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Preface

Aim of the NRA

Jamaica's Third National Risk Assessment (NRA3), covering the period 2020 to 2025, represents the continued comprehensive iteration of the country's ongoing commitment to identifying, assessing, and understanding money laundering (ML), terrorist financing (TF), proliferation financing (PF) risks and the nexus with predicate offences and the financial system. NRA3 builds on the foundation established in NRA2 (2016–2019) published in 2021, while reflecting advancements in data collection, sectoral engagement and the integration of emerging risk areas into the national AML/CFT/CPF framework.

As in NRA2, the overarching aim remains to strengthen Jamaica's risk-based approach to Anti-Money Laundering/Countering the Financing of Terrorism/Countering Proliferation Financing (AML/CFT/CPF) supervision, enabling the continued targeted deployment of resources to areas of highest risk and vulnerability. Pivoting on the gains realized in NRA2, NRA3 is shaped by enhanced supervisory maturity, better-aligned inter-agency coordination and the expanded scope of a PF risk assessment. It also incorporates an updated virtual assets (VAs) and virtual assets service providers (VASPs) risk assessment, aligned with evolving Financial Action Task Force (FATF) standards and international best practices.

The NRA3 findings will be disseminated among competent authorities, law enforcement agencies, regulators and private sector stakeholders. It will also be accessible to the public to support broader awareness of ML/TF/PF threats and vulnerabilities. Importantly, as occurred with NRA2, the NRA3 recommendations will feed directly into policy, legislative and operational reforms and will form the backbone of sectoral action plans designed to close identified gaps and institutionalise continuous improvement mechanisms.

Foreword & Acknowledgements

As occurred with the previous risk assessments, Jamaica's NRA3 was led with clear political backing from the Minister of Finance and the Public Service, who sponsors the national AML/CFT/CPF agenda and receives progress updates via the National Anti-Money Laundering Committee (NAMLC), which reports to the Minister. Execution accountability for NRA 3 rested with the NAMLC functioning through its Sub-committee on National Risk Understanding and supported by the Prime Contact Secretariat (PCS), hosted by Bank of Jamaica. Jamaica's Prime Contact, Ms Maurene Simms, provided strategic oversight. The NAMLC Sub-Committee on National Risk Understanding, co-chaired by Dr. Jide Lewis, Ph.D., CFA, FRM (Deputy Governor & Deputy Supervisor of Banks, BOJ) and the Chief Technical Director of the Financial Investigations Division – formerly Mr. Ordinor Tucker and currently Mr. Dennis Chung – ensured policy direction, inter-agency coordination, and accountability.

A dedicated NRA3 Working Group (WG) was established within BOJ's Financial Institutions Supervisory Division (FISD), drawing on the PCS, the AML/CFT Department, the Financial Analysis & Monitoring Department and the Financial Stability Department. The WG, chaired by Dr Jide Lewis, included: Mr Gerron Thomas, M.Sc., CAMS, CISA (Financial Advisor); Ms Hope Wint, CFA, FRM (Financial Advisor; DNFBPs and non-financial lead); Mr Kimar Findlater, CAMS, CRMA, FMVA (Financial Advisor; financial-sector lead); Mrs Susan Watson Bonner, LL.B., LEC (Legal Advisor); Mr Joel Jackson, M.Sc. (Financial Expert), BSc. ; Ms Genel Archer, M.Sc. (Dist.) (Financial Analyst), BSc. (Hons); and Mr. Esmond McLean, M.Sc. Econ., M.A. (Macroeconomic Risk Advisor), B.Sc. Each competent authority (e.g., FID, FSC, DNFBP supervisors and other agencies) formed mirrored sub-working groups to own data collection, analysis and drafting, with the WG providing methods, templates and feedback.

The project followed a structured, agile cadence: early data-gap analysis, instrument design (ORBS and survey tools), targeted research, and iterative drafting; weekly WG checkpoints; bilateral sessions with subject-matter experts and agency heads; and periodic cross-sector retreats to reconcile ratings and

recommendations. NAMLC maintained strategic alignment through regular bi-monthly reviews. The PCS underpinned the effort with strong programme management and governance hygiene (scheduling, records, version control). The result is a coordinated, evidence-based NRA reflecting whole-of-government input and sector participation while meeting international methodological standards.

Foreword by the Minister of Finance, The Hon. Fayval Williams

Minister of Finance and the Public Service, sponsor of the National Anti-Money Laundering Committee (NAMLC)

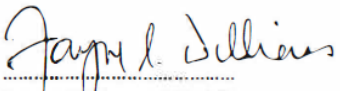
As a responsible member of the global community, Jamaica recognizes that money laundering (ML), terrorism financing (TF) and proliferation financing (PF) are transnational threats that demand a coordinated global response. Accordingly, Jamaica has committed to implementing and adhering to the international standards for anti-money laundering, countering the financing of terrorism and countering proliferation financing of weapons of mass destruction (AML/CFT/CPF), established by the Financial Action Task Force (FATF), the global standard-setting body. We acknowledge that alignment with these standards, through an effective and well-functioning AML/CFT/CPF regime, is fundamental to meaningful participation in the global financial system and continued access to its opportunities.

In demonstrating our commitment to the continuous strengthening of our AML/CFT/CPF framework, several critical pieces of legislation were promulgated between 2021 (following NRA2) and 2024. These reforms significantly enhanced our national framework and supported Jamaica's removal from the FATF greylist. Key measures included the enactment of the Microcredit Act and its accompanying Regulations; the Trust and Corporate Service Providers Act, along with consequential amendments to the Trust Act; the Charities Regulations; and important amendments to the Companies Act to enhance the transparency of Beneficial Ownership of legal persons, in line with evolving global standards. Through the targeted legislative reforms to the Companies Act and the Trust and Corporate Service Providers Act, Jamaica has achieved full compliance with FATF Recommendations 24 and 25 an achievement that remains uncommon across the global network.

Jamaica's strong performance in advancing its AML/CFT/CPF regime in recent years also resulted in an invitation from the FATF to participate, under its own flag, in the FATF's Guest Initiative for members of FATF-Style Regional Bodies (FSRBs). This opportunity has provided valuable insight into the workings of FATF and enabled Jamaica to contribute meaningfully to the global AML/CFT/CPF dialogue through active participation in working groups and plenary discussions. Through the coordinated efforts of our agencies, under the NAMLC, and through sustained engagement at the regional and international levels, Jamaica continues to help shape the evolving AML/CFT/CPF agenda.

Through this comprehensive update of the third iteration of our National Risk Assessment (NRA3), covering the period 2020 to 2025, Jamaica further demonstrates its commitment to strengthening its AML/CFT/CPF regime. The NRA identifies the country's principal ML, TF and PF threats and vulnerabilities and provides a strategic foundation for policymakers, law enforcement authorities, competent authorities, the designated authority, registries and the private sector to implement targeted and proportionate mitigation measures. With this enhanced understanding of national risks, Jamaica is better positioned to allocate resources to higher-risk sectors and professions to sustain a dynamic, risk-based national programme for strengthening its AML/CFT/CPF framework.

The Government of Jamaica remains steadfast in its commitment to the continuous improvement and long-term sustainability of our AML/CFT/CPF regime, as we work to ensure that Jamaica remains a trusted, well-regulated jurisdiction and the place of choice to live, work, raise families and do business.



The Hon. Fayval Williams, CFA, MP
Minister of Finance and the Public Service

Foreword by the Prime Contact Secretariat, Ms. Maurene Simms

Prime Contact to the CFATF and Chair of Jamaica's National Anti-Money Laundering Committee (NAMLC)

The National Anti-Money Laundering Committee (NAMLC), which I currently Chair, has responsibility for the coordination and strategic direction of Jamaica's national framework to combat money laundering, terrorist financing, and proliferation financing (AML/CFT/CPF). Central to this mandate is an unwavering commitment to the continuous strengthening and refinement of Jamaica's AML/CFT/CPF) regime.

In furtherance of this objective, the NAMLC has advanced targeted initiatives to enhance our national AML/CFT/CPF oversight, deepen risk understanding and promote sustained programme effectiveness. Among these is the establishment of a dedicated Sub-Committee on Risk, tasked with maintaining an on-going evidence-based appreciation of Jamaica's evolving risk landscape to inform proportionate and timely policy responses. This Sub-Committee is jointly chaired by Bank of Jamaica, in its capacity as the primary supervisor of the financial sector, and the Financial Investigations Division (FID), Jamaica's Designated Authority, and is supported by the NAMLC Prime Contact Secretariat.

This Third National Risk Assessment (NRA3), covering the period 2020 to 2025, identifies and analyses Jamaica's money laundering (ML), terrorism, terrorism financing (TF) and proliferation financing (PF) threats and vulnerabilities. The findings contained herein provide the analytical foundation for targeted enhancements to our legislative, regulatory and operational frameworks. Implementation of the recommended measures will be coordinated through the NAMLC, with the full engagement of policymakers, competent authorities and the Designated Authority.

The preparation of NRA3 reflects extensive consultation and collaboration across ministries, competent authorities, law enforcement agencies, registrars, tax authorities, and private-sector stakeholders. This breadth of engagement underscores the maturity of Jamaica's AML/CFT/CPF architecture and the strength of inter-agency coordination facilitated through the NAMLC framework.

We remain committed to further refining our methodologies, strengthening data integrity, and enhancing the quality of risk analysis to ensure that our national responses remain dynamic, proportionate and effective. Through the NAMLC Prime Contact Secretariat, the risks identified in this report will be actively monitored and sustained coordination will be maintained among policymakers, competent authorities, law enforcement agencies, and the private sector.

On behalf of the NAMLC, I extend sincere appreciation to the Co-Chairs of the NAMLC Sub-Committee on Risks, the NRA3 Core Team and all participating agencies for their diligence and professionalism in completing this assessment. The successful completion of NRA3 is a testament to collective resolve and to Jamaica's enduring commitment to safeguarding the integrity of its financial system.

Maurene A. Simms, CD
Prime Contact to the CFATF and Chair of Jamaica's National Anti-Money Laundering Committee (NAMLC)

Foreword by the National Anti-Money Laundering Sub-Committee Co-Chair, Dr. Jide Lewis

NAMLC Sub-Committee on National Risk Understanding

Jamaica's Third National Risk Assessment (NRA3) is fundamentally about risk understanding – building a shared, evidence-based view of where illicit value is generated, how it moves, and where the financial system and wider economy remain exposed. A shared and coherent understanding of risk enables supervisors and competent authorities to apply a truly risk-based approach: prioritizing the highest-risk sectors, calibrating supervisory intensity, and directing remediation where it will have the greatest national impact.

In addition to the core sectoral and national modules, NRA3 deliberately strengthened risk understanding through thematics – targeted studies that tested assumptions, explained risk drivers, and illuminated cross-cutting typologies that do not sit neatly within a single sector. These thematics ensured that "risk" was not interpreted in silos, but understood as a connected ecosystem across cash, payment rails, trade, emerging markets, and predicate threats.

A clear example is the work on cash, which was underpinned by three thematic studies – (i) the ABMs thematic, (ii) the Remittances thematic, and (iii) the Bulk Cash thematic – collectively helping Jamaica distinguish legitimate cash drivers (household needs, diaspora inflows, tourism and regulated bulk movements) from vulnerabilities that may be exploited for ML/TF.

Beyond cash, additional thematics – such as the evolution of bank fraud and cyber risks, cannabis (and its integration into the formal economy), and trade-based money laundering – brought complementary operational and sectoral perspectives that sharpened the national risk picture and strengthened the evidence base for supervisory prioritisation and mitigation planning.

As co-chair, and in my role overseeing the supervision of financial groups, banks, credit unions, and microcredit institutions, I saw first-hand that delivering NRA3 required more than methodology – it required disciplined execution and whole-of-country coordination. Through the Primary Working Group and the wider NAMLC working-group architecture, agencies aligned on definitions, data standards, scoring rationales and quality assurance – so that the final outputs are both defensible and usable for supervisory and policy purposes.

I extend appreciation to our partners across government and the private sector, whose timely participation strengthened the evidence base and improved the precision of our conclusions. This report stands as a national coordination deliverable – intended to guide priorities, strengthen resilience, and translate risk signals into supervisory action.

Dr. Jide Lewis, Ph.D., CFA, FRM
Deputy Governor & Deputy Supervisor of Banks, Bank of Jamaica
Co-Chair, NAMLC Sub-Committee on National Risk Understanding

Foreword by the National Anti-Money Laundering Sub-Committee Co-Chair, Mr. Dennis Chung

NAMLC Sub-Committee on National Risk Understanding

The NRA3 reinforces a central truth: risk understanding is only as strong as national coordination and intelligence-led action. A credible national risk picture enables Jamaica to align prevention, detection, investigation, and prosecution around the same priorities – so that risk is not merely described, but actively reduced through targeted interventions.

From the perspective of the Financial Investigations Division (FID), this assessment strengthens how we convert data into actionable intelligence – linking reporting, typologies, and enforcement outcomes to the risks identified across sectors. Equally, it improves how we coordinate across law enforcement, the courts, competent authorities and other key strategic partners to close gaps, validate assumptions, and ensure that national findings translate into operational follow-through.

The governance structure supporting NRA3 – anchored by the NAMLC Sub-Committee and delivered through coordinated working groups – made it possible to reconcile datasets, document justifications, and maintain the integrity of the evidence base.

This is the value of coordination: it produces a single, trusted baseline for decision-making and a platform for sustained improvements in effectiveness.

I commend all agencies and stakeholders that contributed to this national effort and reaffirm the FID's commitment to using NRA3 to sharpen intelligence, strengthen inter-agency collaboration, and support measurable AML/CFT/CPF outcomes.

Mr. Dennis Chung, MSc, FCA, JP
Chief Technical Director, Financial Investigations Division
Co-Chair, NAMLC Sub-Committee on National Risk Understanding

The third iteration of the National Risk Assessment (NRA3) of Jamaica was conducted using the National Money Laundering and Terrorist Financing (ML/TF) Risk Assessment Tool developed and provided by the World Bank.

This Annex forms part of, and is to be read as one with, the NRA Report. Readers are encouraged to consult the Annex, which contains the underlying data tables and charts that validate the analysis in the main body. The Annex provides transparency into how the NRA's conclusions and ratings were derived, ensuring confidence in the evidence base.

Methodology Used

Jamaica's Third National Risk Assessment (NRA3), covering the period 2020–2025, applied a rigorous, data-driven, and internationally benchmarked methodology to evaluate the country's exposure to money laundering (ML), terrorist financing (TF), and proliferation financing (PF) risks. The process was led by the National Anti-Money Laundering Committee (NAMLC) through its Sub-Committee on National Risk Understanding, coordinated by the Prime Contact Secretariat (PCS) located at Bank of Jamaica (BOJ). The assessment was executed using the World Bank ML/TF Risk Assessment Tool (version 2.0), aligned with the Financial Action Task Force (FATF) 2022 Revised Methodology, to ensure consistency with international standards. The NRA3 employed both qualitative and quantitative analysis across eight core modules encompassing national context, ML/TF/PF threats, sectoral vulnerabilities, supervisory and policy effectiveness, legal persons and arrangements, and cross-cutting risks such as beneficial ownership and cash usage. Several entities from the public and private sectors participated in the process, generating more than 1,200 quantitative data points and 600 qualitative inputs. These were triangulated with supervisory findings, suspicious transaction reports (STRs), and enforcement statistics from agencies, including the Financial Investigations Division (FID), Jamaica Constabulary Force (JCF), and Office of the Director of Public Prosecutions (ODPP). Validation was conducted through inter-agency peer review under NAMLC. The result is the most comprehensive and evidence-based national risk profile produced to date, integrating both inherent and residual risk perspectives across all sectors, including new entrants such as Trust and Corporate Service Providers (TCSPs), Microcredit Institutions (MCIs), and Virtual Asset Service Providers (VASPs).

Jamaica's Threat and Vulnerability Landscape (2021 – 2025)

Between 2021 and 2025, Jamaica's threat and vulnerability landscape reflected the coexistence of non-trivial criminal value generation and a progressively more selective, mature, and effective control environment for sectors falling under AML/CFT obligations. Above-average predicate threats – particularly narcotics trafficking, fraud, and cyber-enabled crime – continued to generate non-trivial illicit proceeds. However, their interaction with the formal financial system became increasingly constrained as supervisory, enforcement, and institutional responses strengthened.

The inherent money-laundering threat from narcotics trafficking remained elevated throughout the period, reflecting Jamaica's geographic exposure and the scale of regional drug flows. Nevertheless, operational responses and confiscation outcomes became increasingly proportionate and strategically aligned with the risks faced. Steady interdiction, prosecution, and asset recovery outcomes point to a maturing enforcement framework rather than systemic weakness. Coordinated anti-gang operations, targeted border controls, and improved financial investigations enhanced the national capacity to trace, restrain, and confiscate narcotics-related proceeds, contributing to effective containment of this high-threat predicate.

In parallel, Jamaica's banking sector significantly strengthened fraud and cyber-risk management. Accelerated improvements in digital controls, enhanced authentication protocols, and improved transaction monitoring reduced vulnerabilities across core payment channels. Supervisors played a central role by setting clear expectations, testing implementation, and requiring timely remediation. Through targeted reviews, data-driven off-site monitoring, and continuous engagement, supervisory authorities improved consistency across institutions and increased the cost of non-compliance. These measures ensured that controls were operational rather than merely documented.

As vulnerabilities narrowed in high-frequency digital channels, fraud risks did not disappear completely but became less systemic. From 2023 onward, banks embedded cyber-resilience frameworks, improved alert calibration, and participated in scenario testing exercises, including those related to proliferation and operational risks. By 2025, strengthened controls, enhanced intelligence sharing, and sustained enforcement activity contributed to observable reductions in misuse of banking product channels and improved overall financial system resilience.

Criminal behaviour adapted to these developments. Rather than fully exiting the formal system, malicious actors adjusted methods as high-frequency low-value digital fraud became harder to scale. This prompted a shift toward lower-frequency but higher-value legacy methods, such as cheque forgery, and more physical, operationally intensive crimes, including attacks on cash-in-transit services and banking infrastructure. These adaptations carried higher operational risk and exposure for perpetrators, reduced scalability, and triggered faster law enforcement responses. Overall, criminal activity became more constrained, fragmented, and costly, indicating that defensive measures materially narrowed viable avenues for abuse.

At the same time, criminal actors increasingly relied on cash-intensive, informal, and trade-based mechanisms, signaling both the scale of proceeds and the narrowing accessibility of regulated financial channels. Enforcement, supervision, and financial investigation continued to mature, producing meaningful restraint of criminal assets and reinforcing deterrence. As a result, the vulnerabilities identified under the previous NRA diminished in scale and nature. Residual risks now lie less in institutional fragility and more in persistent cash dependence, cross-border exposure, and uneven depth of financial investigations.

Within this context, criminal reliance on Jamaica's remittance sector declined markedly. Intensified regulatory oversight, improved customer due diligence, automated screening, and closer supervisory scrutiny reduced the sector's attractiveness as a laundering conduit. As detection risks increased, illicit actors curtailed use of remittance services and shifted toward alternative, less regulated or more operationally intensive channels. This reflects a sustained reduction in the sector's viability for money laundering, consistent with improved control effectiveness and deterrence rather than displacement within the sector.

Similarly, between 2021 and 2025, the Cambio sector strengthened AML/CFT controls under closer supervision while continuing to support legitimate foreign exchange supply, particularly linked to tourism. Enhanced governance, reporting, and transaction transparency reduced vulnerabilities, while enforcement actions addressed unlicensed or non-compliant operators. The sector continued to be a more secure and compliance-driven conduit for legitimate foreign currency flows, with declining attractiveness for illicit activity despite its ongoing economic importance.

As controls within the regulated financial sector tightened, there were emerging indications of potential diffusion of illicit value into Designated Non-Financial Businesses and Professions (DNFBPs) and asset-based channels where transaction opacity can be higher and supervisory reach more fragmented. Real estate development, motor vehicle trade, selected professional services, and trade-based money laundering linked to construction inputs and vehicle imports represent nascent areas of attraction for mal-actors. The risk, however, lies in episodic attempts by criminal actors at sectoral seams where intelligence, licensing, and conduct oversight intersect.

Overall, Jamaica's threat and vulnerability landscape is best understood as one of potential diffusion rather than systemic displacement. Strengthened AML/CFT controls within the financial sector have materially reduced misuse of regulated channels. The policy imperative going forward is to move from fragmented intelligence gathering toward integrated intelligence development, investigations, and prosecutions where both the predicate offences and money laundering offences are successfully prosecuted and even more ill-gotten assets are seized. Building on recent institutional gains, enhanced inter-agency coordination, technology, and specialized skills will be critical to converting risk signals into timely supervisory action, asset recovery, and demonstrable AML/CFT effectiveness, thereby embedding and hardening national resilience against evolving financial crime typologies.

Overall Risk Score for Jamaica

The overall residual money laundering risk score for Jamaica is assessed as **Medium** for 2025, down from Medium-High in 2021, confirming tangible progress in risk management, supervision, and institutional coordination (see **National Money Laundering Threats & Vulnerabilities**). The money laundering risk remains medium, reflecting continuing exposure to fraud, corruption, and cash-based activity, though offset by stronger preventive measures.

The national ML vulnerability score is determined by the overall ML vulnerability of regulated sectors conducting financial services as well as DNFBPs, coupled with the country's ability to combat ML exposures. To better understand the national ML vulnerability rating, an increase in sectoral ML vulnerability results in a direct increase in national ML vulnerability. Conversely, if the country's ability to combat ML at a national level increases, this tempers overall national ML vulnerability.

To compute the national ML risk score, the country's national ML vulnerability rating is combined with the national ML threat rating. This national ML threat rating contemplates the level of ML threats to the country, domestically and abroad based on predicate ML offences, ML investigations, ML prosecutions and ML convictions.

National Money Laundering Threats & Vulnerabilities

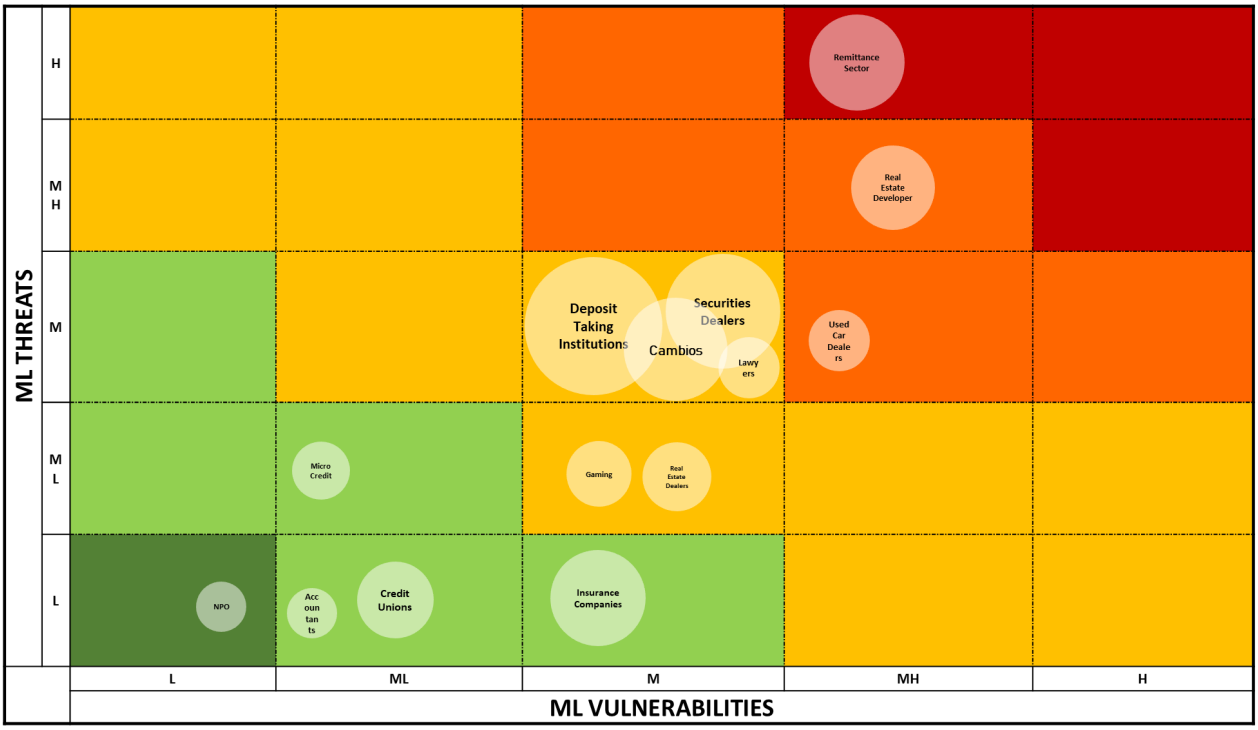
	ML Risk Scores		
	2021	2025	Direction
National Vulnerability to ML	**Medium-High**	**Medium**	↓
	0.60	**0.43**	**0.17**
National ML Combating Ability	*Medium*	*Medium-High*	↑
	0.40	*0.72*	*0.32*
Overall Sectoral ML Vulnerability	*Medium-High*	*Medium*	↓
	0.61	*0.58*	*0.03*
National ML Threat	**Medium-High**	**Medium**	↓
Domestic ML Threat	*Medium-High*	*Medium*	↓
ML Threat from Abroad	*High*	*Medium*	↓
ML Threat with Unidentified Origin	*Medium*	*Medium-Low*	↓
National ML Risk Score	**Medium-High**	**Medium**	↓

The terrorist financing risk remains **low** due to the absence of domestic terrorist networks and the robustness of targeted financial sanctions implementation. Proliferation financing risk is also low, supported by the operationalisation of the Proliferation Financing Risk Assessment (PFRA) and the strengthened United Nations Security Council Resolutions (UNSCRIA) framework. Collectively, these findings indicate that Jamaica's AML/CFT/CPF regime is proportionate, increasingly effective, and guided by a whole-of-government risk-based approach. The system has evolved from one focused primarily on remediation to one characterized by consolidation, validation, and assurance.

