

# **UNSCRIA Proliferation Financing SENSITIZATION SESSION**

**Financial Investigations Division**

**November 10, 2021**

# OVERVIEW

- What is Proliferation Financing?
- FATF Requirements for member state
- Countering Measures for Proliferation Financing (PF)
- Jamaica's Legislative Framework
- Regulatory requirements and compliance
- Questions and Answer

# Disclaimer

- The enclosed material is intended as a sensitization guide for participants in the regulated sector
- It is not representative of the law in its entirety
- Readers are advised to seek legal advice

# PROLIFERATION FINANCING

- **Proliferation** is the **illegal** manufacture, acquisition, development, export, trans-shipment, brokering, transport, transfer, stockpiling or use of nuclear, chemical, or biological weapons and their means of delivery and related materials.
- **Proliferation Financing** is the provision of the funding or financial services to facilitate proliferation.

***(FATF Definitions)***

# FATF Requirements

## OBJECTIVE (Recommendation 7)

Requires countries to implement Targeted Financial Sanctions (TFS) made under United Nations Security Council Resolutions (UNSCRs or resolutions), that require countries to freeze without delay, in order to prevent & disrupt the financing of Proliferation of weapons of mass destruction (WMD).

Recommendation 7 is focused on preventive measures that are necessary and unique, aimed at stopping the flow of funds or other assets to proliferators or proliferation.

# FATF Requirements

- Countries should;
  - Ensure no additional funds or assets are available to, and for the benefit of, any person or entity designated by the UNSC under Chapter VII
  - Establish the necessary legal authority and identify competent domestic authorities responsible for implementing and enforcing targeted financial sanctions,

# FATF Requirements

- Have mechanisms for communicating designations to financial institutions and DNFBPs immediately upon taking such action.
- Adopt appropriate measures for monitoring, and ensuring compliance by, financial institutions and DNFBPs with the relevant laws or enforceable means.
- Failure to comply with such laws, or enforceable means should be subject to civil, administrative or criminal sanctions.

