

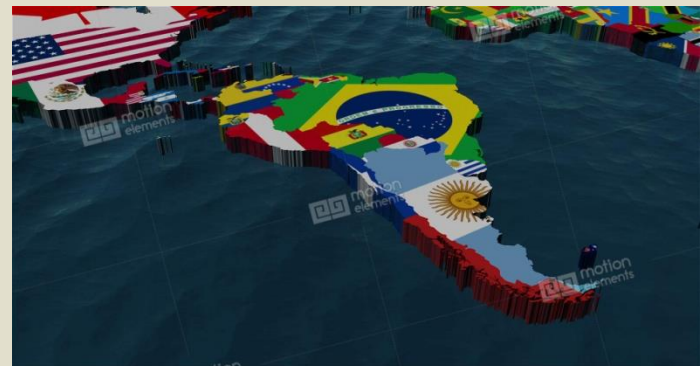
FINANCIAL INVESTIGATION DIVISION ANNUAL CONFERENCE
2018

"JAMAICA ON THE INTERNATIONAL STAGE"

THE IMPACT OF THE MOST RECENT MER ON JAMAICA;
ANALYSIS FROM A INTERNATIONAL RELATIONS PERSPECTIVE.

Mandate of Ministry of Foreign Affairs and Foreign Trade

- Mandate of MFA&FT includes the management of Jamaica's international relations and promotion of overseas interests as well as supporting domestic implementation of international obligations.
- Latest MER issued in 2017 is the outcome of a highly technical AML/CFT/ PF regime created by the FATF agreed to by Jamaica and administered through regional bodies like CFATF.



ISSUES OF CONCERN

- Understanding background to MER process is essential to appreciation of its impact and consequences.
- Respect for rule of law is part of Jamaican foreign policy so implementing FAFT AML/ CFT/ PF Recommendations is supported. ML and FT are serious crimes that should be dealt with by all states : But .. there are concerns.
- **Procedurally:** The decisions made by the FATF can have a significant effect on states. e.g. adding FTF to TF requirements, including PF requirements.
- FAFT is OECD body with **35** members, very few developing countries. Regional Bodies are observers and can contribute.

ISSUES OF CONCERN

- *“..Almost all jurisdictions have committed to implement the FATF standards and are being assessed by their peers. We publicly name those that fail to take action. This warns other jurisdictions and banks and deters foreign investment..” 2015 address by FATF President to UN Security Council meeting of Finance Ministers on FATF measures to defeat TF and ISIL.*
- But who speaks for and represents the other countries in the world? Or is that the best forum? (UN has 191 members).

ISSUES OF CONCERN

- **No apparent acknowledgment of differences in capacity among states.** One size does not fit all.
- Jamaica is a strong proponent of special and differential treatment for developing states based on capacity. E.g. more time more technical assistance. Recognising that obligations have to be met
- MER highlighted problem that standards, best practices cited in some areas (TF) are from developed countries and very difficult for developing countries to do.
- UN, UNSCR, WTO recognise this difference.

ISSUES OF CONCERN

- **MER also highlighted almost “dual requirements” for implementation of UNSCRs for TF and PF.**
- FATF requirements state that countries should implement regimes to comply with UNSCRs dealing with terrorism financing and proliferation financing.
- But in practice several FATF prescriptions exceed UNSCR requirements. e.g. requiring states to have the power to designate entities.
- The UNSCR regimes are also more flexible. States experiencing challenges can approach the relevant Committee for support and sometimes deferred implementation.

ISSUES OF CONCERN

- **This dual regime means that MFA&FT must do increased monitoring of UNSC and resolutions.** Diversion of resources.
- Also more vigilance in relation to issues which might affect how Jamaica is perceived to be implementing some UNSCRs. (Anticipate and act or identify actions required).
Rec 6 &7
- Although not directly related to MER, Jamaica highlighted in some fora, (Geneva) concerns about derisking and correspondent banking expressed nationally and regionally .

OTHER ACTIONS

- To sensitise other countries and organisations about serious obstacles being faced by states affected.
- This includes 18-20 May 2016, UNCTAD Meeting of Trade in Service and Development, presentation; 15 June 2016 CARICOM statement to WTO Committee on Trade in Financial Services, Jamaican Ambassador.
- The regulatory requirements which “encourage” banks take the commercial decisions they do is an obstacle we face as negotiators. There are no easy answers, just challenges

CONCLUSION

- No one can argue with the aims of the FAFT Recommendations. To combat AML/CFT /PF will make the world a safer and more secure place.
- As various countries suffer from terrorist attacks we all see the tremendous harm done and the need to prevent the attacks and stop those who plan them.
- There are many organisations working to do that. Jamaica supports all such efforts. Experience shows that that an inclusive, responsive, approach that recognises differences among states yields better outcomes.

THANK YOU

FINANCIAL INVESTIGATION DIVISION ANNUAL CONFERENCE

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