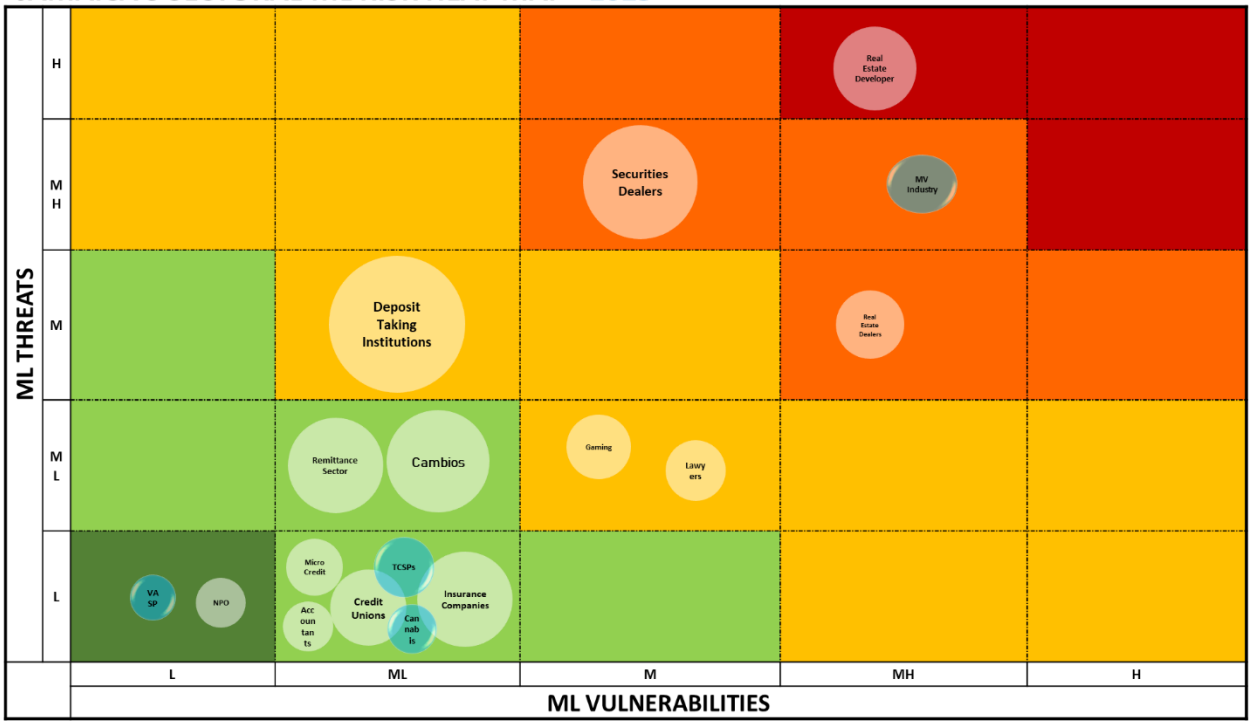
In conclusion, Jamaica's NRA3 (2025) confirms that the national AML/CFT/CPF architecture is more resilient, coordinated, and risk-responsive than at any prior stage. The reduction in residual risk across multiple sectors, expansion of supervisory coverage, and the enhancement of governance culture reflect a maturing compliance environment that positions Jamaica favourably for its upcoming FATF mutual evaluation and for sustaining long-term financial integrity.

ML/TF/PF Risk Ratings & Heatmaps (2021 vs 2025)

JAMAICA'S SECTORAL ML RISK HEAT MAP - 2021



JAMAICA'S SECTORAL ML RISK HEAT MAP - 2025



***Newly assessed sectors highlighted in blue.**

Top Sectoral Threats & Key Vulnerabilities

Sector	Sector's Vulnerability to ML		Sector's ML Threats		Overall Sector Risk Score	
	2021	2025	2021	2025	2021	2025
Deposit Taking Institutions (DTIs) (includes Commercial Banks, Merchant Banks and Building Societies)	Medium	Medium-Low	Medium	Medium	MEDIUM	MEDIUM
Securities Dealers	Medium	Medium	Medium	Medium-High	MEDIUM	MEDIUM-HIGH
Life Insurance Companies	Medium	Medium-Low	Low	Low	MEDIUM-LOW	MEDIUM-LOW
Remittance	Medium-High	Medium-Low	High	Medium-Low	HIGH	MEDIUM-LOW
Cambios	Medium	Medium-Low	Medium	Medium-Low	MEDIUM	MEDIUM-LOW
Credit Unions	Medium-Low	Medium-Low	Low	Low	MEDIUM-LOW	MEDIUM-LOW
Microcredit Institutions	Medium-Low	Medium-Low	Not Assessed	Low	N/A	MEDIUM-LOW
Real Estate Dealers	Medium	Medium-High	Medium-Low	Medium	MEDIUM	MEDIUM-HIGH
Gaming	Medium	Medium	Medium-Low	Medium-Low	MEDIUM	MEDIUM
Public Accountants	Medium-Low	Medium-Low	Low	Low	MEDIUM-LOW	MEDIUM-LOW
Attorneys-at-Law	Medium	Medium	Medium	Medium-Low	MEDIUM	MEDIUM
Trust & Company Service Providers	Medium	Medium-Low	Not Assessed	Low	N/A	MEDIUM-LOW
Virtual Assets and Virtual Asset Service Providers	Not Assessed	Low	Not Assessed	Low	N/A	LOW
Real Estate Developers	Medium-High	Medium-High	Medium-High	High	MEDIUM-HIGH	HIGH
Motor Vehicle Industry (previously Used Car Dealers)	Medium-High	Medium-High	Medium	Medium-High	MEDIUM-HIGH	MEDIUM-HIGH
Non-Profit Organizations	Low	Low	Low	Low	LOW	LOW
Medicinal Cannabis Industry	Not Assessed	Medium-Low	Not Assessed	Low	N/A	MEDIUM-LOW

Estimated Sector Size

Sector	Expressed as a % of GDP	
	2019 (Reported)	2024
Deposit Taking Institutions (DTIs) (includes Commercial Banks, Merchant Banks and Building Societies)	85	80.3
Securities Dealers	30.7	40.8
Life Insurance Companies	16.0	13.4
Remittance Companies (Inflows)	12.2	13.1

Cambios	23.2	21.4
Credit Unions	5.8	5.6
Microcredit Institutions	1.3	2.0
Real Estate Dealers	1.8	3.8
Gaming	0.3	0.3
Public Accountants	N.A.	N.A.
Attorneys-at-Law	N.A.	N.A.
Trust & Company Service Providers	*Not Assessed*	15.24
Virtual Assets and Virtual Asset Providers	*Not Assessed*	~0.01
Non-Profit Organizations	0.69	2.1

Part I — Context, Governance & Methodology

Introduction & Scope of NRA3

The Third National Risk Assessment (NRA3) builds on the collaborative foundations of the NRA2 while deepening cross-sector integration and analytical rigour. Anchored within the national AML/CFT/CPF architecture, NRA3 convened critical public institutions – including the Financial Investigations Division (FID), Jamaica Constabulary Force (JCF), Major Organized Crime & Anti-Corruption Agency (MOCA), Ministry of Justice, Ministry of National Security, Bank of Jamaica (BOJ) (including the Prime Contact Secretariat), Financial Services Commission (FSC), Betting Gaming & Lotteries Commission (BGLC), Casino Gaming Commission, Jamaica Customs Agency (JCA), Companies Office of Jamaica (COJ), Tax Administration Jamaica (TAJ), Real Estate Board (REB), Public Accountancy Board (PAB), Trade Board, Cannabis Licensing Authority (CLA), and the Department of Co-operatives & Friendly Societies (DCFS) – among others. This whole-of-government approach ensured consistency in method, data standards, and supervisory relevance across the assessment.

The scope of NRA3 extends beyond the regulated perimeter assessed in NRA2. In addition to financial institutions and Designated Non-Financial Businesses and Professions (DNFBPs), the assessment incorporates emerging risk areas such as virtual assets (VAs) and virtual asset service providers (VASPs), in line with the Financial Action Task Force's (FATF) enhanced expectations under Recommendation 15 and Jamaica's objective to anticipate technological and market evolution. NRA3 also strengthens the evidentiary base by triangulating supervisory returns, ORBS (Online Risk-Based System) outputs, thematic studies, and institution-level risk assessments, enabling calibrated threat/vulnerability judgments and actionable residual-risk ratings.

NRA3 therefore functions as both an evidence-based diagnostic and a coordination instrument: it sets sectoral risk ratings and rationales, identifies gaps and proposes targeted actions that regulators and market participants can operationalize without undermining financial inclusion or innovation. A full listing of contributors and participating entities appears in Annex L: List of Participants, reflecting the breadth of national collaboration that underpins this assessment.

Governance & Project Management

Building on the lessons from NRA2, NRA3 adopted a structured, multi-stage approach to data collection, designed to ensure the completeness, accuracy and analytical usefulness of the datasets underpinning the assessment. Recognizing that data sufficiency is critical to the integrity of the World Bank methodology, the process undertaken was as follows:

Data Gap Analysis and Mapping

At the outset, the NRA3 Working Group (WG) conducted a comprehensive data gap analysis across all participating competent authorities, DNFBPs, and other relevant agencies. This exercise mapped the:

- Existing in-house datasets held by each authority and agency;
- Data categories available in raw or processed form; and
- Specific gaps where data either did not exist, were incomplete or were not maintained in a form suitable for NRA analysis.

The findings were compiled into a Gap Report, which served as the blueprint for targeted data gathering efforts.

Survey Instrument Design and Deployment

For data points not available in-house, the NRA3 WG developed tailored survey instruments:

- ORBS was the primary platform, allowing for secure, structured, and standardized data submission across multiple agencies and sectors.

- SurveyMonkey was employed for certain sectors and use cases where flexibility and rapid deployment were more practical.
- Some authorities and agencies already had an in-house survey mechanism which was also relied on.

Survey questions were designed with reference to the World Bank NRA Tool variable definitions, ensuring that responses could be directly mapped into the analytical framework.

Collaborative Data Clarification

Extensive collaborative meetings were held with competent authorities and sector representatives to:

- Confirm the accuracy and scope of requested datasets;
- Refine definitions and align terminology with international AML/CFT/CPF standards;
- Address interpretational variances across agencies.

Data Receipt and Validation

Upon receipt of data, data validation meetings were convened with the originating agency/ authority to test:

- Veracity – confirming the authenticity and source integrity of the data;
- Accuracy – ensuring figures, classifications and timelines aligned with agency/ authority records; and
- Usefulness – confirming that the data met the analytical needs of the NRA and the variable requirements of the World Bank Tool.

This stage was critical to reducing the risk of inconsistencies and inaccuracies, particularly where multiple agencies contributed to the same sectoral dataset, for example, in relation to common variables.

Data Collation and Synthesis

Validated datasets were centrally collated in the National NRA Data Repository, established during NRA2 and made fully operational in NRA3. The datasets were synthesized across agencies to identify:

- Cross-sectoral linkages and thematic patterns;
- Aggregate and comparative statistics; and
- Residual gaps requiring proxy data or secondary sources.

Supplementation with Thematic Studies

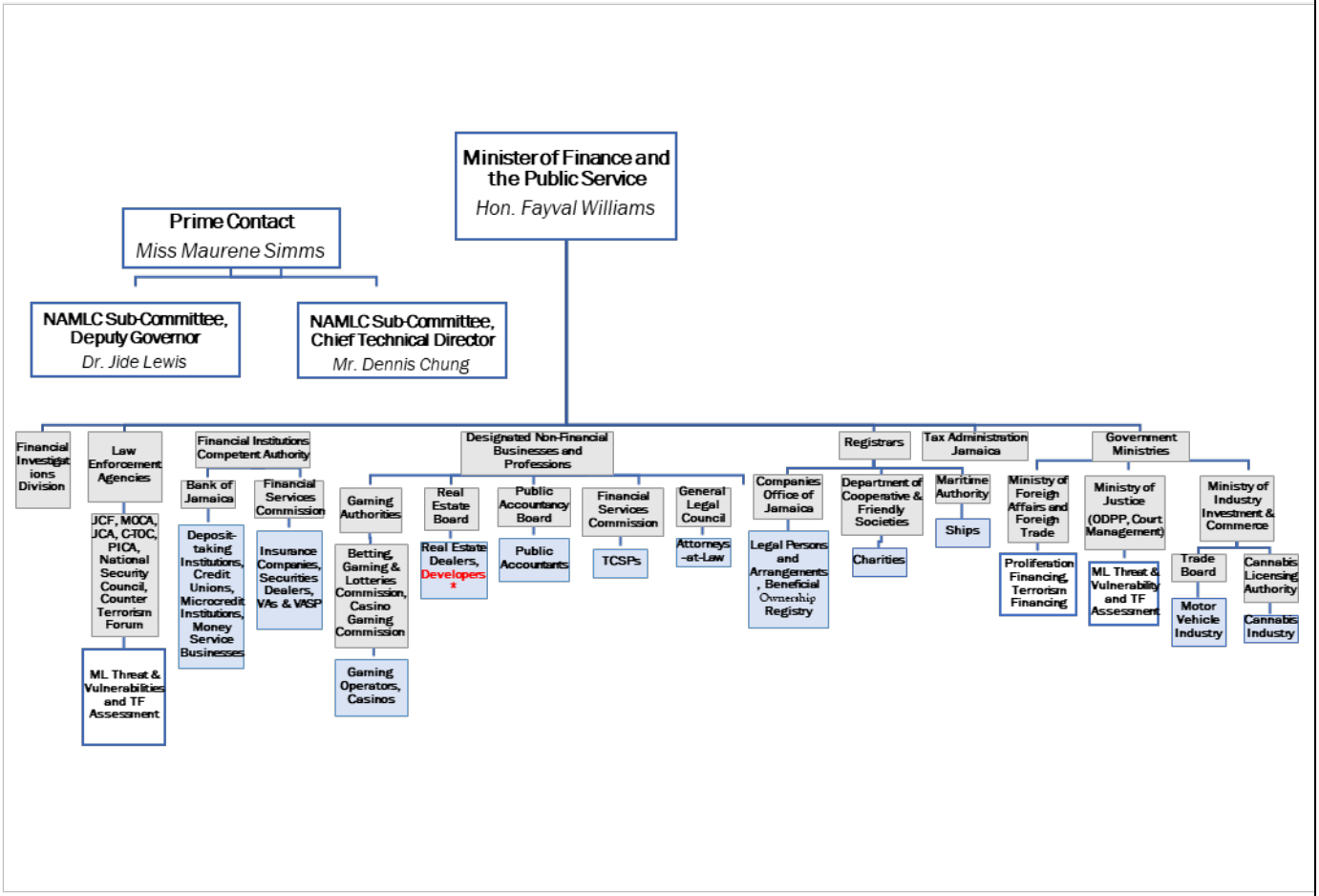
To further strengthen the analysis, NRA3 integrated numerous thematic studies commissioned or undertaken during the review period. These studies provided additional insights and sector-specific risk perspectives. Examples include:

- Foreign Currency Cash Exportation (and importation) in Jamaica
- Money Laundering Risks in the Real Estate Development Sector
- Bank Fraud and Money Laundering Risk
- Automated Banking Machines withdrawals on the Multi-Link Network
- Wire Transfers Network – Trends and Inherent ML Risks
- Remittance Network – Trends and Inherent ML Risks
- Cannabis and its Integration into the Formal Economy.
- Trade-Based Money Laundering Risk

Threshold Assurance

By the conclusion of the data gathering phase, the NRA WG achieved a very high threshold of data sufficiency across all modules, ensuring that NRA3 could be grounded in robust, evidence-based analysis.

NAMLC Structure



Formation of Working Groups

To deliver NRA3 with clear accountability and depth, Jamaica adopted a two-tier working-group model under the oversight of the NAMLC Sub-Committee. At the centre was a Primary Working Group (Primary WG)—a cross-agency team chaired from the Prime Contact Secretariat at Bank of Jamaica—which served as the programme office for the NRA. The Primary WG defined the scope and timelines, issued standard templates and scoring guidance for the World Bank Tool, coordinated data calls, and maintained the national evidence repository. The primary WG also conducted quality assurance (QA) on sector narratives and variable scores, managed version control and decision logs, and prepared materials for NAMLC Sub-Committee endorsement and ministerial briefings.

Beneath the Primary WG, Secondary (Sub) Working Groups were established within each competent authority and key agency (e.g., BOJ/PSMSOD, FSC, FID, BGLC, REB, DCFS, COJ, TAJ, JCA, JCF/MOCA, among others). These sub-WGs were multidisciplinary by design—combining supervision, policy/legal, statistics/IT and enforcement perspectives—to collect, validate and analyze sector-specific data. Typical tasks included: mapping data gaps and extracting supervisory returns (including ORBS outputs), compiling GoAML statistics, running targeted surveys and interviews, conducting thematic deep-dives, and drafting sector workplans, control-effectiveness assessments and residual-risk rationales. Where appropriate, sub-WGs also convened private-sector liaison sessions to test assumptions, reconcile outputs, and verify unusual data points.

This governance structure ensures top-down coherence (via the NAMLC Sub-Committee and Primary WG) and bottom-up fidelity (via agency-level sub-WGs closest to the data and supervisory realities). As reflected above, working groups were responsible for: (i) sector workplan design; (ii) data gap analysis and remediation; (iii) variable scoring and documentation of justifications; and (iv) iterative review of outputs. The result was a coordinated, evidence-rich process that improved data quality, sharpened risk attribution, and produced timely, defensible sector and national scores.

Public–Private Engagement

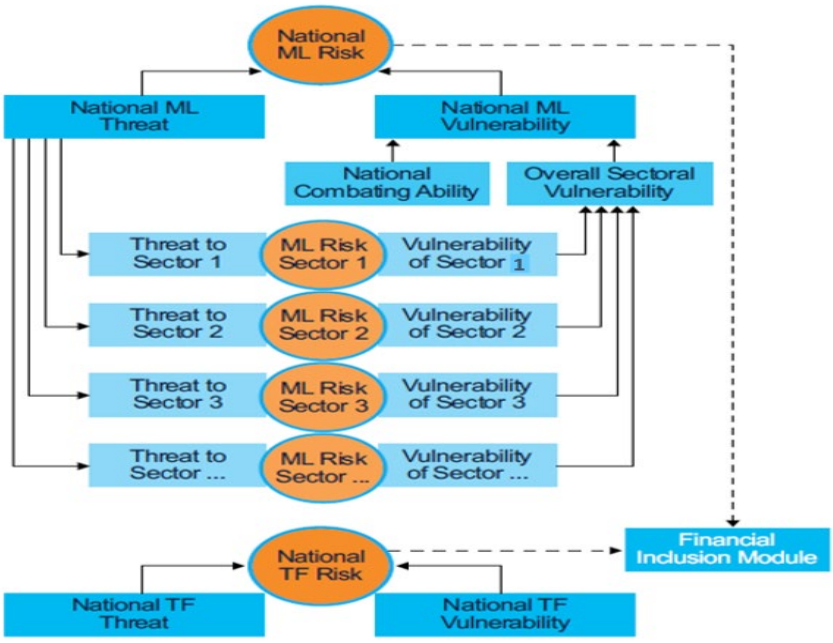
In addition to the above-mentioned government agencies, there was continued engagement with the private sector. The NRA3 process benefited enormously from the active and good-faith participation of Jamaica's private sector. Banks, credit unions, microcredit institutions, remittance companies, securities dealers, cambios, gaming operators, attorneys, real-estate stakeholders among others consistently responded to thematic studies, sector surveys, structured interviews, participation in simulation exercises and targeted data calls with professionalism and timeliness. Their input went beyond compliance formalities. Institutions opened their records to anonymized trend analysis, shared typologies, and incident learnings, and provided clarifications through iterative validation meetings. This significantly enhanced the quality of the evidence base—improving data completeness, comparability and veracity—and allowed the NRA teams to triangulate findings across supervisory returns, GoAML statistics, ORBS results, and institution-level risk assessments. In several areas, the private sector's willingness to stress-test assumptions and supply supplemental documentation materially sharpened the risk picture (e.g., cash usage patterns, sanctions-screening coverage, onboarding controls, and channel-specific fraud trends), enabling more precise calibration of sectoral residual risk.

That cooperative posture reflects a de facto public–private partnership in action. Not only was this evident in NRA3, but over the last four to five years, private sector entities have been responsive to supervisory interventions including engaging in feedback loops—testing draft findings, piloting remedial actions, and co-designing proportionate control enhancements—that translated quickly into practice: improvements in reporting quality via GoAML, uplift of sanctions and politically exposed person (PEP) screening, improving customer-risk segmentation, and clearer governance artefacts for Boards and compliance functions. This collaboration also supported policy development and supervisory planning (for example, informing the design of proxy examinations in low-risk sectors and providing practical context for pending legislative and regulatory reforms). Taken together, the private sector's responsiveness helped "connect the dots" in the process, turning disparate datasets into coherent financial-intelligence insights and actionable supervisory priorities.

Consultation after the initial draft of the NRA

In February 2026, consultations were held with key stakeholders in both the private and public sectors to disseminate the findings of the NRA and to allow for consultation on the recommendations included in the ultimate action plan. A total of nine consultation sessions were held and the recommendations emanating from those sessions were incorporated in the final iteration of the NRA.

Methodology



The NRA3 retains the World Bank methodology—eight core modules for ML/TF/PF risk, along with the specialized guides on Legal Persons and Arrangements and Trust and Company Service Providers (TCSPs)—but enhances how Jamaica applies the framework. Leveraging the tool's weighted-variable design across 371 indicators, NRA3 introduces:

- Richer, more granular datasets drawn from strengthened sectoral reporting since NRA2, including improved supervisory returns, GoAML analytics and thematic studies.
- Explicit proliferation-financing coverage, integrating PF-specific variables in line with FATF Recommendation 7 and Jamaica's United Nations Security Council resolutions (UNSCRs) implementation.
- A centralized national data repository (a legacy deliverable of NRA2) is now fully operational, enabling cross-module linkages, audit trails, and consistent time-series analysis.

The two-pillar structure—Threat (proceeds-of-crime generation, flows and patterns) and National Vulnerability (defence and response capacity, including sectoral vulnerabilities)— remains unchanged, however, NRA3 delivers greater precision in residual-risk scoring and trend identification across both NRA cycles. As detailed in Table 2 (World Bank NRA Modules), this architecture underpins calculation of national and sectoral scores, with tighter triangulation and clearer attribution of risk drivers than in NRA2.

Money Laundering Risk Assessment	Terrorist Financing Risk Assessment	Proliferation Financing Risk Assessment	Other Sectors Assessed Using the WB Tool
• Module 1-Threat Assessment • Module 2-National Vulnerability • Module 3-Banking Sector Vulnerability • Module 4-Securities Sector Vulnerability • Module 5-Insurance Sector Vulnerability • Module 6-Other Financial Institutions' Vulnerability • Module 7-DNFBP Sectors Vulnerability	• Module 8-National Terrorism Financing Threat and Vulnerability	*PF was not assessed using the WB Tool at the time of NRA3, however, a simulation exercise was conducted to achieve risk understanding.*	• Legal Persons and Arrangements • Trust & Company Service Providers • Virtual Assets and Virtual Asset Service Providers

Macroeconomic & Financial System Overview (2020–2025)

Snapshot of the Real Economy and Financial System

Jamaica's financial system operates at the center of a small, open economy, where household incomes, tourism receipts, remittances and external trade all clear through regulated financial rails. Nominal Gross Domestic Product (GDP) as of December 2024 stood at approximately US$22.29billion or JM$3.5 trillion. The deposit-taking system's assets also stood at approximately JM$2.8 trillion by end-2024, serving its clientele via 156 branches. Remittances remained a key macro contributor—~ US$2.9 billion per year (2020–2024), or ~15 per cent of GDP on average—with a measurable correlation to currency in circulation, reflecting their importance for household consumption and liquidity. Cash continues to be widely used at the point of sale, but high-value cash transactions are legally contained (POCA s.101A), ensuring large transactions are processed through regulated entities. (See write-up on Cash and Other Thematic Studies under Part III.)

System Map: Who Moves What, and Through Which Rails

Deposit-Taking Institutions (DTIs). DTIs comprise eight commercial banks, two building societies, and one merchant bank. These institutions intermediate most domestic savings and payments. The sector's asset base (~ JM$2.8 trillion at end-2024) is of the same order of magnitude as nominal GDP, underscoring systemic importance. The product sets offered by DTIs remain relatively simple, consisting primarily of deposits, loans and payments. Risk-based supervision is mature, supported by on-site inspections, technology-enabled inspections, off-site analytics, thematic reviews, and simulation exercises. Digital migration is well underway, with heightened attention to cyber and operational resilience.

Securities Dealers. The dealer sector carries ~ J$1.4 trillion in assets with ~ JM$2.2 trillion in funds under management (FUM)—equivalent to about three-fifths of GDP—channeling savings into repos (≈ J$662.6 billion), CIS (≈ JM$383.1 billion), bonds and equities. Portfolios are intentionally low-complexity (no material derivatives), while international activity is concentrated with the Jamaica diaspora countries (US/UK/Canada), limiting cross-border AML/CFT exposure while preserving access to market liquidity.

Insurance. The insurance footprint is meaningful for household risk transfer and long-term savings but measured medium-low ML/TF risk given limited cash usage, strong fit and proper regimes, and prudential governance. Sector-specific AML/CFT supervision continues to tighten in line with the risk profile.

Remittances. In 2024, there were nine operators with 492 service points across all parishes. Inbound flows ~ US$2.912B (≈ 11.06 million transfers) were dominated by the United States, United Kingdom, Canada and the Cayman Islands corridors (~96 per cent). Cash disbursement still accounts for a large share (~79 per cent). However, controls are robust: with analysis of transaction level data, mandatory GoAML reporting and risk-based examinations. Residual risk is assessed as medium-low, improving from high, due to strengthened preventive and detection controls implemented since 2020.

Cambios. Between 2020 and 2024, 44 operators at 138 locations accounted for 28–38 per cent of total foreign exchange (FX) purchases annually, with cash purchases ~9 per cent of cambio volumes in 2024 as digital and non-cash channels continued to expand. Owing to certain levels of bank de-risking during the pre NRA2 scope period, some cambios continue to ship foreign cash directly to overseas banks (~USD US$90.7 million in 2024), subject to mandatory reporting to the FID and Customs oversight, keeping flows visible to authorities.

Credit Unions. The sector offers standard deposits and loans, with most inflows routed via salary deductions or bank standing orders, dampening cash-placement risk as 16 of the 23 credit unions are employee-based, three are hybrid and four are parish-based. The AML/CFT residual risk remains low. Prudential oversight is expected to deepen once the sector is brought under BOJ's supervisory purview following the passage of the Credit Union Special Provisions Act (CUSPA). At present, BOJ serves as the competent authority for credit unions under the AML/CFT framework.

Microcredit Institutions (MCIs). The Microcredit Act (2021) transitioned MCIs from informal to licensed and supervised status. As of Jun-2025, BOJ issued ~108 licences, covering ~94 per cent of sector loan value. The sector's small-ticket, short-tenor loan model yields low inherent ML/TF risk; supervisory focus remains on conduct, funding and baseline AML/CFT controls such as customer due diligence (CDD), screening and reporting.

Gaming and Gambling. Gaming lounges operate ~7,000 machines nationally. AML oversight by the BGLC has migrated to a risk-based supervision (RBS) model incorporating annual questionnaires, ORBS adoption, and targeted on-site examinations. Residual risk is assessed as medium, with improvements in compliance capabilities.