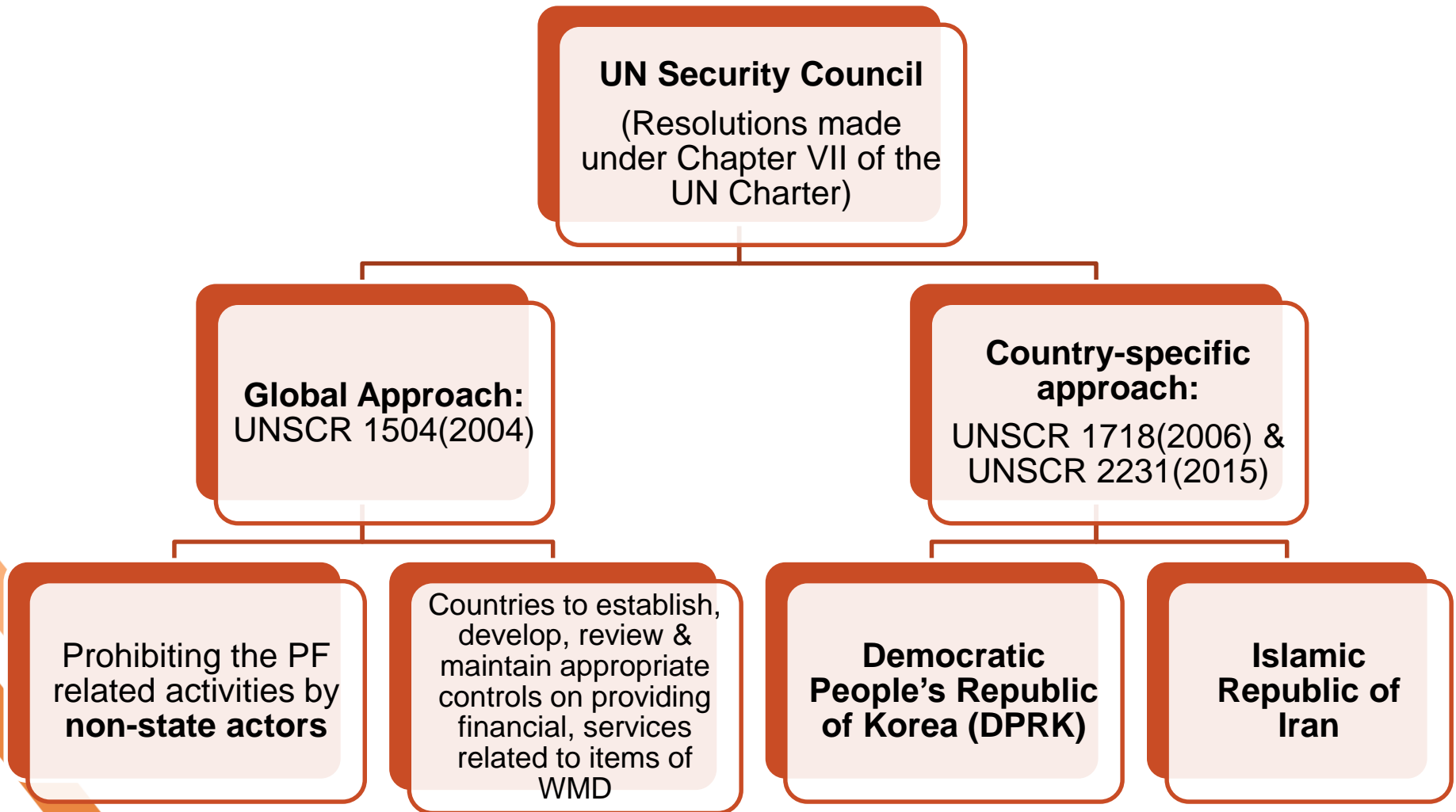
# Countering PF

Measures implemented must ensure that persons and/ or entities involved in the proliferation of weapons of mass destruction (WMD) are:

- ✓ Identified
- ✓ Deprived of resources
- ✓ Prevented from raising, moving and using funds or other assets for the financing of proliferation



# UN Countering Measures for PF



# The UN Charter

- Decisions made under Chapter VII of UN Charter are binding on all UN members under international law.
- All Rec 6 and Rec 7 UNSCRs were passed under Chap VII.( e.g. those concerning Iran and DPRK and non proliferation)
- It therefore requires the necessary domestic laws and administrative measures to implement and enforce these resolutions.

# Jamaica's Legislative Framework:

## Legislation:

1. The United Nations Security Council Resolutions Implementation Act (UNSCRIA), 2013
2. The United Nations Security Council Resolutions Implementation Act (UNSCRIA), 2019 **Amendments**
3. The United Nations Security Council Resolutions Implementation (Asset Freeze-Democratic People's Republic of Korea) Regulations, 2013.
4. The United National Security Council Resolutions Implementation (Reporting Entities) Regulations, 2019

# Main entities

Portfolio Minister S.3(1)

The DPP S. 3A (*after* S.3)

Designated Authority S.5...(3A)

Competent (*Relevant*) Authority S.2  
(*Reg.*) & S.14A

Relevant Authority

# Portfolio Minister-

## (Subject to affirmative Resolutions)

- S.3(1) Authorised to make regulations to give effect to **decisions...no later than 30 days** after the date of adoption of resolutions...
- The regulations should contain provisions for;
  - 1) *proscribing persons or entities;*
  - 2) *restricting or preventing the supply, sale or transfer of goods or services to these persons or entities;*
  - 3) *restricting or preventing use or dealing with and making available assets.*

# Portfolio Minister-

(Subject to affirmative Resolutions)

4. *restricting or preventing the procurement of goods or services;*
5. *providing for indemnities for acting in compliance with the regulations;*
- 6) *providing compensation to owners of assets; and*
- 7) *providing for the protection of bonafide third parties who acted in good faith in dealing with assets of proscribing persons or entities*

