

The 4th Round Mutual Evaluation of the Turks and Caicos Islands undertaken by the Caribbean Financial Action Task Force.

To all licensed financial businesses and Designated Non-Financial Businesses and Professions (DNFBPs)

Some of you will be aware that the Caribbean Financial Action Task Force (CFATF) is to undertake a mutual evaluation of the Anti-Money Laundering and Countering of the Financing of Terrorism (AML/CFT) regime of the Turks and Caicos Islands.

The Financial Action Task Force (FATF) document *Methodology for Assessing Technical Compliance with the FATF Recommendations and the Effectiveness of the AML/CFT Systems*¹ describes the mutual evaluation process as follows:

The methodology comprises two components;

- *The technical compliance assessment addresses the specific requirements of the FATF recommendations, principally as they relate to the relevant legal and institutional framework of the country, and powers and procedures of the competent authorities. These represent the fundamental building blocks of an AML/CFT system.*
- *The effectiveness assessment differs fundamentally from the assessment of technical compliance. It seeks to assess the adequacy of the implementation of the FATF recommendations, and identifies the extent to which a country achieves a defined set of outcomes that are central to a robust AML/CFT system. The focus of the effectiveness assessment is therefore on the extent to which the legal and institutional framework is producing the expected results.*

Together, the assessment of both technical compliance and effectiveness will present an integrated analysis of the extent to which the country is compliant with the FATF standards and how successful it is maintaining a strong AML/CFT system, as required by the FATF recommendations

The evaluation is undertaken by representatives of our peer countries in the Caribbean and is a jurisdiction wide assessment.

¹ See <http://www.fatf-gafi.org/publications/fatfrecommendations/documents/fatfissuesnewmechanismtostrengthenmoneylaunderingandterroristfinancingcompliance.html>

The on-site element of the mutual evaluation process was initially planned to take place in March 2018. However, due to the recent hurricanes it has been agreed by the CFATF to delay the on-site visit until the two weeks commencing 10th September 2018.

Representatives of both the private and public sectors will be selected to be interviewed by the assessment team during the on-site visit. During June 2018 the jurisdiction, through the Honourable Attorney General, will be required to submit the names of possible interviewees. Over the coming months, where appropriate, briefing sessions will be undertaken to familiarise all possible interviewees with the approach and expectations of the CFATF assessors during interviews.

The onus is upon the jurisdiction to adequately describe to the assessors, initially in written form through the Technical Compliance Questionnaire and the effectiveness documentation, that there is effective implementation of the AML/CFT legislation and it is producing expected results.

The final Mutual Evaluation Report, when adopted by the CFATF Plenary will be published on the FATF and CFATF websites. (See below for further information).

Key Dates

12 February 2018	Technical Compliance Questionnaire Submission of the Technical Compliance Questionnaire to the CFATF Secretariat. This questionnaire has been completed by various authorities (Financial Services Commission, Financial Intelligence Agency, Attorney General Chambers, The Police, Customs) and submitted on 17 October 2018. However, given the change in date of the on-site work, and changes to the FATF Standards, updates to the questionnaire are required.
10 May 2018	Effectiveness assessment Documentation and rationale submitted to the CFATF Secretariat to demonstrate effective implementation of the legislation.
25 th June 2018	Scoping note Based upon the technical compliance questionnaire and the effectiveness documentation the assessment team prepare and submit to the Attorney General for comment and agreement a draft scoping note.
9 th July 2018	Areas of increased focus Assessment team submit preliminary areas of increased focus for the on-site visit
10 th – 21 st September 2018	On-site evaluation (two weeks)
5 th November 2018	Draft report First draft of mutual evaluation report submitted to the jurisdiction for comment.
4 th March 2019	Further draft reports Subsequent to the first and second version of draft Mutual Evaluation Reports, the final draft is completed.
May/June 2019	Adoption of final report Discussion and adoption of the final report at the CFATF 2019 Plenary

For further information the following links enable access to completed Mutual Evaluations Reports in the Caribbean and throughout the world.

[http://www.fatf-gafi.org/publications/mutualevaluations/?hf=10&b=0&s=desc\(fatf_releasedate\)](http://www.fatf-gafi.org/publications/mutualevaluations/?hf=10&b=0&s=desc(fatf_releasedate))

<https://www.cfatf-gafic.org/index.php/documents/4th-round-meval-reports>

19th December 2017