Non-Profit Organizations (NPOs). The sector spans charities, benevolent and friendly societies, trusts/foundations and companies limited by guarantee. Jamaica's TF threat is assessed as low, and the DCFS has strengthened its processes around registration, returns and risk-profiling. However, further digitization and enhanced analytics would enhance the coverage and timeliness of the collection of data to enable its ongoing assessment of risks.

Real Estate Sector. Real estate, comprising property services, brokerage and development is a key contributor to value added and employment in Jamaica and is closely linked to construction, building materials and household durables. Together, property services and construction account for a meaningful and steady share of GDP serving as important transmission channels for investment, remittances and credit. On the demand side, household formation, tourism-adjacent investment via Airbnb investments and diaspora purchases underpin end-user activity. On the supply side, small and mid-sized developers dominate new stock, with pockets of larger, mixed-use projects in key urban corridors and resort parishes.

De-risking: Where are we now?

Correspondent banking concentration and US-centric corridors expose Jamaica to external policy changes and evolving sanctions environments. The practical effects have included domestic banks limiting foreign-cash deposits from cambios, pushing regulated, reported bulk cash shipments as a compliance workaround. Jamaica's response has been controls-focused uplifted sanctions screening (sector-wide independent tests in 2020–2025 show step-change improvement), full GoAML adoption, risk-based supervision (via ORBS) across multiple sectors and tightened legal anchors (e.g., POCA s.101A cash cap, UNSCRIA, TPA). Together, these measures have reduced misuse risk while supporting continued access to global rails.

Why This Matters for Growth, Stability, and Inclusion?

- **Growth & consumption**. Remittances (2024; ≈ 13.1 per cent of GDP) drive household demand; banks and credit unions convert, store and move this value safely, while cambios convert tourism-related

hard-currency earnings into domestic currency to support household domestic consumption. Securities dealers transform savings into investment with relatively low-complexity products, preserving access and liquidity for retail and institutions.

- **Stability**. DTIs' balance sheet heft (assets close to the size of GDP) and the securities sector's funds under management (FUM) (2024; ~64 per cent of GDP) make supervision and operational resilience macro-critical. Jamaica's cash cap guided by POCA Section 101(A) forces high-value transactions into regulated channels, reducing the room for shadow finance.
- **Inclusion**. Account ownership is high by regional standards[1]; DTIs and MCIs underpin MSME and household finance. Cash-focused behaviours are managed, not ignored—via ABM analytics, branch monitoring and legally enforced cash thresholds.

[1] 1. Account ownership vs regional peers
World Bank Global Findex 2021 (adult population 15+) shows: Jamaica: 78% of adults have an account at a financial institution or via mobile money. Regional peers (Caribbean small states / Latin America & Caribbean averages): Dominican Republic: 51%, Haiti: 37%, Trinidad & Tobago: 79%, Latin America & Caribbean average: 73%, Developing economies global average 76%.

Part II — Legal & Institutional Framework

Core AML/CFT/CPF Laws & Regulations

Jamaica's AML/CFT/CPF regime is governed by the following suite of legislation:

- The Proceeds of Crime Act, 2007 (POCA) and the Proceeds of Crime (Money Laundering Prevention) Regulations, 2007.
- The Terrorism Prevention Act, 2005 (TPA) and the Terrorism Prevention (Reporting Entities) Regulations, 2010.
- The United Nations Security Council Resolutions Implementation Act, 2013 (UNSCRIA) and the United Nations Security Council Resolutions Implementation (Asset Freeze-Democratic People's Republic of Korea) Regulations, 2013

These pieces of legislation have been amended to ensure that the legislative framework is commensurate with the international standards on AML/CFT/CPF (the FATF Recommendations). The introduction of these pieces of legislation reflects Jamaica's ongoing commitment to combatting money laundering (ML), terrorism financing (TF) and proliferation financing (PF). The three statutes referred to above constitute the base for Jamaica's AML/CFT/CPF legal architecture.

The full details of these and other amendments to legislation can be found in Annex A – Jamaica's Legal & Institutional Framework.

Key Legislation: The Proceeds of Crime Act

The Proceeds of Crime Act (POCA), 2007, criminalizes money laundering and allows prosecution wherever an acquisitive crime has been committed. Schedule 2 identifies offences that constitute a "criminal lifestyle," with amendments expanding this scope over time.

POCA imposes key obligations on regulated businesses—financial institutions (FIs), designated non-financial institutions (DNFIs), and financial holding companies (FHCs). These include filing suspicious transaction reports (STRs), threshold transaction reports (TTRs), listed entity reports (LERs) and proscribed entity reports (PERs), prohibiting tipping-off, conducting ongoing transaction monitoring, applying customer due diligence (CDD)/enhanced due diligence (EDD) in a risk-based manner, and maintaining accurate records supported by internal policies and controls. In the case of FHCs, group-wide AML/CFT/CPF risk management is also mandated, with no secrecy laws impeding information sharing.

Supervision rests with designated competent authorities (Bank of Jamaica (BOJ), Financial Services Commission, (FSC), Real Estate Board (REB), Betting, Gaming and Lotteries Commission (BGLC), Casino Gaming Commission (CGC)2, Public Accountancy Board (PAB), and the General Legal Council (GLC). These authorities conduct risk-based examinations, issue guidance, enforce sanctions and share information both domestically and internationally. Amendments in 2013 expanded supervisory powers, requiring continuous risk assessments and the maintenance of statistics. Breaches of POCA obligations attract custodial penalties, with fines recently increased and certain offences are now subject to the imposition of a fixed penalty.

Key Legislation: The Terrorism Prevention Act (TPA), 2005 defines and criminalises acts of terrorism and terrorism financing, with penalties of up to life imprisonment. Amendments have strengthened Jamaica's CFT regime, notably by enabling targeted financial sanctions (TFS) without delay, establishing asset-freezing obligations, time-bound communication of court orders, clear procedures for designation delisting, and United Nations Security Council (UNSC) referrals. The Act also criminalises travelling or attempting to travel, to support terrorist groups or offences.

Since 2020, Jamaica's TFS implementation has become more efficient, with court orders obtained on average within 15 hours (sometimes under four hours) and communicated to reporting entities within the same 24-hour period.

Under the TPA, financial institutions and Designated Non-Financial Businesses and Professions (DNFBPs) are designated reporting entities, required to file suspicious transaction reports (STRs), avoid tipping-off and submit thrice-yearly reports on assets potentially linked to terrorism financing. They must also implement preventive measures aligned with the TPA.

Supervision is carried out by competent authorities—primarily BOJ and the FSC, with oversight responsibilities also extended to REB, BGLC, CGC, PAB, and GLC for DNFBPs. With the exception of the CGC (which currently has no licensees), these authorities issue guidance, monitor compliance and enforce sanctions. The TPA also operationalises Jamaica's commitments under key international counter-terrorism conventions.

Key Legislation: The United Nations Security Council Resolutions Implementation Act (UNSCRIA)

The UNSCRIA, 2013, empowers Jamaica to implement UNSC decisions on proliferation financing (PF). It defines restricted/prohibited activities, identifies proscribed persons or entities and establishes obligations including asset freezes, reporting requirements, and prohibitions on dealings with designated parties. Jamaica has issued implementing regulations in relation to the Democratic People's Republic of Korea (DPRK), prohibiting all transactions and permitting injunctions against suspected breaches.

Amendments in 2019 strengthened the framework by allowing Jamaica to give effect to UNSC PF-related designations through ex parte court orders, with regulations required within 30 days of a UNSC designation. Once regulations are issued, court orders are no longer necessary.

Financial institutions (FIs) and DNFBPs are expressly subject to UNSCRIA obligations, including reporting, applying CPF due diligence and preventive measures to avoid dealings with assets owned or controlled by proscribed entities. Oversight lies with the same competent authorities as under POCA and the TPA (BOJ, FSC, REB, BGLC, CGC, PAB and GLC), which are required to issue guidance and monitor compliance.

Recent steps include drafted regulations intended to further implement DPRK-related UNSC requirements and guidance notes under preparation, with additional regulations under consideration.

Other Supporting Legislations

In addition to legislation addressing money laundering, terrorism financing and proliferation financing, law enforcement agencies and competent authorities are governed by a wider suite of statutes. Some of the key agencies and the primary legislation guiding their activities are outlined in **Annex A:** **Law Enforcement Agencies and their Primary Legislation** and **Competent Authorities and their Primary Legislation(s).** The tables show that while there are three core Acts outlined above (POCA/TPA/UNSCRIA), a broader suite of legislation establishes the powers applicable to each competent authority, enabling them to operate effectively under the AML/CFT/CPF framework.

Institutional Architecture & Information-Sharing

Key Partners

Several entities are integral to Jamaica's AML/CFT/CPF regime. The Ministry of National Security is the portfolio ministry with responsibility for the POCA legislation, while the Ministry of Foreign Affairs and Foreign Trade has portfolio responsibility for the TPA and UNSCRIA legislation. The Minister of Finance has overall oversight responsibility for Jamaica's financial system and, by extension, the effective implementation of the country's AML/CFT/CPF regime. To fulfil this mandate, the Minister relies on the National Anti-Money Laundering Committee (NAMLC), which serves as the primary mechanism for spearheading risk

understanding at the national level and coordinating strategic actions across all relevant stakeholders to address identified gaps and weaknesses in the country's AML/CFT/CPF framework.

The Financial Investigations Division

The Financial Investigations Division (FID), a division of the Ministry of Finance and the Public Service, is the entity with responsibility for the implementation of the provisions of POCA. The FID, along with the Director of Public Prosecutions, is one of the primary enforcing authorities under the POCA, and the Chief Technical Director of the FID is the designated authority to whom the regulated sectors are mandated to file reports in compliance with the relevant laws. Jamaica's Financial Intelligence Unit (FIU) engages directly with the reporting entities and disseminates relevant data to other units and agencies. The FIU is also a member of the Egmont Group and participates in the Caribbean Financial Action Task Force (CFATF) Heads of FIU forum activities. It has entered into a memorandum of understanding with its counterparts in 18 countries to permit more effective informal sharing of information.

The Office of the Director of Public Prosecutions

The Office of the Director of Public Prosecutions (ODPP) is Jamaica's Central Authority pursuant to the Mutual Assistance (Criminal Matters) Act (MACMA) and is an enforcing authority for criminal proceedings. During 2020, the ODPP updated its procedures to incorporate the routine collaboration with the FID during financial crimes investigations to ascertain whether parallel prosecution for the predicate offence and an ML offence is warranted in the circumstances. Additionally, the ODPP is the authority responsible for applying to the court under both the TPA and the UNSCRIA for orders in relation to terrorist and proliferation financing (PF) designations. These orders recognize the UN designations of terrorists or terrorism-financing (TF) related individuals or entities as listed entities under the TPA and further invoke the prohibitions outlined under Section 6 of the TPA (i.e. The direct or indirect - dealings, facilitating of transactions, provision of any financial or related services, with or involving any property owned or controlled by or on behalf of the listed individual or entity. Converting, disguising or concealing any property owned or controlled by or on behalf of a listed individual or entity is also prohibited. Under the TPA, the ODPP is also the authority responsible for publishing court orders in the print media and reviewing the continued applicability of persons designated as terrorists in court orders under the TPA, as well as making any application to the court for the revocation of such orders.

The National Anti-Money Laundering Committee

The National Anti-Money Laundering Committee (NAMLC) is the body through which the Minister of Finance coordinates AML/CFT/CPF oversight of the financial system. It comprises 26 agencies across the public sector and is chaired by the country's Prime Contact to the CFATF. The primary functions and responsibilities undertaken by the NAMLC include:

- Understanding AML/CFT/CPF risks that the country faces on an ongoing basis and conducting a comprehensive national risk assessment on a periodic basis.
- Developing recommendations for key reforms in relation to national policies and proposed amendments and other legislative initiatives designed to increase the effectiveness of the national AML/CFT/CPF framework;
- Coordinating strategic actions across all relevant stakeholders to address identified gaps and weaknesses in the country's AML/CFT/CPF framework;
- Fostering and enhancing national/domestic cooperation and coordination amongst the AML/CFT/CPF competent authorities;
- Facilitating outreach for the public and private sectors on AML/CFT/CPF matters, including consultations relating to national risk assessments and sharing of those findings; and
- Functioning as the central repository of information on the national AML/CFT/CPF framework. This occurs through the Prime Contact Secretariat, which was established to support the work of the NAMLC.

Law Enforcement Agencies

The Financial Investigations Division (FID), the Major Organised Crime and Anti-Corruption Agency (MOCA), Jamaica Customs Agency (JCA), the Jamaica Constabulary Force's (JCF) and specialised unit within the JCF namely, the Counter-Terrorism and Organised Crime Division (C-TOC) and the Constabulary Financial Unit (CFU), all work in concert in tackling money laundering, terrorism and terrorist financing.

Annex A: **Key Stakeholders in Jamaica's AML/CFT/CPF Regime** depicts the key stakeholders engaged in Jamaica's AML/CFT/CPF regime, from the level of the government to the public.

Part III — National Risk Picture: 2017 MER to Present

Reflection and update on Jamaica's 2017 MER and FUR

This chapter covers the legal, regulatory and law enforcement frameworks governing the Anti-Money Laundering/Countering the Financing of Terrorism/Countering Proliferation Financing (AML/CFT/CPF) regime in Jamaica. Since the publication of Jamaica's Mutual Evaluation Report (MER) by the Caribbean Financial Action Task Force (CFATF) in January 2017, specific focus has been placed on improving these frameworks.

Jamaica's 2017 MER concluded that the country exhibited strategic deficiencies in several areas of its AML/CFT/CPF framework. The ratings, vis-à-vis the FATF 40 Recommendations, are outlined in **Annex B: Jamaica's Technical Compliance Ratings, January 2017.** The evaluation revealed that Jamaica was compliant or largely compliant with 17 of the 40 recommendations, and Partially Compliant or Non-Compliant with 23 of the 40 Recommendations. Jamaica was subsequently placed in the CFATF follow-up process, considering that 8 or more recommendations were rated Partially Compliant or Non-Compliant for technical compliance and a low or moderate level of effectiveness in seven of the 11 effectiveness outcomes, and subsequently met the FATF's updated prioritization criteria (i.e. the M1 money threshold - Jamaica's GDP being equal to or exceeding US$5 billion). Due to those unaddressed shortcomings, Jamaica was placed under the FATF's increased monitoring process for jurisdictions with strategic deficiencies in their respective AML/CFT/CPF frameworks in February 2020, also referred to as the "grey list".

Jamaica's current standing with the FATF's 40 Recommendations and 11 Immediate Outcomes

Following the 2017 MER, Jamaica further committed to implementing measures to strengthen its money laundering, terrorist financing and proliferation financing risks and has made significant progress towards enhancing the effectiveness of its AML/CFT/CPF framework. As a result, several amendments were made to Jamaica's suite of financial crimes legislation as well as its policies and procedures aimed at improving the country's technical compliance ratings and its effectiveness in implementation. These changes led to Jamaica successfully applying for re-rating in several recommendations at the CFATF's December 2020 Plenary. In acknowledgement of these efforts, the country's ratings improved in 12 of the 40 Recommendations, while there was a downward revision in Recommendation 15, which was reclassified from "Compliant" to "Partially Compliant." Further improvements in Technical Compliance (TC) were noted at the CFATF's December 2022 and December 2023 plenary meetings, where an additional 6 and 4 Recommendations, respectively, were approved by the Plenary. Jamaica's current standing is depicted in **Annex B: Jamaica's Technical Compliance with Re-Ratings, December 2023.**

Jamaica's technical compliance profile is robust overall: 37 of 40 Recommendations (92.5 per cent) are rated Compliant or Largely Compliant—with 7 Compliant, 30 Largely Compliant, 3 Partially Compliant, and no Non-Compliant ratings. The priority now is addressing the gaps in Recommendation 7 – Targeted Financial Sanctions (TFS) related to Proliferation; Recommendation 8 – Non-Profit Organisations (NPOs); Recommendation 15 – New Technologies by way of necessary legislative changes.

Introduction

This chapter summarises Jamaica's assessment of the principal criminal activities that generate illicit proceeds and therefore create money laundering exposure. It focuses on the scale, evolution and financial significance of the underlying threats rather than operational case details. The analysis synthesises law-enforcement data, suspicious transaction reporting, confiscation outcomes, supervisory findings and thematic studies undertaken during the Third National Risk Assessment (NRA3).

The overall conclusion is that Jamaica continues to face material money laundering threats, particularly from narcotics trafficking, fraud, corruption and organised criminal activity. However, the ability to identify, investigate and disrupt these threats has improved significantly since NRA2. As a result, while the generation of illicit proceeds remains substantial, the pathways available to integrate those proceeds into the formal economy have become more constrained. This is a central factor underpinning the reduction in Jamaica's residual money laundering risk from **Medium-High** to **Medium.**

Evolution of the Money Laundering Threat Landscape

Background

NRA2 identified narcotics trafficking, fraud, corruption and organised criminality as the principal sources of illicit value in Jamaica. At that time, the national response was improving but remained uneven. Intelligence was often fragmented, financial investigations were not consistently pursued in parallel with predicate investigations, and confiscation outcomes did not yet fully reflect the scale of criminal proceeds.

NRA2 also highlighted the continued importance of cash, informal economic activity and cross-border flows as enabling conditions that allowed criminal proceeds to be moved and stored. The assessment noted that regulated financial institutions had strengthened their controls, but that criminals retained the ability to exploit weaknesses in nuanced sectors like Remittance, some non-financial sectors and in lower-visibility channels.

These findings established a clear baseline: Jamaica's threat environment was material and persistent, but there was significant scope to improve coordination, intelligence integration, prosecution and asset recovery. This assessment measures progress against this benchmark and provides a more granular understanding of both threat generation and the resilience of the national control framework.

Improvements Observed Since NRA2

The most significant improvement since NRA2 has been the maturation of Jamaica's institutional response. Competent authorities now operate within a more coordinated and evidence-based framework, supported by a better implemented risk-based approach, clearer supervisory expectations, and improved information-sharing arrangements.

Financial intelligence has become more actionable and increasingly linked to supervisory and enforcement outcomes. Suspicious transaction reporting is better understood; sectoral typologies are more refined and data validation processes have strengthened the reliability of the evidence base. The use of targeted thematic studies has also improved Jamaica's ability to aid risk understanding, test assumptions, and distinguish between legitimate economic activity and genuine risk indicators.

The country's legislative and institutional reforms, together with strengthened governance under the National Anti-Money Laundering Committee (NAMLC), have enabled more consistent prioritisation of higher-risk threats. Asset restraint and forfeiture outcomes have improved, and there is stronger alignment

between threat identification and operational response. These developments do not eliminate the underlying criminal threats, but they materially reduce the ease with which illicit proceeds can be concealed and integrated into the formal economy.

Jamaica's Principal Money Laundering Threats

As shown in **Annex C:** Key Predicate Offences (and Threat Levels), three offence groups currently pose the greatest money laundering threats: narcotics trafficking, fraud, and cybercrime breaches. These categories generate significant and repeatable proceeds, require ongoing investigative effort, and employ techniques that enable the swift transfer of value through formal and informal channels.

Narcotics trafficking remains one of Jamaica's most significant money laundering threats. The threat is driven by the scale and durability of regional drug markets, the country's geographic location, and the substantial cash proceeds generated. The risk is not solely a function of physical trafficking; rather, it reflects the need to move, store and legitimise high-value proceeds through a combination of cash-intensive businesses, third-party arrangements, trade channels and asset acquisitions. The threat remains structurally significant because it is connected to broader organised criminal networks and violence.

Fraud has become one of the most dynamic and financially consequential threat categories. This includes cyber-enabled fraud, impersonation schemes, payment fraud and scams. Fraud is particularly important because it can be conducted remotely, scaled rapidly, and adapted quickly in response to stronger controls. It generates significant proceeds and often involves cross-border victims and payment channels. As digital controls have strengthened, criminal actors have shifted tactics rather than exiting altogether, underscoring the adaptive nature of this threat.

Corruption remains a material threat due to its capacity to distort procurement, public administration, and regulatory processes. While corruption cases may be less frequent than fraud or narcotics-related offences, they can facilitate broader criminality and erode the integrity of institutions.

Illegal gambling, firearms trafficking, and trade-based schemes remain relevant supporting threats. These activities may generate lower aggregate proceeds than the highest-rated categories, but they contribute to the overall threat environment and often intersect with organised criminal groups. Their significance is amplified when they are combined with professional facilitation, cross-border trade, and asset-based integration.

The motor vehicle trade and real estate sectors continue to feature prominently as potential channels for integrating illicit value. These sectors are attractive not because they are inherently illicit, but because they can absorb substantial funds, involve beneficial ownership opacity, and create opportunities to commingle criminal and legitimate proceeds.

Cross-border cases are especially important from a value perspective. Although fewer in number than domestic cases, they account for a disproportionately large share of restrained and forfeited assets. This indicates that international linkages tend to involve larger and more sophisticated financial arrangements and confirms that Jamaica's risk profile must be understood in both domestic and transnational terms.

Other Significant Money Laundering Threat Factors

Criminal Activities

A central analytical finding is that criminal actors are adapting to stronger controls within regulated institutions. Rather than relying heavily on mainstream financial channels, illicit actors increasingly use cash-intensive businesses, informal arrangements, trade-based mechanisms and asset purchases.

This behavioural shift is significant. It suggests that improved preventive measures are increasing the cost and difficulty of misusing the formal financial system. Criminals are still able to generate proceeds, but they must employ more fragmented and operationally intensive methods to conceal value.

Jamaica's assessment, therefore, characterises its threat environment as one of constrained adaptation rather than uncontrolled displacement. Criminal activity remains material, but the available laundering pathways are narrower, more expensive and more vulnerable to detection. This is an important indicator of increasing national resilience.

Cross-Border/International Exposures

Jamaica's open economy, extensive diaspora, tourism sector and trade connections create legitimate and essential international financial flows. These same linkages can be exploited to move illicit proceeds across borders. The most significant international risks arise where predicate offences generate proceeds that are transferred through foreign accounts, payment services, trade transactions or investments. Cross-border activity also increases complexity, requiring effective international cooperation, mutual legal assistance and information exchange.

Jamaica has strengthened its capacity to engage with foreign counterparts and to support international investigations. These improvements reduce vulnerability and improve recovery prospects. Nonetheless, the value concentration observed in cross-border matters confirms that international exposure remains a material component of the national threat picture.

Jamaica's Targeted Money Laundering Threat Measures

Impact Drivers

The most important outcome of this assessment is that Jamaica now has a more precise and evidence-based understanding of where illicit proceeds are generated and how they move through the economy. This improved risk understanding enables better targeting of supervisory, investigative and policy resources.

Another key outcome is the reduction in the misuse of regulated channels. Financial institutions have strengthened customer due diligence, transaction monitoring and sanctions screening. As a result, criminal actors face greater barriers to integrating proceeds through the formal system.

Asset recovery and restraint outcomes provide tangible evidence that illicit proceeds are being identified and disrupted. These outcomes reinforce deterrence by reducing the economic benefit of crime. They also demonstrate increasing institutional effectiveness.

The assessment further confirms that Jamaica's AML/CFT/CPF regime has evolved from a remediation-focused framework into one characterised by consolidation, validation and assurance. This strengthens the country's reputation, supports financial stability and enhances confidence among international partners.

Residual gaps remain, particularly in the consistent use of parallel money laundering charges, the depth of financial investigations, and the continued expansion of specialist analytical capacity. These priorities are addressed through the National Action Plan and will remain a focus of national efforts.

Strategic Implications

The Threat Assessment has several strategic implications. First, it confirms that the most significant money laundering risks continue to be driven by a relatively concentrated set of predicate offences. This allows Jamaica to focus policy and operational efforts on the activities generating the greatest harm.

Second, it highlights the need to maintain a whole-of-government response. No single institution can fully address the threat environment. Effective outcomes depend on close coordination among supervisors, law enforcement, prosecutors, registries and policymakers.

Third, the assessment underscores the importance of extending attention beyond regulated institutions to sectors and professions that may facilitate the concealment or integration of illicit value. Real estate, motor vehicles, professional services, and other asset-based channels require continued vigilance.

Finally, the findings reinforce the value of dynamic risk assessment. Criminal behaviour evolves rapidly, and national responses must be continually recalibrated based on fresh data, typologies and outcomes.

Conclusion

Jamaica's Threat Assessment confirms that the country continues to face significant money laundering threats arising principally from narcotics trafficking, fraud, corruption, and organised criminal activity. These threats remain capable of generating substantial illicit proceeds and exploiting both domestic and international channels.

At the same time, the assessment demonstrates that Jamaica's institutional response has strengthened materially since NRA2. Enhanced coordination, better intelligence, stronger supervision and improved asset recovery have reduced the ease with which criminal proceeds can be integrated into the formal economy. This is reflected in the reduction of Jamaica's overall residual money laundering risk from Medium-High to Medium.

The way forward is clear. Jamaica will continue to deepen financial investigations, strengthen the use of money laundering prosecutions, expand asset recovery, improve data integration, and enhance specialist skills across agencies. Continued implementation of the National Action Plan will be critical to sustaining progress and translating improved risk understanding into measurable reductions in criminal profit and financial system abuse.

In practical terms, the Threat Assessment sends a positive but disciplined message. Jamaica remains exposed to meaningful criminal threats, but the country's capacity to understand, contain and disrupt those threats is stronger than at any previous stage. The challenge now is to institutionalise these gains and ensure that the national framework continues to evolve in line with changing criminal typologies and international standards.

Introduction

Jamaica's National Vulnerability Assessment evaluates the conditions that may make the country more or less susceptible to money laundering abuse. It is not a catalogue of predicate crimes; rather, it assesses the strength of the national control environment, the effectiveness of institutions, the visibility of economic activity, and the capacity of authorities to detect, investigate, prosecute and recover criminal proceeds.

Jamaica's national vulnerability to money laundering has improved to **Medium**, with a score of **0.43**, while its national ability to combat money laundering has improved to **Medium-High**, with a score of **0.72.** This is a materially stronger position than the previous assessment cycle and reflects improvements in AML policy and strategy, institutional capacity, investigative and prosecutorial training, identification systems, legislative reform, supervisory maturity, digital payments, and the formalisation of sectors previously operating outside the full supervisory perimeter.

Evolution of the Money Laundering Vulnerability Landscape

Background

NRA2 identified several national vulnerabilities that shaped Jamaica's money laundering exposure. These included the scale of cash-based activity, informality in parts of the economy, uneven financial inclusion, gaps in beneficial ownership transparency, limitations in data integration, underdeveloped supervision of certain sectors, and the need for deeper financial investigation and asset recovery outcomes. NRA2 also recognised Jamaica's geographic exposure as a Caribbean island economy with significant trade, travel, tourism, remittance, and maritime links.

