

Caribbean Financial Action Task Force Plenary Meeting

Hilton Rose Hall Resort and Spa, Montego Bay

WELCOME MESSAGE

Brian Wynter

Governor, Bank of Jamaica

8 June 2016

Chair of CFTAF, the Honourable Faris Al Rawi, Deputy Chair, the Honourable Rhondalee Knowles, visiting Ministers and Attorneys General, Attorney General of Jamaica, the Honourable Marlene Malahoo-Forte, Minister of State in Jamaica's Ministry of Finance and the Public Service, the Honourable Fayval Williams, ambassadors and members of the diplomatic corps, Executive Director of CFATF, Mr Calvin Wilson, Custos of St James, the Honourable George Corrodes, members of the consular corps, delegates of CFATF, specially invited guests, ladies and gentlemen, good morning and a warm welcome to Jamaica and the forty-third CFTAF plenary meeting.

This meeting is taking place at a time when AML/CFT matters are attracting greater attention. The problem of de-risking, or of correspondent banking relationships, is an unfolding process that is truly consequential (and not in a good way) for the path of sustainable development within a globally interconnected world. This problem is now closer than ever to the centre of the stage in world affairs. That the phenomenon is a consequence of the AML/CFT process is not in doubt although it is a complex issue that must admit a number of other causative factors. Our members are amongst the countries most affected by this enveloping danger.

The Government of Jamaica and Bank of Jamaica have taken an active interest in the matter and have engaged with the correspondent banks, their regulators, their governments and the multilateral financial institutions in an effort to resolve the problem. And we have not been the only ones to do so. Earlier this year, Bank of Jamaica collaborated with the United States Treasury Department to host the US-Caribbean Public-Private Dialogue on Correspondent Banking in order to sensitise correspondent banks, respondent banks and US and Caribbean

regulators to the regulatory environment in the Caribbean and in order to establish a dialogue as the basis for discovering solutions. While there is not much that we can be happy about at this stage, we take heart that the matter is now firmly on the agenda of the responsible organs and, indeed, we will be discussing it during this plenary meeting and in others to come.

Jamaica recently completed its fourth round mutual evaluation exercise and is now working with the assessors to have the report finalised. I look forward to a favourable scorecard as we have sought to ensure that the appropriate AML/CFT laws are passed and that the processes, procedures and resources to implement them are in place.

We have made much progress since the onsite portion of the mutual evaluation exercise in June last year. The Banking Services Act, brought into effect in September 2015, updates and consolidates the supervisory framework for deposit-taking institutions and extends the regulatory framework to financial holding companies. It provides full supervisory autonomy to the central bank and brings Jamaica into closer compliance with international supervisory principles.

Bank of Jamaica's AML/CFT guidance notes have been substantially updated to take account of amendments to the AML/CFT laws, the United Nations Security Council Resolutions Implementation Act and the revised FATF 40 Recommendations. Once the consultation process currently in train is completed at the end of June 2016, the revised guidance notes will be finalised and issued.

Before closing this welcome, I would like to touch on a different issue. Jamaica has embarked on an initiative to develop a national strategy on financial inclusion. This strategy is aimed at increasing the uptake and use of financial products and services by underserved individuals, farms and micro, small and medium-sized firms. Apart from the obvious justification on grounds of equity and social cohesion, the initiative is motivated by a recognition that growth that is sustainable must be growth that is inclusive. Relevant also is the fact that financial exclusion is a money laundering and terrorism financing risk and that financial inclusion can contribute to a more effective AML/CFT regime. A number of initiatives to facilitate financial inclusion in Jamaica are already underway but a key challenge will be how to

strike the correct balance between universal access to the financial system and safeguarding it from abuse through money laundering and the financing of terrorism. Having this challenge recognised in the practical, on-the-ground elements of the AML/CFT enterprise is an important task that we would like to see advanced through FATF, the FSB and other competent bodies.

In closing, I again welcome you to Jamaica and to hope that you have a productive plenary.

Thank you.