



Seventh Follow-Up Report

ARUBA

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ARUBA – SEVENTH FOLLOW-UP REPORT

I. Introduction

1. The third mutual evaluation report (MER) of Aruba was adopted by the FATF Plenary in October 2009. Aruba was required to report to the FATF Plenary every year since that date. As a member of CFATF, and in order to keep abreast of Aruba's progress in the FATF's follow-up process, relevant updates are presented to the CFATF Plenary. The last report to the CFATF Plenary was in November 2013. It was noted in the last follow-up report that Aruba would be reporting to the FATF Plenary in February 2014 with a view to applying for removal from regular follow-up. In the mean time Aruba has been removed by the FATF Plenary from the regular follow-up process since February 2014. This report presents a summary of the FATF eighth follow-up report and its conclusions. Aruba was rated largely compliant (LC) on 3 Core and Key Recommendations and partially compliant (PC) or non-compliant (NC) on 13 remaining Core and Key Recommendations and 25 other Recommendations. The Core and Key Recommendations are indicated in *italics* in the table below.

Table 1: Ratings of Core and Key Recommendations

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

2. With regard to the remaining Recommendations, Aruba was rated partially compliant or non-compliant on twenty-five (25) as indicated below:

Table 2: Non Core and Key Recommendations rated Partially Compliant and Non-Compliant

Partially Compliant (PC)	Non-Complaint (NC)
R. 11 (Unusual transactions)	R. 6 (Politically exposed persons)
R. 14 (Protection & no tipping-off)	R. 7 (Correspondent banking)
R. 25 (Guidelines & Feedback)	R. 8 (New technologies & non face-to-face business)
R. 27 (Law Enforcement authorities)	R. 9 (Third parties and introducers)
R. 31 (National co-operation)	R. 12 (DNFBP – R.5,6,8-11)
R. 38 (MLA on confiscation and freezing)	R. 15 (Internal controls, compliance & audit)
	R. 16(DNFBP – R.13-15 & 21)
	R. 17 (Sanctions)
	R. 18 (Shell banks)
	R. 21 (Special attention for higher risk countries)
	R. 24 (DNFBP – regulation, supervision and monitoring)
	R. 29 (Supervisors)
	R. 30 (Resources, integrity and training)
	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 organizations)
	SR. IX (Cross-border Declaration & Disclosure)

II. Summary of measures implemented by Aruba

3. As indicated in Aruba's eighth follow-up report for the FATF in February 2014, Aruba made significant progress in addressing the deficiencies identified in the Core Recommendations of R.5, R. 13, SR. II and SR. IV in its MER. With regards to R. 5, the State Ordinance for the Prevention and Combat of Money Laundering and Terrorist Financing (AML/CFT State Ordinance) imposes CDD obligations on all financial services providers and DNFBPs operating in Aruba. Sectoral Supervisory State Ordinances in the areas of credit institutions, insurance businesses, money transfer companies and trust service providers have been amended to support the implementation of the AML/CFT State Ordinance. A State Decree for insurance intermediaries has been enacted on the 30th of January, 2014 and a Supervisory State Ordinance and for securities firms is planned to be enacted in the course of 2014. , thereby establishing the basis for prudential regulation and supervision in these sectors.

4. In relation to R. 13 Aruba has addressed most of the deficiencies in the MER through the new Criminal Code enacted in 2014 and improved reporting across the financial services sector. Deficiencies in SR. IV are addressed through the AML/CFT State Ordinance, as well as the criminalization of TF as a separate and autonomous offence in section 140a of the Criminal Code and a standalone TF offence

5. Overall, Aruba's compliance with R.5, R.13, SR. II and SR. IV has reached a level essentially equivalent to LC. Aruba has therefore reached a satisfactory level of compliance with all of the Core Recommendations.

6. With the criminalization of terrorist financing and the amendments made to the Code of Criminal Procedure of Aruba in March 2012, Aruba addressed the major deficiencies in R. 3. The enactment and enforcement of State Ordinance for the supervision of securities firms to be enacted in 2014 and the recently enacted State Decree on the supervision of insurance agents should address lack of regulatory and supervisory coverage of securities firms and insurance companies under R. 23. Deficiencies in R. 26 were dealt with by increasing the resources of the Meldpunt Ongebruikelijke Transacties (MOT) the Aruban Financial Intelligence Unit (FIU) and revising the composition of its advisory committee to remove private sector participation. Satisfactory progress was observed on R. 35 with respect to the criminalization of the terrorist financing offence.

7. Aruba has taken steps to enhance its mutual legal assistance (MLA) regime in accordance with R. 36. Aruba has also addressed deficiencies in R. 40 and SR. V by improving the capabilities of the Central Bank of Aruba and the MOT to cooperate with foreign counterparts and by collecting and compiling detailed statistics on the level of international cooperation. With respect to SR. I and SR. III and in accordance with S/RES/1267 and S/RES/1373, Aruba has implemented both a Consolidated List and a domestic Freezing List as well as an accompanying framework for implementation.

8. Given the above, Aruba has achieved satisfactory levels of compliance with R. 3, R. 23, R. 26, R. 35, R. 36, R. 40, SR. I, SR. III and SR. V. Overall Aruba has addressed deficiencies relating to all Core and Key Recommendations, and brought the level of technical compliance with these Recommendations to a level essentially equivalent to an LC. Aruba has therefore taken sufficient measures to be removed from the regular follow-up process. Consequently, the FATF Plenary agreed to remove Aruba from the regular follow-up process.

III. Conclusion

9. On the basis of the above summary of the FATF report and its conclusion, a similar recommendation is also made to the CFATF Plenary that Aruba be removed from the regular follow-up process.