The NRA2 baseline did not imply that Jamaica's economy was systemically opaque. Rather, it showed that vulnerabilities arose where legitimate structural features – such as cash use, small business informality, remittance dependence, tourism flows and cross-border connectivity – created opportunities that could be exploited by criminal actors. NRA3 therefore assesses whether the country has reduced those vulnerabilities through better laws, stronger institutions, improved supervision, enhanced coordination, and a more evidence-based risk understanding.

The central conclusion is that Jamaica has made measurable progress. National vulnerability (negative indicator) has declined to **Medium**, while national combating ability (positive indicator) has improved to **Medium-High**. This improvement reflects a more mature risk-based framework, stronger inter-agency coordination and a clearer ability to translate risk understanding into policy and operational action. The residual vulnerabilities that remain are more concentrated and better understood than in the previous cycle. A summary of the ratings for the twenty (22) variables assessed is shown in **Annex D:** **National ML Combative Ability**.

Improvements Observed Since NRA2

The most important improvement since NRA2 is the strengthening of Jamaica's overall Anti-Money Laundering/Countering the Financing of Terrorism/Countering Proliferation Financing (AML/CFT/CPF) architecture. Jamaica has implemented legal and institutional reforms that directly address vulnerabilities identified in earlier assessments. These reforms include improvements to beneficial ownership transparency, trust and corporate service provider regulation, microcredit supervision, charitable organisation regulation, targeted financial sanctions implementation, and sectoral supervisory coverage.

The improvement in the national combating ability is also linked to stronger governance. NAMLC and the Prime Contact Secretariat have provided a more structured mechanism for coordinating national risk

understanding, following up on reforms, and converting assessment findings into monitored action. This helps reduce the risk that the NRA becomes a static report rather than an operational framework for national risk management.

Supervisory maturity has also improved. Regulated sectors are now subject to more data-led, risk-based and thematic supervisory approaches. This is particularly important because national vulnerability is affected not only by the existence of laws, but by whether supervisors use data, typologies, examinations and remediation results to identify and reduce weaknesses in practice. The incorporation of previously under-regulated or emerging sectors (TCSPs and Microcredit) into the supervisory perimeter has reduced blind spots at the smaller ticket but structurally important ends of the economy.

Jamaica's policy response to cash and informality has become more nuanced. This assessment does not treat cash use or informal economic activity as inherently suspicious. Instead, it distinguishes legitimate livelihood activity from the specific vulnerabilities that arise when transactions are difficult to document, source-of-funds information is incomplete, or business turnover is not fully visible. This more precise framing supports a proportionate response based on formalisation, digital payments, financial inclusion and tax visibility rather than indiscriminate exclusion.

Institutional capacity has also strengthened through the continued development of specialised agencies and coordination mechanisms. The Financial Investigations Division's hybrid model, the role of MOCA in serious organised crime and corruption, the Jamaica Customs Agency's border role, PICA's immigration functions, the Integrity Commission's anti-corruption mandate and TAJ's tax enforcement functions collectively create a broader national control environment. The challenge going forward is to ensure that these capabilities continue to operate in an integrated and outcome-focused manner.

Jamaica's Money Laundering Vulnerabilities

Socio-economic and Structural

Jamaica's socio-economic context remains central to its vulnerability profile. The country is a small, open economy with strong external connections through tourism, remittances, trade, transport and diaspora relationships. These connections are economically beneficial and essential to national development, but they also increase exposure to cross-border financial flows, foreign-source proceeds, foreign exchange activity and trade-based money laundering typologies.

The assessment recognises the effects of recent shocks, including the COVID-19 period and major climate events such as hurricanes. Such shocks can affect household income, business continuity, government resources, enforcement capacity and financial behaviour. They can also increase reliance on cash, remittance support, informal work and short-term coping mechanisms. From an AML/CFT perspective, the issue is not the shock itself, but the way in which economic stress can reduce documentation, increase informality and create openings for exploitation.

Labour market and poverty dynamics are also relevant as financial vulnerability, irregular income and undocumented self-employment can affect how individuals and micro-enterprises interact with the formal financial system. Lower-income households and small operators may rely on cash, remittances and informal earnings for legitimate reasons. This requires a context-sensitive approach to customer due diligence and transaction monitoring. Simplistic assumptions that treat informality as criminality may undermine inclusion and produce poor risk outcomes (refer to **Annex D:** **Key Poverty and Vulnerability Indicators in Jamaica, 2021 - 2023**.

Informality remains an important structural vulnerability. The relevant vulnerability is not that informal activity is inherently illicit, but that incomplete registration, weak bookkeeping and limited tax visibility can obscure the scale and legitimacy of business activity (refer to **Annex D:** **Estimated Size of the Formal and Informal**

Economy). Where criminal proceeds are commingled with lawful micro-business turnover, detection becomes more difficult. This is why NRA3 frames informality as a transparency and traceability challenge rather than as a direct proxy for money laundering.

Cash remains structurally important in Jamaica. It is used for small-value consumption, remittance payout, rural commerce, transport, household needs and informal business turnover. NRA3's analytical position is that cash is mainly a visibility challenge once funds leave regulated channels. At entry and exit points, financial institutions, cambios, remittance companies and other regulated channels create records and monitoring opportunities (refer to **Part IV — Thematic Studies & Typology Assessments** for additional details). The vulnerability increases at the point where funds are withdrawn and circulated in lower-documentation environments. **Annex D: Trend in Payment Methods in Jamaica, 2020 - 2025** summarizes the trends in payment methods over the period and highlights the relative stability of cash compared to other instruments.

The national response to these vulnerabilities is based on formalisation and digitisation. Financial inclusion initiatives, payments reform, digital channels, improved identification systems, microcredit regulation and tax/business registration reforms all reduce anonymity over time. These measures are important as they improve traceability without excluding people who rely on small-value or cash-based transactions for legitimate reasons.

Summary Table – NFIS Access to Financing Measures

Institution Type	Main NFIS Focus	Intended Outcome
Microcredit Institutions (MCIs)	Licensing and borrower protections under the Micro-Credit Act	Stronger governance and borrower confidence
Credit Unions	Improved regulation and digital services	Safer, more accessible credit for members
Deposit-Taking Institutions (DTIs)	Enhanced credit reporting and MSME financing support	Wider and more reliable lending to households and MSMEs

Crime and Geographic/Cross-Border Exposures

Jamaica continues to record one of the higher murder rates globally, although the trend has shown marked improvement in recent years. The rate declined from 53.34 per 100,000 persons in 2022 to 25 per 100,000 in 2025, reflecting a sustained and significant downward trend. This sustained decline reflects the cumulative impact of targeted law enforcement initiatives, the application of financial investigation techniques, enhanced intelligence gathering, and community-based crime prevention measures.

Jamaica is aiming for a murder rate below the regional average of 17 per 100,000 persons. Despite the murder rate for Jamaica being 24 per 100,000 for 2025, organised criminal groups, both domestic and transnational, continue to influence violent crime through activities such as narcotics trafficking, illegal firearm smuggling, and lottery scamming (Refer to **Annex D: Trend in Total Murders and Rates per 100,000**). Sustaining the downward trend will require maintaining pressure on these networks while strengthening preventative measures, inter-agency cooperation, and community-based interventions that address the socio-economic conditions underpinning criminal activity, as well as the targeted use of financial investigations where appropriate.

Official reporting indicates a decline in the number of active gangs in Jamaica, with fewer than 100 currently assessed as operational, compared to a previously reported peak of approximately 350 in 2016.[3] Despite this reduction, gang-related dynamics remain a major contributor to violence and some aspects of predicate

[3] *Office of the Prime Minister (Jamaica), 'Holness Administration's Targeted Approach, Investments in Security Lead to Fewer Gangs and Safer Communities' (28 February 2024) https://opm.gov.jm/news/holness-administrations-targeted-approach-investments-in-security-lead-to-fewer-gangs-and-safer-communities/#:~:text=Prime%20Minister%20Holness%20noted%20that,peak%20of%20350%20in%202016.*

criminal activity in Jamaica[4], and continue to feature prominently in the national criminal landscape[5], although of a reducing number.

Jamaica's geographic position is a vulnerability driver given that it sits within regional corridors used for legitimate trade, travel and tourism, as well as illicit movement of drugs, firearms, counterfeit goods, bulk cash and other criminal proceeds. The country has no land borders which moderates certain risks, but its maritime and aviation links create a broad border-management environment requiring constant vigilance.

Geographic exposure must be understood in two ways. First, Jamaica's international connectivity creates opportunities for foreign-source proceeds to enter, exit, or transit through the economy. Second, domestic criminal proceeds can be moved through ports, airports, money services, trade channels, asset purchases, or cross-border relationships. The vulnerability is therefore less about the existence of a border and more about whether authorities can detect, record, analyse and respond to suspicious movement of value.

Cross-border cash movement remains a material analytical issue. Bulk cash declarations, seizures and enforcement trends provide insight into the movement of value outside ordinary financial channels. These controls are important because bulk cash can reflect both legitimate movement and attempts to avoid financial-sector monitoring. The relevant conclusion is that Jamaica has mechanisms to detect and respond to cross-border cash risks, but the area requires continued data integration and risk-led enforcement.

Tourism and diaspora linkages create large volumes of legitimate cross-border value. These flows should not be treated as vulnerabilities in themselves. The AML/CFT concern is whether criminal actors can hide within high-volume legitimate channels. This places importance on mature monitoring by banks, cambios, remittance companies, customs and supervisors. It also highlights the need for typologies that distinguish ordinary travel, household remittance and tourism flows from suspicious patterns.

Trade-related vulnerabilities are relevant as trade can be used to disguise value through mispricing, false documentation, valuation uncertainty or the movement of goods that are difficult to value consistently. The risk is not uniform across all trade. NRA3's analytical approach is to identify specific channels where valuation, documentation or beneficial ownership weaknesses may create exposure, while avoiding broad claims that all trade is high risk (refer to **Part IV — Thematic Studies & Typology Assessments** for additional details).

Institutional and Criminal Justice

National vulnerability is heavily influenced by the effectiveness of institutions. Jamaica's institutional framework has strengthened; however, the assessment recognises that effectiveness depends on the ability to convert laws and structures into outcomes. This includes timely intelligence development, parallel financial investigations, evidence-led prosecutions, confiscation, civil recovery and coordinated supervision.

The FID is a key institutional mitigant as it combines financial intelligence, investigative, legal and asset-management capabilities within a single authority. The relevant point is not operational detail, but the structural value of linking intelligence analysis with financial investigation and asset recovery. This reduces the risk that suspicious reporting remains disconnected from investigative and recovery outcomes.

MOCA, the JCF and other law-enforcement bodies contribute to the response to serious organised crime, corruption, cyber-enabled threats and predicate offending. The Jamaica Customs Agency and PICA play important roles at borders and points of entry, while TAJ contributes to tax enforcement and business

[4] *Estimated at 70%*

[6] The NRA team did a simple weighted average score calculation. The composite score for the finance sector was calculated at 0.36 which represents medium-low vulnerability coupled with an average medium-low level threat.

visibility. The Integrity Commission strengthens the national response to corruption risks. Together, these institutions reduce national vulnerability when their information and powers are coordinated.

Prosecution and judicial effectiveness remain central to residual vulnerability. Strong investigations must be supported by timely case progression, appropriate charging decisions, effective use of money laundering offences, confiscation outcomes and judicial capacity to handle complex financial crime. This assessment recognises improvement, but also signals the need to deepen the use of parallel financial investigations and ensure that money laundering prosecutions are pursued, where appropriate, alongside predicate offences.

Inter-agency coordination is therefore a decisive vulnerability factor. Where agencies share risk information, align priorities and act on common typologies, national vulnerability falls. Where information remains fragmented or outcomes are delayed, vulnerabilities persist. NRA3's improved rating reflects stronger coordination, but the National Action Plan remains necessary to institutionalise these gains.

Jamaica's Targeted Money Laundering Vulnerability Measures

Impact Drivers

The first major impact driver is improved national risk understanding. Jamaica now has a more refined ability to distinguish between threat, vulnerability and residual risk. This allows policy responses to focus on the factors that actually increase exposure, rather than on broad assumptions about cash, informality or sectoral size.

The second impact driver is stronger legislative and supervisory coverage. Reforms affecting beneficial ownership, TCSPs, microcredit institutions, charities, targeted financial sanctions and sectoral supervision have reduced prior blind spots. These changes also support a more credible risk-based approach by bringing previously less visible activities into clearer regulatory view.

The third impact driver is improved institutional coordination. NAMLC, the Prime Contact Secretariat and agency working groups provide a mechanism for aligning risk findings with national priorities. This helps ensure that vulnerabilities identified through the NRA are addressed through monitored actions rather than remaining as analytical observations.

The fourth impact driver is digitisation and formalisation. Financial inclusion, payments reform, improved customer identification, wider use of regulated channels and tax/business registration initiatives all reduce vulnerability over time. These reforms do not eliminate cash or informality immediately, but they change the direction of travel by expanding the proportion of economic activity that is observable and documented.

The fifth impact driver is asset recovery and enforcement maturity. Improved ability to trace, restrain and recover criminal proceeds reduces the incentive for laundering and demonstrates that criminal profit can be disrupted. The continued strengthening of this area will be central to sustaining Jamaica's improved risk profile.

Remaining gaps are appropriately treated as National Action Plan priorities. These include further deepening financial investigations, improving data sharing and analytics, strengthening prosecution outcomes, enhancing border and trade-related intelligence, addressing residual DNFBP vulnerabilities, and ensuring that supervisory improvements are sustained across all sectors.

Conclusion

Jamaica's National Vulnerability Assessment confirms that the country's residual vulnerability to money laundering has improved to **Medium**, while national combating ability has strengthened to **Medium-High**. This reflects a more mature and coordinated AML/CFT/CPF framework, stronger institutional capacity,

improved supervisory coverage, enhanced legal reforms, and a more evidence-based understanding of the national risk environment.

The assessment also confirms that structural vulnerabilities remain. Cash use, informality, cross-border connectivity, geographic exposure, trade flows, asset-based channels and uneven data visibility continue to require targeted attention. These vulnerabilities are not evidence of systemic failure; they are the natural pressure points of a small, open, externally connected economy that must continually refine its control environment.

The way forward is to sustain the gains made since NRA2 and institutionalise them through the National Action Plan. Jamaica will continue strengthening financial investigations, asset recovery, prosecution coordination, border and trade-related intelligence, data analytics, supervisory technology, beneficial ownership use, and risk-based monitoring of sectors where opacity or asset integration risk remains elevated.

Introduction

This chapter provides an assessment of Jamaica's terrorism and terrorist financing (TF) risk. The assessment examines whether terrorist actors, supporters or facilitators are likely to raise, move or use funds through Jamaica's financial system, non-profit sector, commercial infrastructure or informal channels. It also evaluates the strength of legal, institutional and operational measures designed to prevent, detect and disrupt such activity.

The overarching conclusion is that Jamaica's residual terrorist financing risk remains **Low**. This rating reflects the absence of a known domestic terrorist presence, limited indicators of ideological mobilisation, and the progressive strengthening of targeted financial sanctions, supervisory controls, intelligence sharing and national coordination. The assessment, nonetheless, recognises that TF is a low-frequency but high-consequence risk. Even where probability is **low**, a single undetected transaction or facilitation network could carry significant national and international implications.

Evolution of Terrorism and Terrorism Financing Landscape

Background

NRA2 concluded that Jamaica faced a low level of terrorist financing risk. The assessment found no evidence of domestic terrorist groups, no significant history of terrorism-related prosecutions and only limited intelligence suggesting direct fundraising or operational support within the jurisdiction.

However, NRA2 also recognised that Jamaica's openness to tourism, remittances, trade and cross-border financial flows meant the country could be exposed to external TF risks. The concern was not that Jamaica was a source of terrorist activity, but that legitimate channels could be misused as part of broader international financing arrangements.

NRA2 identified several areas requiring continued strengthening, including sanctions implementation, outreach to reporting entities, supervision of higher-risk sectors and mechanisms to ensure timely domestic coordination. These observations established the baseline for NRA3 and informed subsequent reforms.

Improvements Observed Since NRA2

Reforms have strengthened the domestic implementation of United Nations Security Council sanctions and clarified obligations for freezing assets and reporting designated persons. Competent authorities have also improved procedures for dissemination, guidance and follow-up.

Further, supervisors have embedded sanctions screening and targeted financial sanctions testing into onsite and offsite reviews. Financial institutions, money services businesses and designated non-financial businesses and professions (DNFBPs) have improved sanctions controls, customer screening and escalation procedures.

The National Anti-Money Laundering Committee (NAMLC) and related coordination structures have strengthened information sharing and policy oversight. The expansion of risk understanding to include non-profit organisations, legal persons, virtual assets and cross-border channels has also improved the comprehensiveness of Jamaica's TF assessment.

Collectively, these measures have increased the country's ability to detect and respond to TF indicators, though no material domestic threat has been identified.

Jamaica's Terrorism Financing Risk Exposure

The central analytical finding is that Jamaica does not exhibit the structural characteristics typically associated with elevated terrorist financing risk. There is no evidence of organised domestic terrorist groups, sustained ideological networks, conflict financing structures or recurring domestic incidents linked to terrorism.

Terrorism Financing Threats

Jamaica's TF threat is characterised as external and contingent rather than domestically generated and systemic.

The social and political environment does not indicate meaningful levels of violent extremist mobilisation. While, as in all jurisdictions, isolated individuals may be exposed to online propaganda or foreign ideological content, available intelligence does not suggest that such exposure has translated into organised financing activity.

Jamaica's international connectivity creates a theoretical possibility that domestic institutions or payment channels could be used as transit points for funds connected to foreign actors. However, the country's risk profile suggests that any such exposure would most likely be incidental, low in volume and dependent on misuse of otherwise legitimate channels.

Terrorism Financing Sectoral and Residual Vulnerabilities

While the overall TF threat is **low**, the assessment identifies several sectors and channels that warrant continued vigilance.

The banking sector remains the most important control point due to its role in processing domestic and international payments. Its significance lies not in heightened inherent TF risk, but in its centrality to detecting and interrupting suspicious activity across all sectors.

Money services businesses, particularly remittance providers, are relevant given their role in facilitating cross-border person-to-person transfers. The sector's importance is moderated by stronger customer due diligence, transaction monitoring and supervisory oversight.

The non-profit sector presents a theoretical vulnerability as charitable and humanitarian structures can be exploited internationally to collect or disburse funds. Jamaica's assessment, however, concludes that most non-profit organisations are domestically focused and generally exhibit low residual TF risk.

Legal Persons, trusts and professional intermediaries may also be relevant if ownership structures are used to disguise the origin, control or destination of funds. Recent reforms relating to beneficial ownership transparency and TCSP supervision significantly reduce this vulnerability.

Virtual assets and online platforms are recognised as emerging channels with global relevance. Jamaica's current domestic exposure remains limited, but authorities have incorporated these risks into future legislative and supervisory planning.

Jamaica's Combative Terrorism Financing Measures

Legal and Institutional Framework

Jamaica's legal framework provides a comprehensive basis for criminalising terrorist financing and implementing targeted financial sanctions. Obligations extend to financial institutions, DNFBPs and other reporting entities that may encounter designated persons or suspicious activity (refer to **Part II — Legal & Institutional Framework** for additional details).

The operational effectiveness of the framework depends on the timely dissemination of sanctions updates, immediate freezing capabilities, internal escalation procedures and reporting to the designated authority, the FID. Supervisory and enforcement agencies now test these arrangements more systematically.

Institutionally, the country benefits from established mechanisms for coordination among policymakers, supervisors, the financial intelligence authority, law enforcement and foreign counterparts. This structure enables Jamaica to convert international obligations into operational measures and to respond promptly to relevant intelligence.

The assessment finds that legal and institutional architecture is broadly proportionate to the country's low TF threat profile and has strengthened considerably since NRA2.

Targeted Financial Sanctions

Reporting entities must screen customers and transactions against relevant sanctions lists and to take immediate action where matches are identified.

Supervisory reviews indicate that sanctions controls are increasingly embedded into routine compliance processes. Institutions have improved governance, alert handling and escalation protocols, reducing the risk that potential matches are overlooked or inappropriately cleared.

These measures are particularly important because they provide a rapid and preventive response mechanism. Unlike traditional criminal investigations, targeted financial sanctions allow assets to be frozen immediately, limiting the possibility that funds are moved before law-enforcement action can be taken.

The assessment concludes that TFS implementation is a critical mitigating factor supporting Jamaica's low residual TF risk rating.

Non-Profit Organizations and Charitable Activity

The non-profit sector was examined because of its recognised international relevance to terrorist financing risk. Jamaica's assessment indicates that the vast majority of non-profit organisations are small, domestically focused and engaged in legitimate charitable, religious, educational and community activities.

The sector does not display widespread characteristics associated with higher TF exposure, such as large-scale transfers to conflict zones or persistent links to jurisdictions of concern. Regulatory and outreach initiatives have improved awareness of governance, recordkeeping and financial transparency expectations.

Residual risk remains low but not negligible. Authorities will continue to monitor higher-risk entities and maintain a proportionate supervisory approach based on size, activities, geographic exposure and transaction patterns.

International Cooperation and Intelligence

As a result of Jamaica's TF threat being primarily external, international cooperation is a critical element of the national response. The ability to exchange information, respond to requests and act on foreign intelligence significantly enhances Jamaica's preventive capacity.

The assessment finds that Jamaica has strengthened its participation in regional and international networks and has improved domestic procedures for handling foreign requests and disseminating relevant intelligence to operational agencies.

This cooperative posture reduces the likelihood that Jamaica could be exploited unknowingly as part of a broader international financing chain and reinforces confidence in the country's adherence to global standards.

Conclusion

Jamaica's Terrorism and Terrorist Financing Risk Assessment concludes that the country's residual TF risk is **Low**. This reflects the absence of a significant domestic threat, the limited indicators of terrorist fundraising or support activity, and the strengthening of legal, supervisory and institutional safeguards.

The assessment also confirms that low risk does not equate to no risk. Jamaica's openness to international flows means that domestic institutions could be exposed to external TF activity if vigilance weakens. Continued implementation of targeted financial sanctions, supervision, outreach and international cooperation is therefore essential (Refer **Annex E:** **Terrorism Financing Residual Risk Synthesis**).

The strategic objective going forward is to maintain a proportionate but fully operational framework capable of detecting and responding to emerging threats. By institutionalising recent gains and maintaining strong coordination, Jamaica is well positioned to sustain effective compliance with international standards and protect the integrity of its financial system from terrorist financing abuse.

Introduction

Proliferation financing poses a serious international security risk as it supports the raising, movement, or making available of funds or other assets for the proliferation of weapons of mass destruction. In Jamaica's case, the National Risk Assessment's findings reveal that the country's proliferation financing (PF) risk is **Low**, and that its exposure is primarily indirect rather than domestic. Jamaica's assessment focuses on the risk of breach, non-implementation, or evasion of targeted financial sanctions (PF-TFS), in line with the FATF standards.

This represents Jamaica's first dedicated national PF risk assessment. It concludes that while the country has no known PF cases and no direct trade or logistical relationship with the principal sanctioned jurisdiction in scope during the period reviewed, Jamaica must nevertheless maintain strong implementation capability to ensure that it can identify, freeze, and report sanctioned assets without delay if a case were to arise.

Overall Proliferation Financing Risk Position

Jamaica's overall PF risk is assessed as low. This conclusion is based on several factors:

- Jamaica has no current trade relationship with the Democratic People's Republic of Korea (DPRK), which was the principal UN-sanctioned jurisdiction assessed during the review period.
- There is no evidence of known or suspected PF-TFS breaches or evasion cases in Jamaica.
- Jamaica's financial system is largely domestic and relies heavily on correspondent banking relationships in strongly regulated jurisdictions.
- Jamaica has a strong legal framework for implementing UN sanctions and freezing assets.
- National simulation exercises demonstrate improving operational readiness for sanctions implementation and reporting.

The assessment therefore finds that Jamaica's PF risk is not driven by domestic proliferators or domestic Weapons of Mass Destruction (WMD) procurement activity, but by the possibility of indirect misuse of the jurisdiction through cross-border financial channels, legal persons, or maritime/logistical interfaces.

Jamaica's Proliferation Financing Risk Relationship to Sanctioned Jurisdictions

During the assessment period, the DPRK was treated as the sole UN-sanctioned jurisdiction in scope for the threat analysis. Jamaica's relationship to the DPRK is very limited. The two countries are geographically distant, separated by approximately 7,000 nautical miles, and Jamaica has no direct transport, logistical, or commercial corridor linking it to the DPRK.

Although Jamaica and the DPRK established diplomatic relations in 1974, bilateral cooperation has been minimal. Jamaica's trade with the DPRK reached a small peak in 2014, but this was negligible relative to Jamaica's wider trade profile. Jamaica now has no trade relationship with the DPRK, and the Jamaica Customs Agency removed the DPRK from the ASYCUDA system in 2017, effectively eliminating it as a formal customs trade counterparty.

These facts materially reduce Jamaica's direct PF exposure. Any attempt by a sanctioned actor to exploit Jamaica would therefore require more complex, costly, and indirect arrangements involving third countries, front companies, or correspondent channels.

Legal and Regulatory Framework

Jamaica's PF-TFS framework is grounded in the United Nations Security Council Resolutions Implementation Act (UNSCRIA), supported by regulations implementing relevant UN Security Council sanctions obligations. The UNSCRIA establishes the Financial Investigations Division (FID) as the designated authority and

provides the legal basis for implementing sanctions designations, freezing assets, and requiring reporting entities to file reports where designated persons or entities, or their assets, are identified. Reports are required to be made without delay once a match or attempted transaction is detected.

Jamaica also issued regulations specifically giving effect to DPRK-related sanctions obligations and their successor resolutions. These rules are supported by coordination among competent authorities, law enforcement agencies, supervisors, and reporting entities. Taken together, the framework provides Jamaica with the legal ability to identify and freeze assets, communicate designations, and compel reporting to the designated authority.

The assessment, therefore, concludes that Jamaica's legal and regulatory framework for PF-TFS is strong and fit for purpose, particularly given the country's low direct PF exposure.

Proliferation Financing Threat Assessment

Nature of the Threat

Jamaica's PF threat is assessed as indirect and sanctions-evasion related. The main concern is not that proliferation actors are operating within Jamaica, but that a designated person or entity, or someone acting on their behalf, could attempt to exploit weaknesses in financial, legal, shipping, or corporate structures to evade targeted financial sanctions.

The assessment, therefore, frames threat through the FATF lens: the risk of potential breach or non-implementation of targeted sanctions, and the risk of evasion of those sanctions by actors linked to sanctioned entities.