## Portfolio Minister- (Subject to affirmative Resolutions)

- **S9** – May, to designate a provision of any existing law as a UN sanction enforcement law, if it gives effect to a decision made by the Security Council under Chapter VII which does not involve the use of armed force. e.g. Shipping Act provision to implement DPRK Regulations
- S. 21 Amend monetary penalties

# The DPP

- S.3A(2) may apply to a Judge of the Supreme Court for an Order to declare a list of persons or entities designated as proscribed persons or entities by a decision of the UN Security Council
- S.3A(5)The court order, once obtained must be published within 24 hours on the website of the FID (designated authority),the portfolio ministry and in a daily newspaper. (*The order will remain in effect until the regulations are passed. (mitigates any likely non compliance with S. 3(1).)*)



# Designated Authority

## s.5

- Means the Chief Technical Director of the FID
- Receives reports at least once every four calendar months
- Requires reporting entities to submit reports for any transaction or attempted transactions that is known or believed to be related to a proscribed entity or person

# Designated Authority

- May issue directives/instructions to Reporting entities with respect to filing of reports
- May request additional information about a report
- Issues a receipt to the reporting entity- signify compliance but not the accuracy or quality of the content of that report.

# Designated Authority

- Requirement of RE to comply with directions from the FID:
  - Previous or current reports,
  - Provision of information required in such reports  
Provision of additional information Errors identified in the reports
  - Any other matter as specified in the directions

# Competent Authority of S. 2 –Regs & S.14A -Act

- Monitors compliance,
- issue guidelines and
- Notify regulated entities of proscribed listings

# Relevant Authority-

- **includes;**
- Regulators of financial institutions
- Regulators of DNFI or activity designated by a competent authority as non-financial business activity
- Border control or defence- *JDF & Customs*
- Foreign relations
- JCF
- any other entity requiring information for a UN sanctioned enforcement law. .

# Reporting Entities- Obligations

- **Duties to Report – UNSCRIA 5**
  1. Report at least once in every 4 months whether they are in possession or control of assets owned or controlled by or on behalf of a person or entity proscribed. (Asset Freeze-Democratic Peoples Republic of Korea) Regulations. 2013. **First Proscribed Report due- January 2022.**
  2. Report any transaction or attempted transaction that is believed or known to be related to a proscribed person or entity and any assets that are owned or controlled by or on behalf of a proscribed person or entity.

# Reporting Entities- Obligations

3. Reporting entities that provide reports to the designated authority in good faith are protected from civil or criminal liability.
4. *The report must not be disclosed to anyone else (5 (6))*
5. Duty to respond timely to written notice by relevant authority – UNSCRIA 14
6. All reports done electronically (goAML)

# Reporting Entities - Obligations

7. All reporting entities can rely on the existing verification and identification procedures used under the TPA and POCA Regulations, for the identification of customers.
8. PF regime is rules-based (*country specific*) rather than risk-based, although risk assessment still required in some way.



# PENALTIES

**Failure to file report & non compliance with directive of the Designated authority**

Parish Court	
Individual –	≤ \$3m and/or 3 yrs
Company –	≤ \$5m

# goAML REPORTS

- UNSCRIA Proscribed Entity Report – without transaction (In Possession but no transaction or NIL)
- UNSCRIA Proscribed Entity Report – In Possession and/ or with transaction

# UNSCRIA Report

## PART A—GENERAL INFORMATION

Report Number:

Type of report:

- Initial report, \_\_\_\_\_  
yy/mm/dd
- Report for period of four calendar months from \_\_\_\_\_ to \_\_\_\_\_  
yy/mm/dd yy/mm/dd
- Report in response to request made by designated authority on \_\_\_\_\_  
yy/mm/dd
- Special report

Reporting Entity:

Name of reporting entity:

