one of the following ratings: compliant, largely compliant, partially compliant or non-compliant.
- The effectiveness assessment will assess the extent to which a country achieves a defined set of outcomes that are central to a robust AML/CFT system and will analyse the extent to which a country’s legal and institutional framework is producing the expected results. How effectively each of the Immediate Outcomes in the Methodology is achieved by a country will be set out in the evaluation report and will include one of the following ratings: high-level of effectiveness, substantial level of effectiveness, moderate level of effectiveness and low level of effectiveness.

In keeping with its continuing obligations as Competent Authority for the regulated sector under its regulatory purview, the FSC will be communicating further with the securities, insurance and pensions industries stakeholders with respect to preparedness for the MEV, to ensure that the appropriate training and sensitization takes place, as part of the national effort to ensure that Jamaica is successful in this round of MEV.

Any queries or comments about the content of this advisory may be communicated by email to the following address:

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