Absence of Known Cases

No known or suspected PF cases were identified during the assessment period. Jamaica has not recorded a positive match to a designated proliferator or sanctioned entity, and no evidence was found of Jamaican financial institutions, corporate registries, or shipping activities being used to facilitate DPRK-linked proliferation financing.

This absence of cases supports the low risk rating, but also means that Jamaica must demonstrate its readiness through testing and simulation rather than through live cases.

Key Proliferation Financing Vulnerability Areas

While the overall PF risk is low, the assessment identifies a number of structural areas that could theoretically be exploited if controls were weakened or if cross-border risk increased.

Financial and Payment Channels

Jamaica's financial institutions are exposed to the global financial system primarily through correspondent banking relationships. This is a mitigating factor, as correspondent access is concentrated in well-regulated jurisdictions, which adds friction from screening, compliance, and sanctions. At the same time, it means Jamaica remains indirectly exposed to any sanctions-evasion attempt that seeks to exploit ordinary cross-border payments or the opacity of correspondent chains.

The assessment reviewed wire transfers involving higher-risk jurisdictions and found that the flows examined were generally consistent with legitimate business and personal purposes (refer to **Annex F:** Jamaican Outbound Wires to Russia, 2020 - 2024 and **Annex F:** Jamaican Outbound Wires to Laos, 2020 - 2024). Institutions applied enhanced

due diligence, including screening against sanctions lists, purpose-of-payment reviews, source-of-funds checks, and customer profile analyses.

Corporate Structures and Beneficial Ownership

The FATF recognises that sanctioned proliferators often use front companies, shell entities, joint ventures, and opaque ownership structures to conceal control and move funds. Jamaica's legal persons and beneficial ownership framework is therefore a relevant mitigating factor. The assessment notes that Jamaica's corporate regulatory framework is strong, particularly following 2023 amendments to the Companies Act, and that a review of company/business name data did not identify DPRK nationals or DPRK companies as officers or beneficial owners in Jamaica during the review period.

This substantially reduces corporate-structure vulnerability, though the assessment still recognises that complex ownership chains remain a theoretical exposure area in any jurisdiction.

Maritime and Shipping Interfaces

The assessment also considered whether Jamaica's maritime and ship-related interfaces could be exploited. Internationally, ship registries, vessel identity changes, and maritime concealment techniques are recognised PF-TFS evasion methods. Jamaica reviewed this exposure and found no evidence of vessel activity or maritime transactions linked to DPRK sanctions evasion. Nonetheless, the ship registry and maritime authorities were included in the national simulation process because of the relevance of maritime typologies to international PF risk.

Cyber Threats

The assessment also reviewed cyber-related exposure. While cybercrime exists in Jamaica, there is no evidence that Jamaican entities or financial channels were involved in DPRK-related cyber typologies or PF-related sanctions evasion methods described in international reporting. The relationship between cybercrime and PF in Jamaica is therefore assessed as limited.

National Readiness and Simulation Exercises

A major feature of Jamaica's PF assessment is that, owing to the absence of live PF-TFS cases, the country tested its system through simulation exercises. These exercises were designed to assess whether Jamaica could identify a designated individual or connected entity, communicate that designation quickly, freeze assets, and generate appropriate reporting across sectors.

The simulation exercises were coordinated through a working group under the National Anti-Money Laundering Committee (NAMLC). This group included government agencies, competent authorities, and supervisors responsible for sectors judged most relevant to PF exposure. The exercises led to the creation of a Standard Operating Procedure (SOP) designed to coordinate the implementation and communication of UN sanctions designations, and to update guidance for reporting entities.

The exercises also involved selected entities across banking, securities, and the legal profession. The selection was risk-based: larger banks with significant cross-border activity, firms with substantial attorney/law-firm relationships, securities dealers with overseas exposure or high-net-worth clientele, and attorneys involved in real estate and client-account work were included. This ensured that the test reflected the highest realistic exposure points in Jamaica's system.

The assessment finds that these simulations demonstrated improving operational readiness, clearer coordination, and stronger understanding of institutional roles. The exercises also helped identify practical areas for refinement, including reporting quality, operational sequencing, and consistency across sectors.

Proliferation Financing Sectoral Exposure

Banking Sector (Deposit-Taking Institutions)

The banking sector is central to Jamaica's PF mitigation framework, serving as the main point of contact with the global financial system. Larger banks were included in the simulation process due to their size, diversity of customers, and exposure to international transactions. The assessment finds that the sector's correspondent banking relationships, sanctions screening, and enhanced due diligence practices materially reduce PF vulnerability.

Securities Dealers Sector

Securities dealers were also assessed due to growing overseas linkages, high-net-worth clientele, and the complexity of some corporate and investment relationships. The selected entities included both family-owned and group-affiliated firms, including firms with UK-based customers and overseas subsidiaries. This reflects the assessment's view that PF exposure, while low, is best examined through sectors with cross-border connectivity and more complex ownership or transactional profiles.

Attorneys-at-Law

The legal profession was considered relevant as certain real estate and client-account activities can, internationally, be misused to layer transactions or support sanctions evasion. Jamaican law firms were therefore included in the simulation to assess responsiveness across different firm sizes and exposure levels. Particular attention was given to firms heavily engaged in real estate transactions, given the international use of property structures as a concealment mechanism.

Conclusion

Jamaica's proliferation financing risk during 2020–2025 is assessed as low, with exposure arising mainly through indirect cross-border channels rather than through any domestic proliferation activity. The country has no known PF cases, no current trade relationship with the principal sanctioned jurisdiction in scope, and no evidence of designated proliferators using Jamaican entities, financial institutions, or corporate structures during the review period. Jamaica's legal framework under the UNSCRIA is strong, and the country has supplemented it with practical coordination tools, sectoral guidance, and national simulation exercises to test and improve sanctions implementation "without delay."

At the same time, Jamaica recognises that PF is a high-consequence risk, and that even low-probability exposure requires disciplined implementation. The simulation exercises, SOP development, and sector-specific testing, therefore, form a critical part of Jamaica's PF response and demonstrate that the country is approaching PF not as a theoretical issue, but as an operational readiness challenge.

The overall conclusion is therefore that Jamaica's PF risk is low but actively managed. The country's approach appropriately reflects the FATF standard: strong legal capacity, proportionate sector oversight, and a readiness-based posture that ensures Jamaica can respond effectively even in the absence of live cases.

Part IV — Thematic Studies & Typology Assessments

Introduction

This chapter summarises the thematic studies and typology assessments undertaken as part of Jamaica's Third National Risk Assessment (NRA3). These studies were designed to test key assumptions, examine emerging vulnerabilities and deepen understanding of how criminal proceeds are generated, moved and integrated across the economy. Unlike sector-specific assessments, thematic studies cut across institutional boundaries and focus on behaviours, channels and structural conditions that influence risk.

The thematic work represents one of the most significant methodological enhancements introduced in NRA3. It enabled Jamaica to move beyond broad descriptions of risk and to examine specific issues - such as cash usage, fraud, cybercrime, trade-based money laundering and the cannabis industry - with greater analytical precision. The studies also helped distinguish between legitimate economic activity and vulnerabilities that may be exploited for money laundering, terrorist financing or proliferation financing.

The central conclusion is that Jamaica's principal risks are concentrated at the intersection of cash-intensive activity, trade, digital fraud and asset-based laundering. The thematic studies materially improved the evidence base and sharpened supervisory, investigative and policy priorities.

Evolution of Thematic Studies

Background

NRA2 identified several recurring themes that influenced Jamaica's money laundering exposure, including heavy cash usage, informality, cross-border trade, and the use of assets such as real estate and motor vehicles to store value. However, these issues were largely treated as contextual factors rather than subjected to standalone analytical review.

In NRA2, due to limited data, some assumptions remained broad and descriptive. For example, cash was often viewed as a general vulnerability without sufficient distinction between legitimate demand drivers and actual misuse indicators. Similarly, trade and sector-specific channels were recognised as relevant but not examined in a sufficiently targeted manner.

NRA3 addresses this gap by introducing dedicated thematic studies. These studies were intended to challenge assumptions, validate hypotheses and provide a more nuanced understanding of where material vulnerabilities reside and how criminal behaviour adapts in response to stronger controls.

Improvements Observed Since NRA2

The introduction of thematic studies significantly enhanced Jamaica's analytical capability. Rather than relying solely on aggregate statistics or sector questionnaires, the NRA3 Working Group focused its studies on specific channels and typologies with national relevance.

The studies combined quantitative data, supervisory findings, enforcement outcomes and expert judgement. They were used to reconcile conflicting narratives, test whether commonly cited vulnerabilities were supported by evidence, and identify emerging risks not adequately captured through conventional sector assessments.

This approach produced several benefits. It clarified the role of cash in the economy, highlighted the increasing significance of fraud and cyber-enabled crime, provided a more realistic view of trade-based risks,

and strengthened understanding of how legal and commercial structures may be used to integrate illicit value.

Most importantly, the thematic work improved the quality of policy conclusions. Risks are now understood in greater detail, allowing authorities to allocate resources more effectively and design more proportionate responses.

Thematic Assessments, 2020 - 2025

Cash and Currency Usage

The cash thematic is one of the most important studies undertaken in NRA3. Jamaica remains a cash-using economy, particularly among micro and small businesses, rural communities and segments of the informal economy. Tourism, remittances and household preferences also contribute to sustained demand for physical currency.

The key analytical finding is that cash should not be equated with criminality. The presence of cash reflects both structural and behavioural features of the economy, many of which are legitimate. The relevant risk arises where large volumes of cash are introduced into the financial system without a credible economic rationale or where recordkeeping and transaction visibility are limited.

The thematic demonstrated that regulated channels for cash handling – including banks, remittance companies and licensed foreign exchange dealers (cambios) – are subject to increasingly robust controls. Residual risk is concentrated in the "last mile," where funds move into lower-visibility commercial or personal activity.

The study, therefore, reframes cash as a contextual medium rather than an independent threat. It remains relevant due to its capacity to reduce traceability, but the associated risk depends on how and where cash is used rather than on its mere existence.

Bank Fraud and Cyber-Enabled Crime

The fraud and cyber thematic confirms that fraud has become one of the most dynamic and financially significant predicate threats facing Jamaica. Advances in digital banking, online commerce and electronic payments have created efficiencies, but have also expanded the opportunities for identity theft, account compromise, social engineering and payment fraud.

A notable finding is that fraud is highly adaptive. Criminal actors rapidly alter techniques in response to stronger authentication, monitoring and customer awareness measures. As one channel becomes more difficult to exploit, activity shifts to alternative methods.

The banking sector has strengthened cyber controls, authentication standards, transaction monitoring and customer education. These improvements have reduced systemic vulnerabilities and increased the cost and complexity of fraud (refer to **Annex G:** Money Laundering Matrices, 2021/2024). However, the threat remains material, given its scalability and cross-border reach.

Overall, the period from 2020 to 2025 reflects a financial system that has strengthened through continuous adjustment and learning (see **Annex G:** Stock Composition of Annual Fraud Amounts Reported (JMD millions) and **Annex G:** Total Annual Number of Fraud Occurrences in the DTI Sector). Fraud and cyber-enabled risks did not disappear, but their ability to undermine the fabric of a sound banking sector and stability diminished materially. By 2025, Jamaica's banking system exhibited greater resilience, improved supervisory coherence,

and more effective coordination across institutions—positioning it to better detect and prevent criminals and their associates from using the financial system to launder the proceeds of crime.

Medical Cannabis Sector

The medicinal cannabis thematic was undertaken to assess whether the legal development of this industry introduces meaningful money laundering vulnerabilities. The assessment recognises that the sector is still developing and remains modest in scale relative to the broader economy.

The principal risks relate to cash-intensive retail activity, ownership transparency, cross-border investment and the coexistence of a legal market alongside historical informal activity. These features create the potential for commingling of legitimate and illicit funds if governance and recordkeeping are weak.

At present, however, the sector's size and regulatory oversight limit systemic exposure. The thematic concludes that cannabis activity presents a contained and manageable risk, best addressed through continued licensing controls, ownership transparency and proportionate supervisory engagement.

Trade-Based Money Laundering

The trade-based money laundering (TBML) thematic highlights the capacity of import and export transactions to disguise the movement of value through mispricing, false invoicing, quantity manipulation and related techniques.

Jamaica's economy is highly dependent on imports, making trade channels inherently relevant. The risk is most pronounced where valuation is subjective, documentation is complex or goods can be intentionally under- or over-stated.

The assessment finds that motor vehicles, construction materials and selected consumer goods are among the channels where valuation uncertainty can create opportunities for abuse. However, the presence of these vulnerabilities does not imply widespread misuse. Rather, it indicates that trade channels require continued intelligence and analytical attention.

The thematic concludes that TBML is an important but specialized risk area that intersects with customs, tax, law enforcement and financial intelligence functions.

Motor Vehicle Imports and Rebuilt Vehicles

The motor vehicle thematic focuses on the use of vehicle imports and sales as potential mechanisms for storing and integrating illicit value. The sector is relevant as vehicles can absorb substantial funds, and rebuilt or repaired vehicles may present valuation uncertainty.

The core vulnerability lies in the ability to manipulate acquisition costs, repair values and resale prices in ways that obscure the true economic rationale of transactions. These features can facilitate both tax evasion and money laundering.

The assessment highlights the motor vehicle industry as a significant area of attention, recognizing that while not all participants are high risk, the sector involves high-value assets, subjective valuation, and connections to both trade and retail cash flows.

This thematic strengthens the evidence base for continued coordination among customs, tax authorities, financial intelligence and supervisory bodies.

Cross-Cutting Typologies and Criminal Adaptation

A major insight from the thematic work is that criminal behaviour is adaptive and increasingly opportunistic. Rather than depending on a single channel, illicit actors combine multiple methods, including cash, trade, shell companies, nominee arrangements and asset purchases.

This convergence means that risk often materialises at the seams between sectors rather than within any one institution. A transaction may involve funds generated through fraud, routed through remittances, used to import goods and ultimately invested in property or vehicles.

Thematic analysis, therefore, reinforces the need for integrated intelligence and coordinated supervision. Effective risk mitigation requires authorities to connect disparate signals and understand how individual transactions fit into broader laundering patterns.

Conclusion

The thematic studies and typology assessments represent one of the most important innovations in Jamaica's NRA3. They transformed broad contextual observations into structured analytical findings and materially improved the quality of national risk understanding.

The studies confirm that Jamaica's principal vulnerabilities are concentrated where cash, trade opacity, digital fraud, high-value assets and professional facilitation intersect. They also demonstrate that many commonly cited concerns are more nuanced than previously understood and require proportionate rather than blanket responses.

Going forward, Jamaica will continue to update thematic work as risks evolve. Future studies will focus on emerging technologies, evolving fraud patterns, trade typologies and new business models. By institutionalising thematic analysis as a core element of the national risk assessment framework, Jamaica will be better positioned to anticipate changes, allocate resources effectively and maintain a dynamic, evidence-based AML/CFT/CPF regime.

Part V — Sectoral (Financial and Non-Financial and Professions) Risk Assessments

Introduction

This chapter provides an analytical overview of Jamaica's financial services sector and explains its significance to the national money laundering, terrorist financing and proliferation financing risk profile. The chapter does not assess individual sectors in detail; rather, it examines the structure, scale, interconnectedness and systemic characteristics of the financial system that shape both vulnerability and resilience.

The financial sector plays a central role in mobilising savings, extending credit, intermediating investment and facilitating domestic and international payments. These same functions make the sector a potential conduit through which illicit proceeds may be placed, layered and integrated. At the same time, given that most significant financial flows pass through regulated institutions, the sector also serves as Jamaica's principal control point for detecting and disrupting financial crime.

The overarching conclusion is that Jamaica's financial system is large relative to the economy, highly interconnected and increasingly well-regulated. Although certain sectors remain more exposed due to product complexity, customer profiles and cross-border activity, strengthened supervision and compliance controls have materially reduced residual vulnerabilities across the system.

The overall average risk score for the financial sector is **MEDIUM-LOW**.[6] In terms of the specific ratings for each sector, **Annex H: Financial Sector Vulnerability Ratings** shows the overall risk score per sector and sub-sector. Details of these ratings are provided in the respective sections of Part V.

Evolution of the Financial Sector

Background

NRA2 identified the financial sector as the cornerstone of Jamaica's AML/CFT framework. Deposit-taking institutions, securities dealers, insurers and money services businesses were recognised as the most important gateways through which legitimate and illicit funds could enter and move through the formal economy.

At that time, the assessment noted that the banking system was the primary settlement and payments infrastructure supporting virtually all other sectors. Securities dealers were recognised as higher risk due to their size and complexity, while remittance companies and cambios were highlighted due to their relevance to cross-border flows and cash activity.

NRA2 also identified weaknesses in supervisory intensity, uneven implementation of risk-based controls and gaps in coverage for certain sectors. These findings established the baseline against which NRA3 evaluates structural developments and supervisory improvements.

Improvements Observed Since NRA2

Since NRA2, Jamaica has expanded and strengthened its regulatory perimeter. New legislative frameworks were introduced for microcredit institutions and trust and corporate service providers, and preparatory work has been undertaken to regulate virtual assets and virtual asset service providers.

[6] The NRA team did a simple weighted average score calculation. The composite score for the finance sector was calculated at 0.36 which represents medium-low vulnerability coupled with an average medium-low level threat.

Supervisory methodologies have become more data-driven and risk-based. Competent authorities now make greater use of thematic reviews, off-site analytics, targeted examinations and sector-specific outreach. These changes have improved the consistency and depth of oversight.

The sector has also become more resilient operationally. Institutions have invested in customer due diligence, transaction monitoring, sanctions screening, cyber resilience and governance frameworks. As a result, the financial sector is better positioned to identify suspicious activity and respond to emerging threats.

Financial Sector Overview, 2020 - 2025

Supervisory Architecture and Governance

Jamaica's supervisory framework is distributed among competent authorities with sector-specific responsibilities. The framework is increasingly coordinated and grounded in common risk-based principles.

Supervision now extends beyond compliance testing to include governance, risk management, sanctions screening, transaction monitoring, cyber resilience, and market conduct considerations. The shift from rules-based reviews to risk-based supervision has improved oversight effectiveness.

Institutional governance within firms has also strengthened. Boards and senior management are expected to demonstrate active oversight of AML/CFT risks and to ensure that compliance frameworks are operational, data-informed and proportionate to the institution's risk profile.

Structure and Economic Significance

Jamaica's financial system is economically significant and encompasses banks, building societies, merchant banks, securities dealers, insurance companies, pension funds, money services businesses, credit unions, microcredit institutions and a range of supporting intermediaries.

Collectively, the sector manages assets and client funds that are large relative to national output (refer **Annex H: Distribution of Assets in the Financial Services Sector**). The banking system remains the core of the financial architecture, but non-deposit-taking institutions – particularly securities dealers, pension funds and insurers – also represent a substantial share of financial assets and savings.

This scale has two implications. First, the sector is critical to economic stability and investor confidence. Second, its size and concentration mean that weaknesses in governance or controls can have broader financial integrity implications. Accordingly, the financial sector is both systemically important and strategically central to Jamaica's AML/CFT/CPF regime.

Interconnectedness and Financial Groups

A defining feature of Jamaica's financial system is the degree of interconnectedness among sectors. Many institutions operate as part of broader financial groups that include banks, securities dealers, insurers, pension administrators and investment managers.

These linkages create efficiencies and broaden product offerings, but they can also transmit risk across entities through shared governance, funding arrangements, common customers and operational dependencies.

The banking sector is particularly important as it serves as the principal settlement and custody layer. Even where another sector presents lower inherent risk, most significant transactions ultimately pass through bank

accounts and payment rails. This gives banks a critical additive role as both a potential transmission point and a powerful mitigating control layer.

The group-wide nature of the financial system reinforces the importance of consolidated supervision, information sharing and enterprise-wide governance.

Core Functions and Risk Channels

The financial system performs several functions that are directly relevant to money laundering and terrorist financing risk. These include accepting deposits, transmitting funds, exchanging currencies, issuing investment products, underwriting insurance, managing pensions and providing fiduciary and custodial services.

Risk arises where these products and services can be used to obscure ownership, move funds across borders, convert cash, or layer transactions in ways that reduce transparency. Higher-risk characteristics include large-value transactions, legal persons, nominee arrangements, non-face-to-face onboarding and international counterparties.

However, these same activities generate extensive records and audit trails. When controls are functioning effectively, the financial system becomes a source of valuable intelligence and an essential mechanism for identifying and disrupting illicit activity.

This assessment confirms that financial sectors are not equally exposed. Securities dealers present relatively higher residual risk due to their size, product complexity, capital market activities and cross-border linkages. Deposit-taking institutions remain materially exposed owing to their systemic importance and broad customer base, though their residual risk is moderated by strong controls and mature supervision.

Remittance companies and cambios are economically important and relevant to cross-border and foreign exchange activity, but their risk has declined significantly as customer due diligence, transaction monitoring and supervisory oversight have strengthened.

Life insurers, credit unions and microcredit institutions generally exhibit lower residual risk due to simpler products, more domestic customer bases and lower transaction complexity. Nonetheless, each sector remains relevant and requires proportionate supervision.

The financial system should, therefore, be viewed as a differentiated ecosystem in which inherent risk varies, but all sectors contribute to the national control environment

Technology, Innovation and Emerging Risks

Technological change is reshaping the financial system. Digital onboarding, online payments, electronic trading and emerging asset classes create efficiencies and support financial inclusion, but they also introduce new forms of fraud, cyber risk and cross-border exposure.

NRA3 recognises that innovation does not necessarily increase systemic vulnerability if governance, customer due diligence and monitoring evolve in tandem. The risk lies where products outpace regulatory and institutional readiness.

Jamaica has responded by enhancing cyber expectations, conducting thematic reviews and preparing legislative and supervisory frameworks for emerging technologies, such as virtual assets. These measures position the country to manage innovation while preserving financial integrity.

Introduction

The Deposit-Taking Institutions (DTI) chapter assesses the role of Jamaica's banking sector in the national money laundering, terrorist financing and proliferation financing risk profile. The sector includes a number of commercial banks, building societies and a merchant bank. It is the central settlement, payments and account-holding layer of the economy and therefore sits at the point where most legitimate financial activity, and potential illicit financial activity, become visible.

The assessment is not premised on the view that banks are inherently weak. Rather, it recognises that the banking sector is the most important financial gateway in Jamaica. The same features that make the sector economically indispensable – deposit mobilisation, credit intermediation, foreign exchange services, wire transfers, card payments, trade-related finance, digital banking and access to international correspondent relationships – also make it relevant to money laundering and related predicate threats.

The purpose of this section is to explain why the sector remains rated **Medium** for overall ML risk, despite improvements in supervisory and institutional controls. The **Medium** rating reflects a balance: inherent exposure remains material owing to the sector's scale and functions, but residual vulnerability is moderated by mature supervision, stronger governance, automated monitoring, sanctions controls, customer-risk profiling and significant suspicious transaction reporting.

The banking sector also has an additive role in Jamaica's wider financial architecture. Other financial and non-financial sectors depend on bank accounts and payment rails for settlement. This means banking controls can mitigate risk across the wider economy, but banking weaknesses could also transmit risk across multiple sectors. The sector is therefore both a potential point of exposure and Jamaica's strongest line of financial intelligence and preventative control.

Sector Overview

Evolution of the Sector

NRA2 identified the banking sector as one of the most important channels for detecting and preventing the misuse of the formal financial system. The sector was already subject to established AML/CFT obligations, but the assessment highlighted that further strengthening was required in the practical application of risk-based controls. Areas of attention included ongoing monitoring, sanctions screening, beneficial ownership verification, customer risk profiling, and the alignment of internal systems with evolving typologies.

Since NRA2, the sector's operating environment has changed in several ways. Digital banking accelerated, customer behaviour shifted toward online and mobile channels, fraud and cyber-enabled crime became more prominent, and institutions increasingly had to manage the overlap between financial crime risk, operational resilience and market confidence. At the same time, Jamaica's wider AML/CFT/CPF framework matured through legislative reform, stronger national coordination and greater use of thematic work to test assumptions.

NRA3 reflects this more mature environment. The analysis moves beyond a compliance checklist and considers how banking products, customers, transaction channels and supervisory tools operate together. It recognises that the sector's exposure is not static. Fraud typologies evolve, sanctions expectations change, customers increasingly use digital channels, and cross-border flows remain important to Jamaica's tourism, remittance, trade and investment profile.

The key improvement from NRA2 to NRA3 is that the banking sector is now assessed with better data, deeper supervisory insight and clearer understanding of where vulnerabilities are concentrated. The assessment does

not suggest that risk has disappeared. It concludes that risk is better understood, more actively monitored and more effectively mitigated.

Financial Profile and Market Size

The banking sector is the anchor of Jamaica's financial system. It supports deposit-taking, credit creation, payments, foreign exchange, card transactions, merchant services and access to international financial markets. It is also the principal channel through which individuals, businesses, public bodies and other regulated entities interact with the formal financial system.

The assessment records the sector as comprising eight commercial banks, two building societies and one merchant bank, supported by a national branch network and expanding digital channels. Sector assets were reported at approximately J$2.8 trillion, or about 80.3 per cent of GDP, with deposits of approximately J$1.8 trillion. This scale makes the sector central to macroeconomic stability and to Jamaica's ability to maintain confidence in the integrity of its financial system.

The sector's systemic role creates a concentration of both risk and control. Where criminals seek to place proceeds into the formal financial system, banks are often the first regulated point of contact. Where funds are moved across borders, converted into other products, paid into investments, settled through merchants, disbursed through remittances or used to purchase assets, banking infrastructure frequently provides part of the payment chain.

This centrality means that the banking sector cannot be assessed only as one sector among many. It is the connective tissue of the financial system. Its controls influence the effectiveness of AML/CFT/CPF risk management in securities, insurance, pensions, money services, microcredit, credit unions, real estate, motor vehicles, professional services and emerging virtual-asset exposure. Strong banking controls, therefore, provide a system-wide mitigant; weak controls would have system-wide implications.

Sector at a Glance

Governing Legislation

- The Banking Services Act
- Bank of Jamaica Act

Delivery Channels

- Traditional brick and mortar
- Internet, mobile and telephone banking (strong push to migrate to these channels)

AML/CFT Laws

- Proceeds of Crime Act
- Terrorism Prevention Act
- The United Nations Security Council Resolutions Implementation Act
- BOJ AML/CFT/CPF Guidance Notes

Number of Customers

- Population above age 15 with a bank account: 76%
- Est. 4.5M accounts, including both domestic and overseas residents.