Postal address of reporting entity:

Address for service of documents:

Telephone No.(s):

Facsimile No.(s):

E-mail address:

Name of Chief Executive Officer:

Name of person making report (Declarant):

## SCHEDULE, *contd.*

Telephone No.(s):

Type of Entity:

- Foreign company engaged in the business of—
- |  |                                     |                                    |
|--|-------------------------------------|------------------------------------|
| <input type="checkbox"/> Banking           | <input type="checkbox"/> Securities | <input type="checkbox"/> Insurance |
| <input type="checkbox"/> Investment advice | <input type="checkbox"/> Trust      | <input type="checkbox"/> Other     |
- Financial institution:
- |   |   |
|---|---|
| <input type="checkbox"/> Bank                                 | <input type="checkbox"/> Credit Union           |
| <input type="checkbox"/> Building society                     | <input type="checkbox"/> Insurance Intermediary |
| <input type="checkbox"/> Licensed operator of exchange bureau |   |
| <input type="checkbox"/> Money transfer and remittance agents |   |
| <input type="checkbox"/> Other                                |   |
- Insurance company
- Dealer (securities)
- Entity designated by Minister
- Other
- Investment Adviser Securities

# UNSCRIA Digital Form

## PART A – GENERAL INFORMATION

Local Currency Code: JMD

Reporting Entity: Financial Intelligence Unit (FIU)

Entity ID: 1

Report ID: 19682-0-0

Reporting Entity Branch

Reporting Entity Ref #

FIU-JAN-APR-2021

\* Submission Date

05/07/2021



-

\* Reason\*

Customer databased matched against UN Proscribed listing and there was no match.



Action



### ▼ Reporting Person

[Load current user](#)

Title

\* First Name

\* Last Name

Email

Gender

Birth Date

\* TRN

Nationality

Occupation

Passport Number

Passport Country

### ▼ Reporting Entity Location



\* Type

\* Address

Town

\* City

Zip

\* Country

\* State/Parish

# UNSCRIA Report (cont'd)

## PART B

### DETERMINATION:

In respect of the abovementioned reporting period it is determined that \_\_\_\_\_ :—  
(reporting entity)

- IS NOT in possession or control of property owned or controlled by or on behalf of a proscribed entity.
- IS in possession or control of property owned or controlled by or on behalf of a proscribed entity, the particulars of which are set in part C.

### REASON FOR DETERMINATION:

## DIGITAL FORM

### Possible Report Triggers

UNSCRIA - Proscribed Entity Report

UNNIP ✕ UNIR ✕ UNDEC ✕

Code	Possible Report Trigger
<input type="text" value=""/>	<input type="text" value="unscria"/>
<input type="checkbox"/> UNDA	UNSCRIA REPORT TYPE - Response to request made by Designated Authority
<input checked="" type="checkbox"/> UNDEC	UNSCRIA DECLARATION - I hereby declare that the information contained herein, to the best of my knowledge is true, correct and complete
<input checked="" type="checkbox"/> UNIR	UNSCRIA REPORT TYPE - Initial
<input checked="" type="checkbox"/> UNNIP	UNSCRIA DETERMINATION - IS NOT in possession or control of property owned or controlled by or on behalf of a proscribed entity
<input type="checkbox"/> UNPOS	UNSCRIA DETERMINATION - IS in possession or control of property owned or controlled by or on behalf of a proscribed entity
<input type="checkbox"/> UNREG	UNSCRIA REPORT TYPE - Regular
<input type="checkbox"/> UNSP	UNSCRIA REPORT TYPE - Special

# UNSCRIA Report (cont'd)

## PART C

Particulars re property owned or controlled by or on behalf of listed entity NB:  
Complete separate sheets in respect of each listed entity.