Size/Value of sector

(per cent of GDP)

- Assets (2024): **J$2.8 trillion/ US$17.9 billion**
- Assets (GDP): **80.3%**
- Deposits: **J$1.8 trillion/US$12.7 billion**
- Deposits (GDP): **57.0%**

Level of Cash

Elevated levels of cash activity

(Banks are pushing to reduce cash activity by migrating customers to online platforms)

Customer Profile

- High Risk (incl. PEPs): **8.4 %**
- Medium Risk: **16.4 %**
- Low Risk: **70.7 %**
- SDD: **2.5 %**
- Not Rated: **2.0 %**

Number of Players

- 8 Commercial Banks
- 2 Building Societies
- 1 Merchant Bank
- Branch Network: **156**

Sector ML Risk Score | **MEDIUM**

Inherent Vulnerabilities

The sector's inherent vulnerability is driven by scale, diversity and transaction intensity. Banks serve a broad customer base, including low-risk retail customers, higher-risk individuals, politically exposed persons, legal persons, non-profit organisations, cash-intensive businesses, foreign-connected customers and professional intermediaries. Even where most customers are lower risk, the absolute volume of relationships means that higher-risk pockets require careful monitoring.

The product and service mix also creates exposure. Current and savings accounts may be used for placement and movement of funds. Corporate accounts may be used to commingle legitimate and illicit proceeds. Wire transfers and correspondent banking relationships can facilitate cross-border movement. Foreign exchange services may support the conversion of value. Trade-related banking can intersect with invoice manipulation and trade-based money laundering. Digital channels can be exploited through account compromise, mule accounts, social engineering or identity misuse.

Cash remains relevant but should be assessed with care. Jamaica's economy continues to use cash for legitimate reasons, including household spending, micro-business activity, remittance payouts, rural access constraints and informal livelihoods. The issue is not that cash use is inherently suspicious. The vulnerability arises when cash volumes, frequency or source-of-funds explanations are inconsistent with a customer's profile or expected activity.

Beneficial ownership risk also remains relevant. Banks may encounter legal persons with complex or opaque ownership structures, nominee arrangements, trust-related features or foreign ownership links. These relationships are not automatically high risk, but they require strong verification and ongoing monitoring to ensure that the bank understands who ultimately owns, controls or benefits from the relationship.

Customer Profiles

The banking sector's customer-risk distribution is weighted toward lower-risk customers, with a significant majority classified as low risk, a smaller proportion classified as medium risk, and a more limited group classified as high risk (refer to **Annex H:** Customer Risk Classification (2024)). This distribution supports the conclusion that the sector's risk is not uniformly high across all customers. The main supervisory question is whether banks correctly identify, verify, monitor and escalate the higher-risk segments.

A risk-based approach is therefore essential. Low-risk customers should be subject to proportionate controls that support financial inclusion and efficient access to services. Medium-risk customers require periodic review and monitoring consistent with their profile. High-risk customers, including PEPs, complex legal persons, cash-intensive customers and certain foreign-connected relationships, require enhanced due diligence and stronger governance oversight.

The effectiveness of customer-risk profiling depends on data quality. Customer occupation, source of funds, beneficial ownership, expected activity, geographic exposure, product usage and transaction behaviour must be accurate and kept current. Where information is stale or incomplete, risk ratings may become unreliable and transaction monitoring may produce weaker outcomes.

The banking sector has improved in this area, but residual gaps can remain where customer files are not refreshed in a timely manner, beneficial ownership information is difficult to verify, or customer activity changes faster than monitoring rules are recalibrated. These issues are manageable, but they require sustained supervisory attention.

Fraud, Cyber-Enabled Crime and Operational Risk

Fraud and cyber-enabled crime are among the most important threats facing the banking sector. These risks include phishing, social engineering, SIM-swap related compromise, business email compromise, card fraud, digital-account takeover, online payment fraud and the use of mule accounts to receive and dissipate proceeds. These typologies can be high-frequency and adaptive.

The banking sector has strengthened controls in response. Improvements include stronger authentication, transaction alerts, customer education, fraud monitoring, incident reporting, governance over cyber risk and enhanced collaboration with law enforcement and supervisory authorities. These measures have reduced the scalability of certain fraud patterns and increased the likelihood of detection.

However, fraud remains material as criminal actors continuously adjust. Where one channel becomes harder to exploit, actors may move to another method. This dynamic underscores the need for banks to treat fraud risk, cyber risk and AML risk as connected rather than separate domains. Proceeds of fraud may move through ordinary accounts, digital transfers, cash withdrawals, remittance channels, vehicle purchases or other asset acquisitions.

The supervisory implication is clear. Banks must not only maintain strong cyber resilience, but they must also ensure that fraud events feed into AML monitoring, customer-risk assessment and suspicious transaction reporting. A cyber incident may be operational in form but financial-crime related in substance.

Cross-Border Exposure, Correspondent Banking and Sanctions Risk

Jamaica's banking sector is internationally connected through trade, tourism, remittances, investment flows and correspondent banking relationships. This international connectivity is economically essential, but it introduces exposure to foreign counterparties, sanctions screening obligations, cross-border fraud proceeds and potential misuse of international payment rails.

Correspondent banking relationships exert an additional discipline on domestic institutions. Banks must maintain standards acceptable not only to domestic supervisors, but also to foreign correspondent institutions. This reinforces customer due diligence, sanctions screening, transaction monitoring and governance expectations.

Sanctions and targeted financial sanctions are especially important given that the banking sector is a key control point for identifying designated persons, sanctioned entities and transactions involving assets owned

or controlled by designated parties. The sector's screening systems and escalation protocols therefore contribute not only to AML compliance but also to Jamaica's CFT and CPF posture.

The residual risk remains manageable as banks have strengthened controls and the sector's international relationships create an additional layer of external scrutiny. However, banks must continue to update screening systems, monitor changes in ownership and control, and ensure that sanctions alerts are resolved on a sound and timely basis.

Product Assessment

The banking products most relevant to money laundering risk are those that enable high-volume, high-value or cross-border movement of funds. These include wire transfers, foreign exchange transactions, corporate accounts, cash deposits, merchant services, trade-related payments and digital banking channels. The risk is greatest where transaction behaviour is inconsistent with known customer activity or where the customer structure obscures the economic purpose of the transaction. The products and services assessed as part of the NRA as well as their ratings are outlined in **Annex H: The NRA Risk Rating of Products/Services Offered by DTIs**.

Digital channels are an increasingly important part of the risk picture. They support financial inclusion and efficient service delivery, but they also create exposure to cyber-enabled fraud, account takeover, compromised credentials and mule-account networks. The primary risk is not the technology itself, but the misuse of access points and customer accounts by criminal actors.

Trade-related banking is relevant as banks may process payments connected to imports, exports and commercial invoices. While banks are not customs authorities, they can identify unusual payment patterns, inconsistent counterparties, unexplained third-party payments or transactions that do not align with a customer's business profile. This is particularly important where trade-based money laundering typologies involve mispricing or value transfer through goods.

Private banking and high-net-worth relationships may also present enhanced risk where they involve complex wealth sources, offshore structures, foreign assets or multiple legal entities. These relationships require deeper source-of-wealth and source-of-funds analysis. The risk is not the existence of wealth; it is the potential inability to verify how value was generated and whether the relationship is being used to disguise control or ownership.

Jamaica's Fintech Framework

Since 2021, fintech[7] in Jamaica has continued its growth into a deliberate phase of ecosystem development, with entities deploying fintech tools to widen financial inclusion, enhance efficiency and resilience, and strengthen competition. The initial response to COVID-19 such as the promotion of e-commerce and remote channels has been sustained by ongoing upgrades to Jamaica's National Payment System infrastructure to include the Phased National Roll-Out of a Central Bank Digital Currency (CBDC), called JAM-DEX®, among other payment system developments. Innovation has heightened various risks which are mitigated and managed by the existing regulatory and supervisory framework for payments and fintech.

FinTech Regulatory Sandbox, CBDC (JAM-DEX®) and Key Enablers

During the 2021–2024 period, BOJ continued to operate its FinTech Regulatory Sandbox, a controlled environment for live testing of innovative financial services. By end-2024, the Sandbox had received forty-six (46) applications from forty (40) entities. At end-2024, twenty-three (23) applications were approved for testing in the Sandbox comprising mobile-wallet, debit-card and prepaid-card solutions with entities at different stages of testing their respective products or services.

Some of the lessons learned and practical experiences gained from entities testing in the Sandbox were used to inform policy and shape future regulatory efforts included the following:

a. Fintech partnership with DTIs is not always readily available. In January 2022, the Bank clarified what constitutes a partnership arrangement between a fintech company and a DTI, defining it as a legal and contractual agreement covering financial, operational, and structural scope, including custodial banking and AML/KYC arrangements. While this clarification has provided greater certainty to applicants, the limited availability of DTI partners continues to be a key constraint and has been one of the main reasons for applications from Fintech companies not advancing to test in the Sandbox.

b. The evolving nature of payment services and cross-border potential have foreign exchange (FX) implications for the financial system and would need to be assessed within the current FX framework.

c. Increased requests for testing of Cross-Border payments: the evolving nature of the implementation of cross-border payments by PSPs via e-commerce or international payment cards (Visa and MasterCard) has been considered in the amendments to the regulatory framework for PSPs.

In addition, the Sandbox Guidelines were also updated in October 2024 to provide clarity on the eligibility criteria, duration/timing, reporting and application requirements.

A major fintech development is Jamaica's CBDC which moved from pilot testing in the Sandbox at end 2021 to Phased National Roll-Out after Parliament passed the Bank of Jamaica (Amendment) Act in June 2022, confirming BOJ as sole issuer and recognising JAM-DEX® as legal tender. As at end July 2025, there were two entities offering JAM-DEX® services to the public including transfers, Cash-In and Cash-Out. Other notable developments related to JAM-DEX® are ongoing, such as government receipts, which advanced in April 2025 when Tax Administration Jamaica (TAJ) commenced the acceptance of JAM-DEX® for selected tax payments, such as property taxes, fitness fees, and traffic tickets.

Legislative Reform

The Payment Clearing and Settlement Act (PCSA), is being amended to provide the BOJ with explicit powers for the supervision of payment service providers ("PSPs"), including licensing, monitoring, and enforcement powers. The Cabinet Submission was approved in December 2023, and the Ministry of Finance (MOF) dispatched drafting instructions to the Office of the Parliamentary Counsel (OPC) in January 2024. The legislative process progressed significantly during 2024 and 2025, with the MOF sharing with the Bank the fifth draft bill to amend the PCSA. In November 2025, BOJ submitted comments on the fifth draft of the proposed legislation and is currently reviewing the sixth draft of the bill for submission to the MOFPS.

Supervisory Effectiveness and Risk-Based Oversight

The supervisory framework for DTIs has matured significantly. NRA3 indicates that supervision is differentiated by risk level and supported by on-site and off-site work, thematic reviews and data-driven monitoring. The sector has also been subject to thematic assessments covering areas such as bank fraud, wire transfers, sanctions screening and transaction monitoring.

This matters as effective supervision is not limited to reviewing policies. It assesses whether controls are working in practice. Supervisory work examines governance, risk assessments, customer-risk profiling,

7 **Fintech** ("financial technology") is the use of modern digital technologies—software, data, cloud, APIs, AI/ML, blockchain, mobile—to design, deliver, and operate financial products, services, and infrastructure. It spans consumer and business solutions (e.g., payments, lending, wealth/investment apps, insurance, compliance/"regtech"), offered by startups and incumbents alike, with the aim of making finance faster, cheaper, safer, and more accessible.

transaction monitoring, sanctions screening, board reporting, internal audit, remediation processes and escalation of suspicious activity.

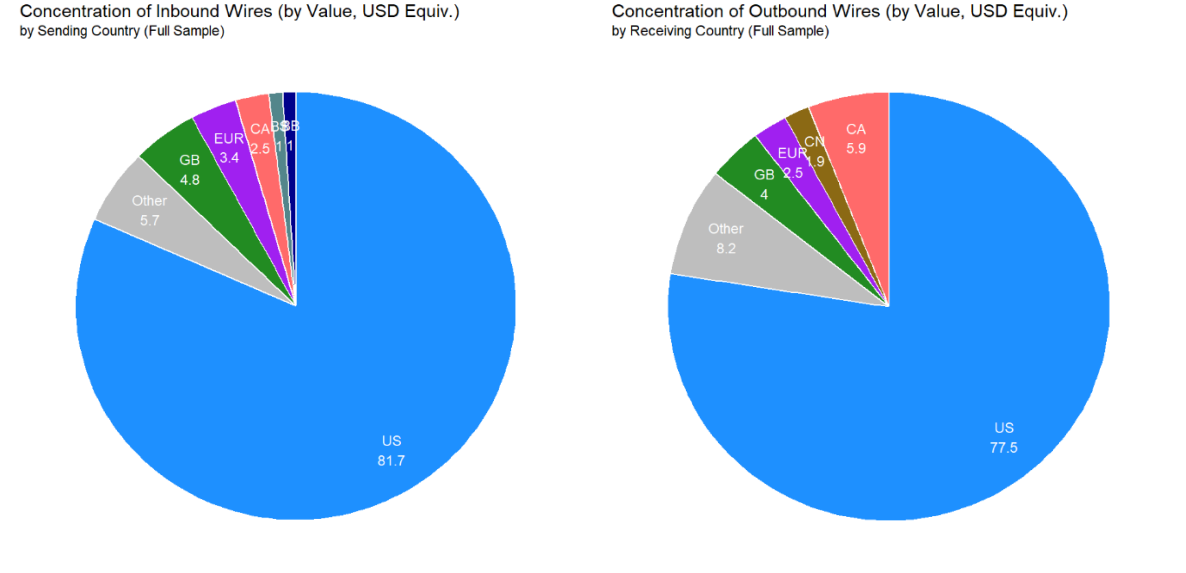
The shift toward technology-enabled supervision has improved coverage and consistency. Remote inspection tools, data analytics and thematic reviews allow supervisors to identify patterns across institutions and to focus on-site work where risk signals warrant deeper examination. This supports a more preventative model of supervision.

Supervisory actions have also been proportionate. Where weaknesses have been identified without evidence of material misconduct, corrective action plans, warning letters and enhanced monitoring have been used to require remediation. This supports a credible graduated approach: enforcement should be firm but also aligned with the nature and severity of the deficiency.

Case Example: Wire Transfers

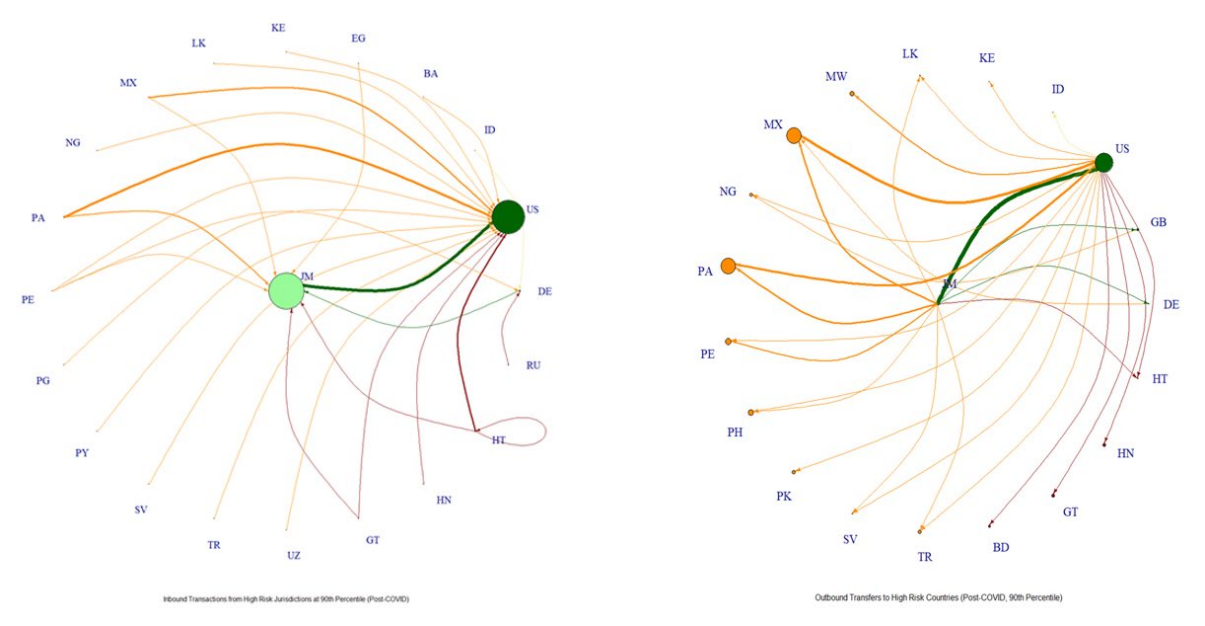
In 2025, BOJ conducted a periodic update thematic study on the deposit-taking institutions' wire transfer network to deepen banking sector knowledge in relation to the level of inherent ML/TF risks derived from wire transfers. The study examined the ways in which the DTI systems may be exposed to ML/TF risks emanating from and transmitted to other jurisdictions throughout the January 2019 to September 2024 review period, given the high degree of openness of the economy.

Transfers Network of Jamaica Jan19/Sep24



Findings from the study emphasised persistently strong relations between Jamaica and established financial markets, namely the United States, Europe, Great Britain, and Canada, as direct senders and/or facilitators of flows to the island (see figure above). Throughout the review period, these three countries collectively accounted for 92.4 per cent of total transactions, valued at US$70.2bn. Outbound transfers largely reflected transactions with countries such as the United States (US$78.4bn), Canada (US$6bn), United Kingdom (US$4.1bn), and "Other", though in smaller average sizes since the pandemic on account of possible shifts in financial behaviour and the effects of de-risking.

Wire Transfers Network of Jamaica High Risk Countries Jan19/Sep24 [Post-Covid, 90th Perc]



The integration of the corruption perception index (CPI) in the analysis as an indicator of ML/TF risks allowed for the identification of notable flows from perceived high-risk jurisdictions including, Haiti, Russia, Honduras and, to a lesser extent, Guatemala. These transactions totalled US$0.06bn over 485 transactions and represented approximately 0.3 per cent of the total number of post-COVID incoming flows. In addition to the low incidences of these transactions, it was also noted that these transactions were channeled primarily through the United States and Germany over the period, tempering the level of ML/TF exposures to Jamaica.

Jamaica also reflected more diverse flows to countries outside of its dominant trading partners via outbound transfers, to include countries such as China, Hong Kong, Trinidad, and Japan consistent with the country's heavy import-driven market. Transfers to high-risk jurisdictions were similarly limited in volume with ML/TF risks associated with most mitigated by intermediation through low-risk countries.

Results from the thematic study prompted a review of the internal control environment among DTIs in relation to cross-border flows and by extension, the review of the suspicious transaction activities to law enforcement agencies, given the perceived risk of a few cross-border flows.

This case demonstrates that BOJ employs several tools, including thematic papers, that allow for a greater understanding of key elements of the DTI system. These papers also highlight areas to be addressed by the DTIs and have the potential to identify any emerging trends in the sector. Individualised results are curated and disseminated to institutions to mitigate against these exposures and safeguard the system.

Compliance Framework

The sector's compliance framework is a major mitigating factor. Banks maintain formal AML/CFT/CPF policies, dedicated compliance functions, internal controls, training programmes, transaction monitoring systems, sanctions screening and suspicious transaction reporting procedures. These controls are increasingly embedded within wider enterprise risk management.

The effectiveness of compliance depends on governance culture. Boards and senior management must understand the institution's risk profile, receive meaningful reporting and actively challenge control weaknesses. Compliance should not operate as a narrow technical function divorced from business strategy. It must influence onboarding, product approval, channel development, correspondent relationships and customer exits.

Internal audit also plays a critical role by independently testing whether systems operate as intended. Where audit findings, regulatory findings or suspicious-activity trends repeat over time, this may indicate weaknesses in governance rather than isolated operational lapses.

NRA3's analytical position is that the sector's control environment has improved; however, governance must remain dynamic. Banks must continue to test the risk-based approach against real customer behaviour, emerging typologies and changes in product delivery.

Suspicious Transaction Reporting and Intelligence Value

The banking sector is one of the most important sources of suspicious transaction reporting in Jamaica. Its STRs support national intelligence development and often provide the transactional evidence needed to identify fraud networks, narcotics proceeds, corruption-related flows, cyber-enabled crime and cross-border value movement.

The value of banking STRs lies not only in volume but in quality. High-quality reports should explain why the activity is considered suspicious, how it differs from expected behaviour, what customer information is known and whether there are links to other parties, accounts or typologies. STRs are most useful when they connect transactional data with clear analytical reasoning.

Banks also generate intelligence through attempted transactions, refused relationships, terminated accounts and sanctions alerts. These signals can assist supervisors, the FID and law enforcement in identifying broader patterns even where no completed transaction has occurred.

The challenge going forward is to continue improving STR quality and feedback loops. Reporting entities benefit from typology guidance and feedback on common deficiencies. The designated authority benefit when institutions provide more precise, evidence-based and timely reporting.

Retrospective Due Diligence (Deposit-Taking Institutions)

Under the POCA, financial institutions are required to collect customer information and use it to develop customer profiles, based on the risk that these customers pose. Customers' transactions are monitored against these established profiles to ensure these transactions are legitimate and to prevent customers from using their accounts to launder proceeds from crime or to finance terrorism. Where transactions deviate from customer profiles, these transactions are flagged and investigated to determine if they are 'true positive.' Additionally, during the customer on-boarding process, if the customer is found to be elevated risk, enhanced due diligence should be applied.

The KYC/CDD practices administered by DTIs during customer on-boarding were found to be adequate. However, deficiencies were identified in DTIs' retrospective KYC/CDD programmes.[8] This issue is attributable to outdated customer identification as DTIs sometimes find it challenging to locate

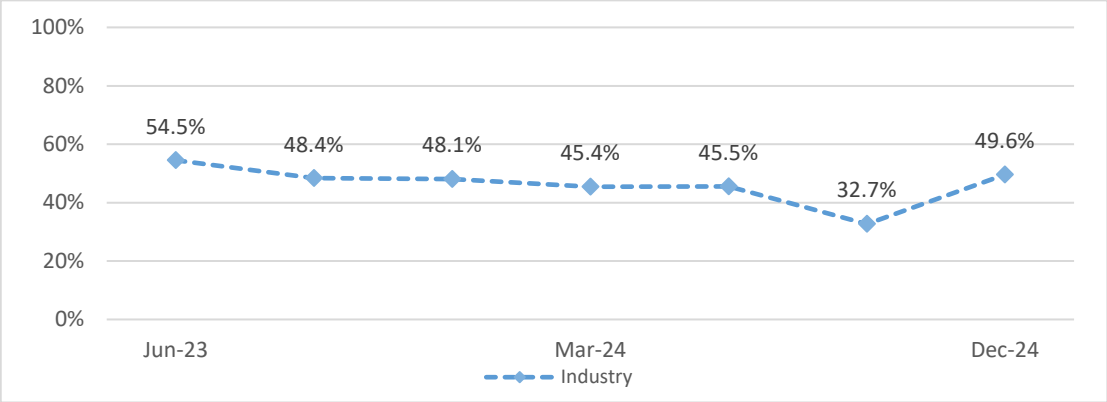
[8] *Guidance Notes on the Prevention of Money Laundering and Countering the Financing of Terrorism, Proliferation and Managing Related Risks* (Jamaica Gazette Extraordinary, Vol. CXLI June 14, 2018) Paragraph (para.) 111 (Ja)
FIs are required to undertake regular reviews (including retrospective reviews) of all existing customers' records to ensure that they remain up-to-date, relevant, consistent with the risk profile of that customer, and remain subject to appropriate know your customer and customer due diligence processes.

customers after a relationship has been established, as some customers may change their address, job or their contact number. Given this issue, DTIs have moved to implement measures to prevent customers with outdated customer identification from conducting transactions until their accounts are updated. This process is usually automated, as this is a parameter embedded in the core banking systems.

In response to the unwanted level of non-compliance in DTIs' retrospective KYC/CDD programmes, the AML/CFT Department developed a data collection template geared towards the monitoring of KYC/CDD compliance on a quarterly basis, to ensure that licensees are on track to achieve full compliance with the relevant legislation within determined timelines. In August 2019, licensees were required to submit the first set of data for the quarter ended June 30, 2019. Subsequent submissions are required within 30 days of the end of each quarter. This has progressed well, with the latest submission made in July 2025 for the quarter ended June 30, 2025.

The figure below depicts the trend in KYC/CDD non-compliance for active customers in the DTI sector between June 2023 and December 2024. The trend shows that the level of KYC/CDD non-compliance within the sector has remained relatively stable over the review period. The competent authority continues to provide guidance in this area, and DTIs have in turn invested significant resources to become compliant. The level of non-compliance could be attributable to dormant accounts held by customers with expired identification documents. As noted earlier, customers with expired documentation are usually barred from conducting transactions until the required documents are updated. Given the controls in place, the competent authority should consider the application of a risk-based approach to retrospective due diligence (KYC/CDD) and issue industry guidance in this regard.

Figure showing Summary of Non-Compliant Active Customers



Level of Market Pressure to Meet AML Standards

Correspondent banking relationships connect local banks with the international financial system and are essential to making cross-border payments, particularly international trade, remittances and foreign direct investments. These variables are key components to the sustainability of economic growth, especially among countries within the Caribbean, evidenced by the significant portion of GDP that the sector represents. As a result, the region is placed in a particularly vulnerable position due to de-risking/de-banking practices. In a 2017 Inter-American Development Bank (IDB) study, Jamaica and

Belize reported that over 75 per cent of their commercial banking sectors were impacted by correspondent banking terminations, posturing a significant shift in the banking landscape.

Resultantly, in a more recent study conducted by BOJ on Correspondent Relationships in 2022, banks evidenced this shift by way of a higher level of dependency on fewer overseas banks to conduct business. Specifically, 90 per cent of respondents reported a significant reliance on two or less correspondent banks to conduct more than 75 per cent of the value of cross-border payments. Additionally, Jamaican banks have also resorted to securing alternative relationships at an additional cost, lengthened processing time by an average 1 to 3 hours, and/or reduced services to include cheque clearing and international wire services.

There are three direct drivers of de-banking practices: (i) a fear of reputational loss (ii) rising compliance costs and (iii) rising fines and penalties. Reputational loss refers to the loss associated with negative publicity. Concerns surrounding these drivers can be the direct influential factors on a correspondent bank to end a specific relationship with a deposit-taking institution. Throughout the 2019 to 2021 period, domestic banks have experienced a 30 per cent reduction (or loss of 3 institutions) in correspondent banking relationships through termination. Reasons cited for termination included reputational risk issues and the prohibition on money service businesses. Given the de-risking/de-banking actions experienced by Jamaican banks within the three (3) year period, a significant level of sensitivity to reputational risk can be deduced among banks.

Given the significant share of transactions facilitated through correspondent banks (approximately 85 per cent) during the 2019 to September 2024 period, DTIs have sought to hire more staff in their Compliance Units, upgrading or acquiring technological solutions to conduct transaction monitoring and client screening to consistently meet international standards in AML/CFT/CPF and to pass muster with their correspondent bankers on whom they rely. Local DTIs have also stopped offering some products/ services to some customers that are deemed high risk (e.g. cambios are prohibited from depositing foreign currency cash into their accounts held at DTIs).

DTIs are not only required to budget for AML/CFT/CPF compliance expenses, but they must also abide by restrictions imposed by correspondent banks. In a DTI survey conducted, banks indicated that the actions taken, or consideration given to de-bank/un-bank higher-risked licensed and unregulated non-bank financial institutions, such as remittance companies, cambios, marijuana-related businesses and gaming operators were driven by directives from their correspondent bankers.

Residual Gaps and National Action Plan Priorities

Residual gaps remain and should be treated as priorities for continued action. Beneficial ownership verification must remain a key focus, particularly for complex legal persons, foreign-connected entities and structures involving nominees, trusts or layered ownership. Banks must ensure that beneficial ownership information is not only collected but verified and refreshed. Greater use of the COJ Beneficial Ownership Registry must become a key priority for banks.

Transaction-monitoring calibration also requires continued attention. Systems must be updated to reflect new typologies, customer behaviour and channel usage. Poorly calibrated systems can create excessive false positives or miss meaningful suspicious activity. Both outcomes weaken effectiveness.

Cyber-enabled fraud and mule-account activity require sustained collaboration between banks, supervisors, FID, law enforcement and customers. The sector must continue to treat fraud intelligence as part of the AML risk cycle rather than only as loss prevention.

DTI Sector Score

As indicated earlier, the overall residual ML/TF/PF risk rating for the deposit-taking sector is assessed as **MEDIUM.** The DTI assessment confirms that Jamaica's banking sector is both the principal point of inherent exposure and the strongest control layer within the national AML/CFT/CPF framework. Its systemic importance, large customer base, cross-border connectivity, cash interfaces and digital channels create material risk. However, its governance, supervision, compliance systems and intelligence contribution significantly reduce residual vulnerability.

The **Medium** residual risk rating is therefore appropriate. It recognizes that the sector cannot be treated as low risk given its size and function, but it also recognizes that the sector is not weak or uncontrolled. The risk is managed through increasingly mature preventive controls and supervisory oversight.

Going forward, Jamaica will continue to strengthen the sector through better data quality, enhanced beneficial ownership verification, continuous transaction-monitoring improvement, cyber-fraud resilience, sanctions readiness and stronger feedback between banks, supervisors and law enforcement. The sector's strategic value lies not only in protecting itself, but in strengthening Jamaica's entire financial integrity framework.

Other Institutions in Jamaica

Several other institutions operating in Jamaica were not assessed as part of the NRA. The nature and functions of these entities are known, and they are mainly geared towards the provision of developmental assistance to individuals and specified sectors. These institutions are operated by the Government of Jamaica and are funded through statutory deductions or grants from multilateral agencies or a mixture of both. These entities usually partner with DTIs to on-lend funds to targeted customers. Based on the operations of these entities, their ML vulnerability and threats were deemed low. These agencies include:

The National Housing Trust (NHT) not an FI

The NHT is established to lend money at low-interest rates to first-time homeowners and contributors who wish to build or buy a house or who wish to buy or build their lot, as well as the provision of home improvement loans to existing homeowners. The NHT also develops low-income home solutions that are sold to eligible contributors. Private housing developers may also apply to the NHT for funding up to 100 per cent of the construction costs for their development at concessionary interest rates. Before funds are disbursed to private developers, the NHT assesses their business plans to ensure that their projects are viable and approved by the Real Estate Board.

The NHT is primarily funded by statutory deductions from employees, employers, self-employed persons, and voluntary contributors. In relation to employed individuals, contributions are deducted by their employer and paid over to the NHT.

As at end-March 2024, NHT's total asset was reported at J$378.77 billion (2020: J$301.77 billion) of which core business of loans receivables accounted for J$287.79 billion or 76 per cent.

Housing Agency of Jamaica (HAJ) not an FI

The HAJ is a wholly owned, self-funding government entity and falls under the portfolio responsibility of the Ministry of Economic Growth and Job Creation. The HAJ's main activities include property development, the construction, and sale of housing solutions for low to middle-income earners and the regularisation of tenure on land through titling services.

Jamaica Mortgage Bank (JMB)

The Jamaica Mortgage Bank (JMB) was established to finance affordable housing. The JMB mobilises financial resources for on-lending to private and public sector developers and financial institutions, developing an active secondary mortgage market and providing mortgage indemnity insurance.

The JMB's current operations fall into the following categories:

- **Primary Market:** The granting of short-term financing for construction and infrastructure development.
- **Secondary Market:** The buying of mortgages and securitising into mortgage-backed securities (MBS) for sale on the capital markets.
- **Mortgage Insurance:** The insuring of residential and commercial mortgage loans.
- **Diaspora Home Building Service:** The provision of Project Management services to persons from the diaspora desirous of building a home in Jamaica.
- **Technical Support Service:** The provision of Project Management assurance for financial institutions lending to developers for housing or commercial construction.

As at end-March 2024, the asset base of the JMB was J$2.41 billion (2020: J$2.83 billion), of which loans accounted for J$1.66 billion or 69 per cent.

Development Bank of Jamaica Limited (DBJ)

The DBJ is a wholly owned Government institution, and its only shareholder is the Accountant General. The DBJ provides funding and technical assistance to large projects and micro, small, and medium-sized enterprises (MSME).

The DBJ provides development loans through partner institutions, direct lending through co-financing with other financial institutions; and management and privatisation of national assets and investments. It manages its risk by on-lending funds to deposit-taking institutions and requires these institutions to conduct risk assessments before the disbursement of loan proceeds.

The operations of the DBJ are funded by the GOJ and through grants from multilateral agencies.

The DBJ's total assets stood at J$31.93 billion (2020: J$34.31 billion) at the end of the 2024 financial year, of which loans accounted for J$19.42 billion or 60 per cent.

The National Export-Import Bank of Jamaica (EXIM Bank)

The National Export-Import Bank of Jamaica (EXIM Bank) is a trade financing institution. The EXIM Bank plays a key role in national development by offering a range of financing instruments to the country's productive sector.

The mandate of the EXIM Bank is to assist business ventures to become viable and competitive in international markets. Specific focus is placed on small and medium-sized entities (SMEs) entities involved in non-traditional exports, such as Tourism, Manufacturing, Agro-processing, Mining, the Service Industry, Information Communication and Technology and the Creative Industries.

The bank also recognises that linkage service companies that are connected to exporting and manufacturing entities play a vital role in the growth of these sectors, so they are also included in the bank's group of qualified borrowers. These include farmers who provide fresh produce to agro-processors; professionals such as Haulage Contractors, Mechanical and Electrical Engineers who support the bauxite industry; Tourism linkage companies such as operators of attractions, in-bond merchants and persons providing ground transportation services, as well as companies in the service industry.

Prior to loan disbursements, the EXIM Bank assesses potential beneficiaries' business plans to ensure that they fall within the bank's group of qualified borrowers.

The EXIM Bank is funded by the GOJ and multilateral agencies through grant funding.

Exim Bank's total assets stood at J$7.96 billion (2020: J$7.69 billion) at the end of the 2024 financial year, of which loans accounted for J$2.80 billion or 35 per cent.

Developments Since Jamaica's 2017 MER

Since the 2017 MER, the following developments have taken place:

- Bank of Jamaica (BOJ) has developed a structured risk rating methodology for Deposit-Taking Institutions (DTIs) to enhance risk-based supervision. In 2024, BOJ transitioned its DTI risk assessment model into the Online Risk-Based Systems (ORBS), allowing for automated data collection, risk scoring, and enhanced analytics. Since the introduction of the risk rating tool, all banks have been risk rated and categorised as either High, Medium High, Medium, Medium Low or Low Risk.
- The competent authority has increased the use of thematic studies in its supervisory framework to strengthen its overall knowledge of the sector. Focus is placed on high-risk areas. Thematic papers undertaken were:
    - Bank Fraud (2020, 2025)
    - Wire transfers (2020, 2025)
    - Sanction and PEP screening (2020, 2025)
    - Foreign Currency Cash Exportation (2025)
- In 2019, BOJ gazetted its revised Guidance Notes on Money Laundering and Terrorism Financing Prevention. The document provides enhanced guidance to its licensees in implementing a risk-based compliance framework. A 2025 revision is underway.

Typologies in the DTI Sector

Whenever a DTI identifies a customer whose activity or behaviour resembles any known method of money laundering, it is expected that these suspicious transactions will be referred to the nominated officer for further investigation to determine whether a suspicious transaction report is to be filed. The following are some observed methods used by criminals to launder money within Jamaica's DTI sector.

1. Prospective customers attempting to open accounts with fraudulent documents to disguise their identity, source of funding or purpose of the account.
2. Customers establish accounts that are meant for use by third parties (who are sometimes unknown to the customer). This is commonly referred to as "account renting", as the account holder keeps a portion of the funds that pass through the account as means of payment for the use of the account.
3. Customers making frequent cash deposits each below the cash threshold reporting requirement, but cumulatively, well above the threshold. Commonly referred to as structuring or smurfing.
4. Customers taking loans and repaying those loans well in advance of the repayment date and are unable to provide a reasonable explanation for the early repayment. Their known employment/income details do not support the transaction.
5. Customers making large deposits of cash that cannot be supported by their income or economic activity.
6. Customers making frequent deposits of foreign currency cash but are not operating a business or receiving income from a source that generates foreign currency.

Introduction

This chapter provides an expanded analytical summary of the risk assessment for Jamaica's securities dealers sector. The sector occupies a central position in the domestic capital market and intermediates a substantial volume of customer assets and investment flows. Securities dealers facilitate repos, bond transactions, collective investment products, brokerage services and custody arrangements, thereby connecting households, institutional investors and issuers to local and international markets.

The sector's importance extends beyond its direct contribution to financial intermediation. Securities dealers manage significant pools of client funds and often form part of broader financial groups that include banks, insurers and pension administrators. As a result, weaknesses in governance, liquidity management or AML/CFT controls can have implications for market confidence, consumer protection and financial integrity.

NRA3 concludes that the sector's residual money laundering risk is **Medium-High**. This rating reflects the combination of large balances, complex products, legal-person exposure and cross-border connectivity. It is moderated by stronger supervision, improved governance, disclosure obligations, client asset controls and more mature AML/CFT compliance systems. The increase in rating is down to its attractiveness to both move and hold value, and these observations have been observed by intelligence and law enforcement data and information.

Sector Overview

Evolution of the Sector

NRA2 identified securities dealers as one of the more significant inherent vulnerabilities within Jamaica's non-bank financial sector. The assessment highlighted the scale of customer assets, the complexity of products and the potential for high-value transactions to facilitate layering and integration.

Since NRA2, supervisory methods have evolved, with a documented risk-based methodology still being fully implemented. Greater attention has been placed on liquidity, operational resilience, governance, market conduct and AML/CFT controls. This was particularly important in light of prior market events that underscored the need for robust risk management and closer supervisory monitoring.

NRA3 builds this foundation by integrating sectoral data, thematic findings and supervisory observations to provide a more nuanced understanding of how capital-market products may be misused and how regulatory safeguards reduce residual risk.

Financial Profile and Market Size

The securities sector is one of the largest and most economically significant components of Jamaica's non-deposit-taking financial system. Sector assets exceed annual GDP, underscoring the substantial scale of intermediation. In addition, securities dealers manage significant off-balance-sheet funds under management, further amplifying the sector's importance (see **Annex H:** Distribution of Assets by Dealer Size).

The sector channels household savings, institutional funds and corporate financing into government securities, corporate bonds, collective investment schemes and other market instruments. It supports liquidity in domestic debt markets and contributes to investment formation and fiscal financing.

This economic significance creates both opportunity and vulnerability. The same structures that efficiently mobilise capital can also be attractive to criminal actors seeking to convert, layer or store illicit proceeds in apparently legitimate investment products.

Sector at a Glance

Governing Legislation	▪ The Financial Services Commission Act & Regulations ▪ The Securities Act & Regulations	Delivery Channels	▪ Third-Party Transactions ▪ Mobile Apps ▪ Emailed Instructions ▪ Face-to-face Transactions ▪ Almost 50% of Clients conduct Non-Face-to-Face Transactions
AML/CFT Laws	▪ Proceeds of Crime Act (POCA) & Regulations ▪ Terrorism Prevention Act (TPA) & Regulations ▪ FSC AML/CFT Guidelines	Number of Customers	As at 2024, the total number of customers was 893,012.
Size/Value of sector (per cent of GDP)	▪ **Assets: J$** 1.43 trillion/US$9.1 billion ▪ **Funds Under Management:** J$2.22 trillion/ US$14.2 billion ▪ **% of GDP (based on asset):** 40.8 %	Level of Cash	**Cash activity**: Limited cash activity
Customer Profile	▪ **High Risk:** PEPs, Cash Intensive Businesses ▪ **Medium Risk:** Corporate Clients, NPOs ▪ **Low Risk:** Salaried Individuals, Public Entities	Number of Players	▪ **Investment Advisors:** 8 ▪ **Securities Dealers (Core):** 28 ▪ **Securities Dealers (Non-Core)** 7 * **Credit Unions (2)** * **Life Insurance (2)**

Sector ML Risk Score **MEDIUM-HIGH**

Inherent Vulnerabilities

The sector's inherent vulnerability is driven by product complexity, transaction size and customer diversity. Securities dealers serve retail investors, high-net-worth individuals, institutional investors, legal persons and foreign-connected customers. These relationships can involve large-value transactions that are less frequent, but financially significant.

Products such as repurchase agreements, fixed-income securities, managed portfolios and custodial arrangements may be used to move and transform value. Funds can be invested, redeemed, transferred or pledged in ways that complicate the audit trail for those unfamiliar with market structures.

Legal persons and nominee arrangements create additional challenges where ownership and control are not readily transparent. Cross-border investments and settlement flows may further increase complexity and require enhanced scrutiny over source of funds and beneficial ownership.

The sector is therefore inherently attractive for layering and integration rather than for simple placement of cash.

Customer Risk and Product Risk

The majority of investors use the securities sector for legitimate wealth accumulation and portfolio management. Nonetheless, certain characteristics elevate risk, including large or unusual subscriptions, early redemptions, frequent transfers, third-party funding and investment activity that lacks a credible economic rationale.

Customer profiles involving complex corporate structures, offshore entities, politically exposed persons or concentrated exposure to high-risk jurisdictions warrant enhanced due diligence and ongoing monitoring (refer to **Annex H:** **FSC's Risk Profiling of Licensees in the Securities Sector**).

Product risk also varies. Standard fixed-income investments may be lower risk than bespoke structures involving multiple entities, discretionary mandates or frequent transfers between accounts and counterparties. The risk-based approach therefore requires firms to consider both customer and product characteristics when calibrating controls.

Cross-Border Exposure and Capital Market Connectivity

Jamaica's securities market is closely linked to domestic and international capital flows. Dealers invest in government and corporate securities, maintain relationships with custodians and counterparties and may facilitate investment by non-residents and diaspora clients.

This connectivity introduces exposure to cross-border movement of funds and to legal entities that may hold assets through layered ownership structures. It also subjects firms to market and compliance expectations shaped by both domestic and international standards.

The risk is not that cross-border investment is inherently suspicious. Rather, international linkages increase the need for rigorous source-of-funds analysis, ownership transparency and transaction monitoring.

Governance, Client Asset Protection and Market Conduct

Governance and client asset protection are among the most important mitigating factors in the sector. Securities dealers are expected to maintain effective boards, independent control functions, segregation of client assets and transparent disclosure practices.

Suitability, disclosure and fair treatment obligations also support financial integrity by ensuring that transactions are consistent with customers' investment objectives and risk tolerance. Weak market conduct can create opportunities for abuse, concealment or misuse of customer funds.

NRA3 emphasises that governance failures are often a root cause of financial crime and prudential weaknesses. Accordingly, supervisory attention increasingly focuses on culture, oversight and the effectiveness of risk management rather than on documentation alone.

Effectiveness of Supervision

Risk-based supervision has become a central mitigating factor for the securities sector. Supervisory work now incorporates off-site monitoring, on-site examinations, thematic reviews and escalation based on firm-specific risk ratings and market significance.

Areas of focus include liquidity, funding, governance, client asset segregation, operational resilience, market conduct and AML/CFT effectiveness. This integrated approach recognises that prudential and conduct weaknesses often have financial integrity implications.

The supervisory framework also applies proportionate responses, ranging from remediation plans and enhanced monitoring to more intrusive interventions where warranted. This graduated approach promotes timely correction of deficiencies while preserving market stability.

Interconnectedness with the Banking Sector

The securities sector is deeply interconnected with the banking system. Client subscriptions, redemptions, margin payments and settlement flows generally move through bank accounts. Banks also provide custody, cash management and payment services to dealers and their clients.

This interconnectedness can amplify exposure where illicit proceeds enter securities products through funds that have already passed through banking channels. At the same time, it creates an additional control layer, as banking institutions may independently monitor and report suspicious activity associated with these flows.

The combined effect is that banking and securities controls reinforce one another, increasing overall transaction visibility and reducing the likelihood that high-value investment activity can be used without detection.

Compliance Framework

Securities dealers have strengthened customer due diligence, beneficial ownership verification, sanctions screening and transaction monitoring. Compliance systems are increasingly tailored to investment activity rather than simply replicating banking controls.

Monitoring focuses on unusual subscriptions, redemptions, transfers, third-party payments and transactions that are inconsistent with an investor's profile or stated source of wealth. Suspicious transaction reporting contributes to the national intelligence framework and supports investigations into fraud, corruption and other predicate offences.

Residual challenges remain where ownership structures are complex or where investment flows involve multiple counterparties and jurisdictions. These challenges are manageable but require continued investment in analytical capability and staff expertise. Other clear gaps exist where STRs seem muted with the sector seemingly under-reporting.

Securities Sector Score

The securities sector's overall ML/TF risk rating is **MEDIUM-HIGH.** The securities dealers sector is one of the most economically significant and analytically important components of Jamaica's financial system. Its size, complexity and international connectivity make it inherently attractive for the layering and integration of illicit proceeds.

The residual risk rating of **Medium-High** is appropriate, as the sector combines material exposure with increasingly robust mitigating controls. Governance, client asset protection, AML/CFT systems and risk-

based supervision have significantly reduced vulnerabilities, but the low STR count, coupled with signals from intelligence and law enforcement that criminals are stepping into the space, increases the threat picture.

Going forward, Jamaica will continue to strengthen beneficial ownership transparency, source-of-wealth analysis, transaction monitoring, supervisory analytics and cross-sector coordination to improve sector outcomes. The sector's strategic importance means that sustained vigilance is essential to protecting investors, preserving market confidence and safeguarding the integrity of Jamaica's capital markets.

Developments since Jamaica's 2017 MER

The following key developments have occurred since the January 2017 MER:

- In 2018, the FSC established an AML/CFT Unit for AML supervision of institutions within the securities and insurance sectors.

The FSC also adopted a risk-based approach to AML/CFT supervision consisting of on-site and off-site components. In 2019, the FSC updated its Guidelines to include requirements for licensees to adopt a risk-based approach to their respective AML/CFT framework and made further amendments in 2023 to ensure that licensees and registrant comply with their responsibilities under the applicable legislation, as well as to identify best practices in AML, CFT, CPF procedures, processes, and systems.

Red Flags in the Securities Sector

As a result of more stringent controls introduced by banks, criminals are constantly looking for alternative ways to legitimise their proceeds from crime. Due to the substantial transaction volumes and short execution and settlement deadlines, the securities market is seen as an attractive alternative means of money laundering. The following are some observed trends in the abuse of securities dealers to attempt to launder illicit funds.

1. Certain Cash Transactions, for example—

    i. Cash transactions that are inconsistent with the business activities of the customer.
    ii. Increases in cash transactions of the customer without apparent cause, especially if such amounts are subsequently transferred within a short period out of the account and/or to a destination not normally associated with the customer.
    iii. Unusually large cash transactions conducted by a customer whose business activities would normally be in the form of cheques and other instruments.
    iv. A series of cash transactions by a customer, where each transaction is minimal, but the total is significant.
    v. The frequent conversion of cash by a customer into financial instruments e.g. drafts, money transfers or other negotiable and readily marketable money instruments.
    vi. Large cash investments using depository facilities and avoiding direct contact with financial institution staff.
    vii. Cash investments directly into personal accounts where source of funds indicates business proceeds.

2. Operation of Accounts, for example—

    i. The use of a number of trustee or client accounts, which do not appear consistent with the customer's type of business;

ii. Increases in investments of cash or negotiable instruments by a professional firm or company, using client accounts or in-house company or trust accounts especially if the funds are promptly transferred between other clients and trust accounts;
iii. Large number of individuals making payments into the same account;
iv. Large withdrawals/encashment from a previously dormant/inactive account, or from an account that has just received an unexpected large transfer;
v. Where funds are merely passing through the account, in that, the investments are encashed almost immediately;
vi. Payment of large amounts to a third party;
vii. High account turnover inconsistent with the profile of the customer;
viii. Transactions constituting the co-mingling of company funds with an individual's account or constituting the conduct of company business through the account of an individual, particularly where the individual is not named as a signatory to the corporate account;
ix. A dormant account with a minimal sum suddenly receiving funds by wire transfer followed by daily cash withdrawals that continue until the transferred sum has been depleted;
x. Multiple wire transfers from different senders particularly from high-risk jurisdictions and funds are either transferred or withdrawn immediately;
xi. Making multiple investments just below the threshold for source of funds information.

3. Investment Related Transaction, for example—

i. Buying and selling of securities with no discernible purpose or in circumstances that appear unusual;
ii. Requests by customers for investment management services where the source of the funds is unclear or inconsistent with customers' financial positions.

4. Off-Shore Financial Activity, for example—

i. Building up of large balances that are not consistent with the known turnover of the customer's business, and a subsequent transfer to account(s) held overseas.
ii. Regular payments by customers, including wire transfers, that cannot be clearly identified as bona fide transactions to, or receipt of regular payments from, countries which are commonly associated with the production, processing or marketing of drugs or ML, or which are regarded as tax havens.
iii. Unexplained electronic fund transfers by customers on an in-and-out basis.

5. Joint venture-type invitations from local or overseas companies or organisations with no discernible track record of legitimate operations; tax compliance; and in respect of which the true identities and sources of funding or wealth of the principal(s) are unknown.

Introduction

This chapter provides an expanded analytical summary of the risk assessment for Jamaica's Life Insurance sector. The life insurance sector provides products that combine financial protection with savings and investment functions. Policies may pay death benefits, accumulate cash values, provide annuity income or support estate planning. These characteristics make the sector an important component of Jamaica's financial system and a significant repository of long-term savings.

The purpose of the NRA3 assessment is to identify which products and transaction types present meaningful exposure to money laundering, terrorist financing and proliferation financing risk, and to evaluate whether sector-specific controls are sufficient to mitigate those risks.

Sector Overview

Evolution of the Sector

NRA2 assessed the life insurance sector as lower risk than most transactional sectors given that its products are generally long-term and less liquid. Nevertheless, it recognised that investment-linked policies and surrender features could be misused to legitimise funds.

Since NRA2, the regulatory and supervisory environment has strengthened significantly. Insurers have improved beneficial ownership verification, source-of-wealth analysis and monitoring of policy events. Supervisory methodologies now place greater emphasis on operational effectiveness, governance and product-specific risk indicators. These developments support a more evidence-based and refined assessment in NRA3.

Financial Profile and Market Size

The life insurance sector is a major institutional investor and a substantial holder of long-term financial assets. It mobilises premiums, invests reserves and pays claims and annuity benefits over extended periods. In doing so, the sector supports capital formation, retirement planning and household resilience.

Insurers invest heavily in government securities, corporate instruments and other regulated products. Premium collections and claim payments are generally processed through the banking system, creating additional transaction visibility. The sector is therefore deeply integrated with banks, securities dealers and pension administrators and contributes to both financial stability and financial integrity.

Sector at a Glance

Governing Legislation

- The Financial Services Commission Act & Regulations
- The Insurance Act & Regulations

Delivery Channels

- Traditionally brick and mortar
- Online Platform
- Primarily face to face transactions

AML/CFT Laws	▪ Proceeds of Crime Act (POCA) ▪ Terrorism Prevention Act (TPA) ▪ FSC AML/CFT Guidance Notes	Number of Customers	822,093 customers
Size/Value of sector (per cent of GDP)	▪ **Total assets:** J$468.8 billion/ US$2.9 billion ▪ **% of GDP:** 13.4%	Level of Cash	The level of cash activity is not known for most licensees. However, one major player indicated total cash of J$4.43 trillion throughout 2024.
Customer Profile	▪ **High Risk:** 0.3 % ▪ **Medium Risk:** 7.6 % ▪ **Low Risk:** 92.1 %	Number of Players	▪ **Insurance Companies: 6** ▪ **Agents:** 8 ▪ **Brokers:** 24

Sector ML Risk Score	MEDIUM-LOW

Inherent Vulnerabilities

Traditional recurring-premium term and whole-life policies generally present lower risk given that policy values accumulate gradually and access to funds is constrained by surrender penalties and contractual conditions. The cost and time required to extract value reduce the attractiveness of these products for criminal use.

Risk increases where products are more investment-oriented or allow larger and more immediate contributions. Single-premium products may permit a substantial one-time investment. Universal life and investment-linked products can combine insurance protection with significant cash values. Annuities may be used to store wealth and convert lump sums into regular payments. Policy loans and partial withdrawals can provide access to value without full surrender.

The analytical conclusion is that product design is the most important determinant of inherent vulnerability. The more liquid and investment-oriented the product, the greater the need for enhanced due diligence and monitoring. The vulnerability in most of the insurance products is considered low risk. This risk level is also complemented by the fact that these products did not feature in ML investigations and prosecutions [see **Annex H:** Vulnerabilities Assessment of Life Insurance Product/Services].

Customer Risk and Ownership Risk

Life insurers serve individuals, employers, trustees and corporate policyholders. Higher-risk relationships may involve politically exposed persons, complex legal entities, trusts, high-net-worth individuals and foreign-connected customers.

Ownership and control can become difficult to verify where policies are held through layered legal structures or where premium funding is provided by third parties. These circumstances increase the importance of beneficial ownership verification and source-of-wealth analysis. Risks are further elevated where ownership changes occur shortly after policy issuance or where the commercial rationale is unclear.

Premium Funding and Source-of-Wealth

Premium payments are a critical point of control, as they represent the initial introduction of funds into the insurance contract. For standard retail products, premium levels are generally consistent with income and expected customer behaviour. For higher-value products, however, insurers must assess whether the funding source is reasonable and adequately documented.