### 1. PARTICULARS OF LISTED ENTITY AND SIGNATORIES TO ACCOUNTS (WHERE APPLICABLE)

If individual(s)—

Person's full name(s):

Gender:

Date(s) of birth:

Place(s) of birth:

Passport or ID number(s):

Nationality(ies):

Address(es):

Telephone No. Home:                      Work:                      Mobile:

Occupation/employer:

(If group, trust, partnership or fund or an unincorporated association or organization,  
NAME AND ADDRESS AND REGISTRATION NUMBER):

### 2. PROPERTY INFORMATION (Complete in respect of Assets)

Description of the assets:

Registration or identification number or other identification information:

Value:

Particulars\* of registered owner (if applicable):

### 3. PROPERTY, ASSET OWNER INFORMATION

Particulars\* of listed entity:

Reasons for determining that the property is owned or controlled by the listed entity:

### 4. ACCOUNT INFORMATION

(Complete where assets involve money in an account)

Account number:

Branch:

Type of account:

Date opened:                      Status:  Active  Inactive  Closed

Date closed (if applicable):

### 5. TRANSACTION INFORMATION

(Complete in respect of each transaction involving assets)

Date of transaction(s):                      Transaction amount:

Date of posting(s):                      Transaction currency:

Description of transaction(s):

Particulars of beneficiaries of the transaction:

Particulars\* of person conducting the transaction:

Transaction type (cash/cheque/wire transfer etc.)

Particulars\* of principal, if person conducting the  
transaction is acting as agent:

Particulars\* of other institutions, persons and  
accounts involved:

\*Particulars include name, address, contact number, identification number and any  
other relevant identification information

Name of compliance: \_\_\_\_\_ Signature: \_\_\_\_\_

Officer \_\_\_\_\_ Date: \_\_\_\_\_

Telephone number: \_\_\_\_\_

## PART D—DECLARATION

I/We *A.B.*, solemnly and sincerely declare that, to the best of my/our knowledge and belief, and after making reasonable enquiries, the information contained in this report is accurate and I/we make this solemn declaration conscientiously believing the same to be true, and by virtue of the Voluntary Declarations Act.

# UNSCRIA Digital Form

## PART C – Particulars re: property owned or controlled by or on behalf of a listed entity

UNSCRIA - Proscribed Entity Report

### Activity

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#### Report Parties

Goods and Services

Goods and Services

<b>Item Type is required!</b> <input type="text"/>	Item Make <input type="text"/>	<b>Description is required!</b> <input type="text"/>	Previously Registered To <input type="text"/>
Presently Registered To <input type="text"/>	Estimated Value <input type="text"/>	Status Code <input type="text"/>	Disposed Value <input type="text"/>
Currency Code <input type="text"/>	Size <input type="text"/>	Size UOM <input type="text"/>	Registration Date <input type="text" value="dd/MM/yyyy"/>
Registration Number <input type="text"/>	Identification Number <input type="text"/>	Comments <input type="text"/>	Status Comments <input type="text"/>

Street Address

# UNSCRIA Digital Form

## PART C – Particulars re: property owned or controlled by or on behalf of a listed entity

Transaction UNSCRIA - Prescribed Entity Report with Transactions

\* Transaction #  
TRN-W-20210705-00001

Reporting Entity Transaction #

Transaction Type is required!

Comment if Other

Local Amount (IMD) is required!

Transaction Date is required!  
dd/MM/yyyy

\* Late/Night Deposit?

Posting Date  
dd/MM/yyyy

Teller

Authorized By

Location/Branch is required!

Source of Funds

Comments

From + Account Account (My Client) + Person Person (My Client) + Entity Entity (My Client)

To + Account Account (My Client) + Person Person (My Client) + Entity Entity (My Client)

+ Goods and Services

Goods and Services

Item Type is required!

Item Make

Description is required!

Previously Registered To

Presently Registered To

Estimated Value

Status Code

Disposed Value

Currency Code

Size

Size UOM

Registration Date  
dd/MM/yyyy

Registration Number

Identification Number

Comments

Status Comments

+ Street Address



*Thank  
You!*