Source-of-wealth analysis is particularly important where customers hold substantial assets, operate through legal entities or maintain complex domestic or international financial arrangements. The objective is to understand how wealth was generated and whether premium funding aligns with that explanation.

The quality of this analysis materially influences the sector's residual risk rating.

Policy Event Typologies

Several policy events can transform accumulated insurance value into apparently legitimate funds. Early surrender may return proceeds to the policyholder after deductions. Policy loans allow customers to access cash while maintaining the contract. Partial withdrawals reduce cash value but provide liquidity. Beneficiary changes may redirect death benefits to unrelated parties.

These events are legitimate features of insurance products and often occur for ordinary financial reasons. They become relevant where transaction timing, funding patterns or counterparties are inconsistent with known customer circumstances. Monitoring these events is therefore central to effective AML/CFT controls.

Claims and Benefit Payments

Claims and benefit payments are generally triggered by verifiable events such as death, disability or maturity. This reduces the potential for arbitrary disbursement. Nonetheless, controls remain important to confirm beneficiary identity, ownership and the legitimacy of supporting documentation.

Fraudulent claims or manipulated beneficiary arrangements can create both insurance fraud and money laundering concerns. Insurers must therefore maintain strong claims governance and document verification procedures.

Governance, Actuarial and Financial Controls

The life insurance sector benefits from several structural safeguards that are less prominent in other sectors. Actuarial oversight requires regular valuation of liabilities and policy values. Finance functions reconcile premium inflows, reserve movements and claims payments. Internal audit and compliance independently test control effectiveness.

Boards and senior management are expected to understand product-specific risks and ensure that compliance, actuarial and operational functions work together. This multi-layered governance environment is a major mitigating factor and supports the sector's comparatively lower residual risk.

Effectiveness of Supervision

The FSC has strengthened supervision through on-site examinations, off-site monitoring, thematic reviews and increasing emphasis on governance and operational effectiveness. Supervisory assessments evaluate

whether insurers can identify higher-risk products and customers, perform meaningful source-of-wealth analysis and monitor policy events effectively.

The transition from documentation-focused reviews to judgement-based supervision has materially improved the credibility and effectiveness of oversight.

Interconnectedness with the Financial System

Premiums are typically paid from bank accounts; reserves are invested through capital markets and benefits are disbursed through regulated payment channels. This interconnectedness creates multiple points at which unusual activity may be detected.

Banks provide account-based monitoring, securities markets support transparent investment activity and pension-related products may be subject to additional governance. As a result, life insurance transactions rarely occur in isolation from other regulated sectors.

Residual Gaps and Action Plan Priorities

Residual challenges include enhancing source-of-wealth analysis for higher-value products, improving monitoring of policy loans and early surrender, and maintaining strong controls over beneficiary and ownership changes.

The National Action Plan supports continued typology development, supervisory analytics, governance enhancement and product-specific guidance to ensure that controls remain aligned to evolving risks.

Life Insurance Sector Score

The overall risk score for the insurance sector was **MEDIUM-LOW**. The life insurance sector is strategically important to Jamaica's economy and financial system. Although certain products and policy events can be used to layer and integrate illicit funds, most life insurance products are structurally less attractive to criminals than more liquid transactional channels.

The sector's residual money laundering risk is appropriately assessed as **Medium-Low**. This reflects the balance between targeted vulnerabilities and strong mitigating measures, including due diligence, source-of-wealth analysis, actuarial oversight, governance and risk-based supervision.

Going forward, Jamaica will continue to refine product-specific monitoring, ownership verification and supervisory analytics. These efforts will preserve public confidence, protect policyholders and ensure that the life insurance sector remains a secure and resilient component of the national AML/CFT/CPF framework.

Developments Since Jamaica's 2017 MER

- The November 2019 amendments to POCA (MLP) Regulations and the Terrorism Prevention Regulations require the identification and conduct of CDD on beneficiaries of life insurance policies.
- In 2019, the FSC incorporated thematic studies in its supervisory framework for the insurance sector to enhance its understanding of sector-specific ML/TF risks. The continued use of these tools should enhance understanding of the risk in the sector.
- Effective 12 August 2019, the FSC revised its Guidelines. Further updates were made in February 2023. The revised guidance outlines the requirement for its licensee to adopt a risk-based approach to their respective AML/CFT framework; develop risk profiles for all customers with corresponding KYC and CDD requirements; incorporate the cash transaction limit requirements

of POCA; heighten focus on PEPs; and highlight the increasing usage and normalisation of virtual assets and its associated risks.

Red Flags in the Life Insurance Sector

The following are indicators of money laundering in the life insurance sector that can result in the filing of a suspicious transaction report. Please note that these examples are not exhaustive.

1. Cash purchase of a single premium product from an insurer followed by early cancellation. A customer may purchase a life insurance policy that has a large surrender value, paying for the premium in cash. Shortly after receiving the policy, he will encash it and request payment to be made by cheque, draft or wire transfer to him or third parties;
2. General Insurance bought to cover an office building or warehouse complex owned by a launderer through a company. Through arson or other means, the launderer/company causes a claim to be made to recover under the insurance policy;
3. Cash payments of premiums;
4. Free Look (Cooling off Periods) allows for refunds of premiums within the contract cancellation period. Several life insurance products give the customer a right to cancel the contract within a short period. The customer will then obtain a refund of the paid premiums with clean money;
5. Collusion of Intermediary and/or Insurance Company. Several cases involved collusive conduct between either the customer and the intermediary or between the intermediary and the insurance company. The intermediaries accepted illicit funds and transferred them in exchange for high commissions;
6. Third Party Payments of Premiums. In some cases, third parties who have not been subject to the regular identification procedures when the insurance contract was concluded will fund insurance policies. The source of funds and the relationship between policyholder and third party is unclear to the insurance company;
7. Large lump sum payment to policy;
8. Insurance product that is purchased has no identified purpose;
9. Scale of investment in insurance policies is inconsistent with the client's financial profile;
10. Use of life insurance product in a manner resembling use of a bank account, that is, making additional premium payments and frequent partial redemptions;
11. Repeated and unexplained changes in beneficiary;
12. Relationship between the policyholder and the beneficiary is unclear.

Introduction

This chapter provides an expanded analytical summary of the risk assessment for Jamaica's remittance sector. Remittance companies perform an essential economic and social function by facilitating inbound and outbound person-to-person transfers, many of which support household consumption, education, healthcare and small-business activity. The sector is especially important in a country with strong diaspora linkages and sustained inflows from overseas.

From a financial integrity perspective, remittance businesses are relevant, as they process high volumes of cross-border transactions and often include cash interfaces at payout. These characteristics can create opportunities for structuring, third-party collection and the movement of proceeds generated from fraud or other predicate offences.

NRA3 concludes that the sector's residual money laundering risk is **Medium-Low**. This reflects the fact that, although remittances are inherently relevant to ML/TF risk, transaction limits, standardised products, customer due diligence, sanctions screening, automated monitoring and strengthened supervision materially reduce residual vulnerability.

Sector Overview

Evolution of the Sector

NRA2 viewed the remittance sector as important given its role in cross-border transfers and its connection to cash usage. The sector was considered vulnerable to smurfing, false identities and the receipt of illicit proceeds through multiple small transfers.

Since NRA2, the sector has benefited from stronger supervisory methodologies, improved data analytics, tighter agent oversight and more mature transaction-monitoring systems. The regulatory framework and supervisory outreach have clarified expectations around customer identification, sanctions screening, suspicious transaction reporting and ongoing monitoring.

NRA3 reflects a more refined understanding. The assessment recognises that the sector's product design and transaction limits constrain the scale of individual transactions, and that most remittance activity is legitimate and economically beneficial. Risk remains relevant, but the overall profile is more controlled than previously perceived.

Financial Profile and Market Size

Remittance inflows are a major source of foreign exchange and household support in Jamaica. Funds sent by overseas relatives and friends help finance consumption, education, healthcare, housing and small-scale enterprise activity. As such, remittances contribute to financial resilience and social stability.

The sector also promotes financial inclusion by providing accessible transfer services to customers who may have limited engagement with traditional banking. This broad reach is a positive feature and should not be conflated with elevated criminality.

The assessment therefore treats the remittance sector as both economically beneficial and operationally important. The policy objective is to preserve accessibility while ensuring that transaction monitoring and customer controls remain proportionate and effective (refer to **Annex H:** Trend in Currency in Circulation against Remittance Inflows, 2020 - Jun 2024).

Sector at a Glance

Governing Legislation	Bank of Jamaica Act	Delivery Channels	▪ Traditionally brick and mortar ▪ Direct deposit to a bank account
AML/CFT Laws	▪ Proceeds of Crime Act (POCA) ▪ Terrorism Prevention Act (TPA) ▪ FSC AML/CFT Guidance Notes	Number of Customers	▪ Approximately 444,401 per month
Size/Value of sector (per cent of GDP)	**Remittance Inflows (US$):** ▪ **2024:** $2,911.62 million **Size to GDP Ratio: 13.1%** **Remittance Outflows (US$)** ▪ **2024:** $80.68 million **Size to GDP Ratio: 0.4%**	Level of Cash	▪ **79.1%** of remittances were disbursed in cash, at an average of **USD $246.66 per recipient.** ▪ Other **20.9%** were disbursed directly to the bank account of the intended recipient.
Customer Profile	▪ **Senders:** Persons from the Diaspora ▪ **Receivers:** Mainly low-income earners	Number of Players	▪ Primary Agents: 9 ▪ Sub Agents: 235 ▪ Locations: 492

Sector ML Risk Score **MEDIUM-LOW**

Inherent Vulnerabilities

As of December 2024, the remittance sector comprised nine licensed companies operating through a network of 492 service points across all parishes, compared with seven companies and 497 locations in 2020. The footprint remains strategically concentrated in St. Catherine, St. Andrew, and Kingston, which account for most transactions, albeit with lower average disbursement values per transfer [see **Annex H:** Total Cash Disbursements per Parish (Millions) by Remittance Companies (2024)].

The sector recorded USD $2.91 billion in inbound transfers for 2024, representing over 11 million transactions, compared to USD $2.46 billion in 2020 on a similar transaction volume. Outbound transfers have also grown steadily, reaching USD $80.68 million (239,000 transactions) in 2024, up from USD $59.41 million (178,000 [see **Annex H:** Jamaica's Remittance Flows (USD Millions), 2020 - 2024].

The primary vulnerabilities arise from cross-border flows, cash payouts and high transaction volumes. Even where individual transfers are relatively small, multiple transfers can be structured to avoid detection or to move value incrementally.

Third-party collection presents another risk where the intended recipient differs from the person collecting funds. False identification and synthetic identity use are also relevant, particularly where criminals seek to collect fraud proceeds.

Agent networks add operational complexity. The quality of controls depends not only on the remittance company, but also on the consistency with which agents implement customer due diligence, screening and escalation procedures.

These characteristics make the sector inherently relevant, but not necessarily high risk, although transaction limits and standardised products reduce the scope for large-value abuse.

Operational Underbelly and Sector Formation

Agent networks are a defining feature of the sector and an important determinant of residual risk. Agents extend geographic reach and support accessibility, but they also introduce variability in operational quality.

Effective oversight includes due diligence before appointment, ongoing training, monitoring, periodic reviews and escalation of deficiencies. Remittance principals remain responsible for ensuring that agents comply with legal and regulatory obligations.

The most significant typological connection relates to fraud, including lottery scamming, online deception and confidence-based schemes. Victims may be instructed to send funds through remittance channels, as these services are fast, familiar and widely accessible.

Structuring, repeated use of multiple senders or recipients, and transactions inconsistent with customer behaviour are key indicators. The sector's risk profile is therefore strongly linked to behavioural patterns rather than to the remittance product itself.

NRA3 concludes that strengthened agent oversight has materially reduced risk and is one of the most important mitigating factors supporting the Medium-Low rating.

Cross-Border Exposure and Sanctions Controls

Remittance transactions are inherently international. This creates exposure to foreign jurisdictions, counterparties and sanctions obligations.

Sanctions screening is therefore a critical preventive measure. Firms must identify designated persons and ensure that potential matches are escalated and resolved appropriately.

Given that most transfers are person-to-person and relatively standardised, screening and monitoring can be highly effective when systems are properly calibrated. This significantly reduces the likelihood that remittance channels can be used undetected for sanctioned or suspicious activity.

Case Example: Remittance Thematic Review (2025)

In 2025, the BOJ conducted its periodic update of assessments on remittance flows to and from Jamaica. The study was geared towards identifying the ML/TF risks emanating from other jurisdictions over the January 2023 to December 2024 period. This investigation is premised on the notion that remittance flows are susceptible to ML risks due to their cross-border nature.

Total remittance inflows for the 2024 period amounted to US$2.9bn, accounting for approximately 13.1 per cent of Jamaica's GDP. These inflows were emanating from the United States (US), United Kingdom (UK), Canada (CA), and the Cayman Islands (KY), collectively accounting for approximately 96 per cent of total inflows over the two-year period.

The US remained the largest source of flows, accounting for an average of 69 per cent of inflows more than US$1.9bn throughout the review period. In 2024, remittance inflows were initiated in all states in the US, particularly in New York and Florida. This was consistent with the diaspora population in the USA, estimated at 1.5mn. The largest diaspora community for the corresponding period was located in the metropolitan areas of New York, New Jersey and Connecticut, followed by concentrations in the southeast region [mainly in Florida, Georgia and Texas] and fewer numbers in the West and Midwest regions.[9] Of note, higher average values were observed in states such as Washington, Wyoming and South Dakota as a result of relatively lower numbers of senders comparable to total remittance value flows originating from these areas.

Total flows found at the 99.9th percentile were also concentrated in the New York, Connecticut and Florida states, accounting for 64 per cent (US$18mn) of high-value inflows and 0.4 per cent of total inflows for the corresponding period. This was consistent with the relatively dense population among the diaspora in these areas. Notably, there were high average value inflows estimated at US$10,735 and US$6,103 that originated from the states of North Dakota and Missouri, respectively. Additionally, the average flows were impacted by total inflows of US$126,690, sent by fourteen dependents. These high-value inflows were largely disbursed via banks to respective recipient accounts, where rigorous transaction monitoring and KYC/CDD mechanisms are enforced.

The largest share of remittances was disbursed in the parishes of Kingston and St. Andrew and St. Catherine. These parishes collectively accounted for 51 per cent (US$1.5bn) in remittance inflows in 2024. In the corresponding period, average incoming flows were approximately US$263.19 for all disbursement methods and US$246.66 for cash only disbursements, across all parishes.

Throughout the 2023 to 2024 period, cash was the preferred method of collection by receivers in the remittance space. Cash disbursements for the review period were more than US$2.3bn (or approx. 79 per cent) of inflows notwithstanding an uptake in mobile wallets. Of note, for high-value transactions at the 99.9th percentile, funds were disbursed via bank accounts.

The Corruption Perception Index (CPI) reported by Transparency International features countries worldwide, rated between 100 (exceptionally clean) and 0 (very corrupt) annually. Given Jamaica's strong economic relationships with countries having lower perceptions of corruption, such as the United States, Canada and United Kingdom, the country's susceptibility to ML risks, as it relates to inflows originating from these countries, might be tempered.

The dominating countries throughout the review period were the United States, Canada, United Kingdom and the Cayman Islands. Collectively, these countries accounted for 96 per cent of total inflows. Notably,

[9] Ministry of Foreign Affairs and Foreign Trade *Draft Jamaica National Diaspora Policy Working Document* (June 2019)
https://mfaft.gov.jm/jm/wp-content/uploads/2019/03/Revised-DRAFT-NATIONAL-DIASPORA-POLICY-Jamaica-Version-11-June-2019.pdf

inflows from countries with low CPIs were also featured in the remittance space, including countries such as Haiti, the Democratic Republic of Congo, Zimbabwe and Cambodia. These inflows from perceived high-risk countries were valued at US$0.3mn for the two-year period, representing less than 1 per cent of total values.

For flows exceeding the 99th percentile (12,201 transactions valued at US$57mn), strong relationships were found between Jamaica and the United States, United Kingdom and to a lesser extent the Cayman Islands. Though less frequent, high-value inflows were also highlighted from perceived riskier countries of Cambodia and Haiti.

This case shows that most remittance inflows are from countries perceived to have a lower perception of corruption and from the diaspora.

Based on data from the FID for the period, there were 669 official reported transactions received from the sector in 2024, down from 803 in 2023. Of total reported transactions, 250 transactions (or 47 per cent) were classified as suspicious compared to 288 in 2023. Suspicious transactions were representative of approximately 0.002 per cent of total transactions (in excess of 11 million) for the corresponding periods.

While FID STRs declined in 2024, a higher share was reported in the remittance study. This may indicate better internal detection or reporting by remittance agents.

Customer Due Diligence and Monitoring

Remittance companies have strengthened customer identification, sanctions screening and transaction monitoring. Systems are designed to identify unusual patterns, such as multiple transfers to the same recipient, rapid geographic shifts or transaction values inconsistent with known customer behaviour.

Customer due diligence is generally more standardised than in some other sectors given the products are narrower and transactions are more homogeneous. This standardisation supports consistency and facilitates automation.

Suspicious transaction reporting remains a key control. Where patterns suggest structuring, fraud or other suspicious behaviour, firms are expected to escalate and report promptly to the FID.

Effectiveness of Supervision

Risk-based supervision has strengthened significantly. Supervisory work includes on-site examinations, off-site reporting, thematic reviews and targeted testing of sanctions screening, agent oversight and suspicious transaction reporting.

The supervisory focus has evolved from basic compliance verification to a more judgement-based assessment of whether controls are operating effectively in practice.

This approach has increased accountability and driven more consistent remediation of identified deficiencies, contributing to the sector's lower residual risk.

Interconnectedness with the Banking Sector

Remittance companies rely on the banking sector for settlement, liquidity management and foreign exchange arrangements. Funds entering or leaving remittance channels often pass through regulated bank accounts.

This creates an additional control layer. Banks may independently monitor transactions associated with remittance principals and agent accounts, increasing transaction visibility.

The relationship between remittance companies and banks therefore reinforces Jamaica's overall AML/CFT control framework and reduces the likelihood that unusual activity will go undetected.

Residual Gaps and National Action Plan Priorities

Residual challenges include maintaining consistent control quality across agent networks, refining alert calibration and responding to evolving fraud patterns.

Firms and supervisors must also remain vigilant to identity misuse, mule activity and the possibility that criminals shift toward lower-value but higher-frequency transactions.

National Action Plan priorities include continued typology dissemination, supervisory analytics, training and stronger integration of fraud intelligence into AML monitoring.

Remittance Sector Score

The residual risk rating for the sector is now **MEDIUM-LOW**. The remittance sector remains a strategically important component of Jamaica's economy and financial system. Its role in supporting households and facilitating cross-border transfers makes it economically beneficial, while its cash and international features make it inherently relevant to money laundering risk.

The residual risk rating of **Medium-Low** is appropriate. It reflects meaningful inherent exposure, but also recognises that standardised products, transaction limits, automated controls, agent oversight and increasingly effective supervision materially reduce vulnerabilities.

Going forward, Jamaica will continue to strengthen monitoring, sanctions controls, fraud detection and agent oversight. By maintaining a proportionate and inclusive approach, the remittance sector will continue to support economic resilience while operating as an increasingly effective gatekeeper against financial crime.

Developments Since Jamaica's 2017 MER

- In direct response to the findings of the 2017 MER, which states that monetary sanctions concerning the operation of an unlicensed remittance or cambio were low and not dissuasive, BOJ issued a consultative paper in October 2020 regarding proposed amendment to the BOJ Act. The proposed amendment seeks to increase the penalty for the operation of an unlicensed remittance or cambio to J$7.5 million. The proposed amendment to the Act also considers giving BOJ the power to sanction unlicensed remittance and cambio operators.
- The RBS approach was fully implemented for RSPs in 2024, following its initial roll-out and successful implementation across cambios in 2023. This strategic enhancement of the supervisory framework was developed with direct technical assistance (TA) from the International Monetary Fund (IMF), whose guidance proved instrumental in refining analytical tools and risk assessment parameters tailored to the domestic MSB sector.

ML Typologies in the Remittance Sector

The following are possible indicators of money laundering in the Jamaican remittance sector:

1. A customer receiving funds originating from several locations (in the United States) in a short timeframe.
2. Use of several remittance companies to collect funds.
3. The size or frequency of the remittance is not consistent with the normal activities of the customer.

Introduction

This chapter provides an expanded analytical summary of Jamaica's NRA3 risk assessment for licensed foreign exchange dealers, commonly referred to as cambios. Cambios are a distinct and important part of Jamaica's financial system, as they facilitate the conversion of foreign currency into Jamaican dollars and vice versa. In a small, open, tourism-driven and diaspora-connected economy, foreign exchange access is not a peripheral function. It is part of the day-to-day infrastructure through which households, visitors, merchants, small businesses and other economic actors participate in domestic and external markets.

From an AML/CFT/CPF perspective, cambios are relevant as currency conversion can be used to transform value, obscure the original form of funds or support onward movement through other channels. The sector is cash-facing and interacts with tourism, remittance-adjacent behaviour, informal commerce and foreign-currency holdings. These features create inherent exposure. However, the sector is licensed, supervised and increasingly data-visible. NRA3 therefore does not treat cambios as uncontrolled cash points. The analytical conclusion is more nuanced: the sector remains inherently relevant, but residual risk has declined as controls and supervision have improved.

NRA3 assesses the cambio sector at **Medium-Low** residual ML risk. This reflects the reduction from the NRA2 Medium rating. The direction of travel is important. It does not mean the sector has no risk; it means the risk is better understood, more visible to supervisors and more effectively mitigated through daily transaction data, customer identification requirements, electronic recordkeeping, improved screening, suspicious transaction reporting and oversight of bulk cash movements.

Sector Overview

Evolution of the Sector

NRA2 identified cambios as a relevant money laundering channel as a result of their cash-facing nature, their ability to convert value between currencies and their connection to tourism and cross-border flows. At that time, the sector's risk was viewed principally through the lens of physical foreign-currency handling and the possibility that illicit proceeds could be converted into another currency, broken into smaller transactions or moved into the formal system through apparently routine exchange activity.

Since NRA2, the assessment has become more evidence-based. NRA3 benefits from stronger transaction-level data, improved supervisory tools and a clearer understanding of how cambio activity actually operates. The sector's current risk profile is not dominated by large, opaque cash activity. Rather, the data indicate that non-cash instruments account for the majority of purchases, with cash representing a smaller share of total cambio activity. This is significant as it tempers earlier assumptions that the sector's risk is driven mainly by widespread cash anonymity.

The shift from **Medium** to **Medium-Low** therefore reflects a combination of improved controls and better risk understanding. It also reflects the fact that the sector's activity is increasingly observable through reporting systems and supervisory analytics. The relevant policy conclusion is that the sector should remain subject to close risk-based supervision, but should not be portrayed as a broad uncontrolled vulnerability.

Financial Profile and Market Size

Cambios remain economically significant as they support Jamaica's foreign exchange ecosystem. Between 2020 and 2024, the sector accounted for approximately 28 per cent to 38 per cent of total foreign exchange

purchases annually, with approximately US$4.77 billion in purchases in 2024. The sector had 44 licensed operators and 138 locations in 2024, maintaining access across commercially active and tourism-linked areas.

The sector is particularly relevant in parishes and commercial zones with strong tourism, business travel, hospitality and retail activity, including Montego Bay, Ocho Rios, Kingston and St. Andrew. These areas naturally generate foreign-currency demand and supply. This concentration is not, by itself, suspicious. It reflects the structure of Jamaica's economy, where tourism, diaspora linkages and import-dependent businesses create legitimate foreign exchange needs.

The AML/CFT relevance lies in the need to distinguish legitimate foreign exchange activity from unusual or unexplained currency conversion. A tourism-driven economy will naturally produce foreign cash and FX demand. The supervisory task is therefore not to suppress cambio activity, but to ensure that transaction patterns, customer behaviour and source-of-funds indicators remain visible and credible.

Sector at a Glance

Governing Legislation	Bank of Jamaica Act	Delivery Channels	▪ Traditionally brick and mortar ▪ Online platforms
AML/CFT Laws	▪ Proceeds of Crime Act (POCA) ▪ Terrorism Prevention Act (TPA) ▪ FSC AML/CFT Guidance Notes	Number of Customers	Data not available
Size/Value of sector (per cent of GDP)	**FX Purchases (US$):** ▪ **2024:** $4,769.57 million ▪ **2023:** $5,138.88 million ▪ **2022:** $5,064.19 million ▪ **2021:** $5,174.66 million ▪ **2020:** $4,566.01 million **Size to GDP Ratio (2024): 21.4 %**	Level of Cash	▪ The annual percentage of cash purchases range from 7% - 11% between 2020 – 2024 ▪ Two cambios ship bulk cash of US$589.71 million to the United States between 2020 -2024
Customer Profile	▪ Body corporates ▪ Persons intending to travel/persons returning from international travel ▪ General population	Number of Players	▪ 44 Cambios operating from 138 location ▪ 21 Agents

Sector Risk Score **MEDIUM-LOW**

Inherent Vulnerabilities

The sector's inherent vulnerabilities arise from the core function of currency conversion. Converting one currency into another can help disguise the original form of value. Where funds are generated from predicate offences such as fraud, narcotics trafficking, tax evasion or illegal gambling, a criminal actor may attempt to convert proceeds into a foreign currency or into Jamaican dollars to support spending, asset purchases or onward transfers.

Cash interfaces remain relevant, even though cash does not dominate total purchases. Cash can reduce traceability where customer information, transaction purpose or source-of-funds explanations are weak. Smaller transactions may also be structured to avoid thresholds or scrutiny. This risk is particularly important where multiple transactions are conducted by the same customer, related parties or third parties across different locations.

Non-resident customers and tourism-related flows create additional complexity. Many tourists and visitors have legitimate reasons to exchange currency. However, the presence of transient customers can make ongoing monitoring more difficult. This increases the importance of front-line identification procedures, transaction thresholds and pattern detection.

Agent arrangements also require attention. Agents can expand access and convenience, but they can also create variability in how controls are applied. The principal licensee must ensure that any agent activity is conducted consistently with AML/CFT obligations and that deficiencies are promptly corrected.

Cash, Non-Cash Instruments and Bulk Foreign Cash Handling

A key analytical finding from NRA3 is that cash exposure in the cambio sector must be interpreted in context. Non-cash instruments remained the preferred method of foreign exchange purchases during the 2020 to 2024 review period. Cash purchases averaged approximately 9.09 per cent of total cambio purchases (see **Annex H: Distribution of Cambio Purchases, 2020 - 2024**). This indicates that the sector is not simply a high-cash exchange environment; rather, it includes a significant level of traceable, non-cash activity.

This point matters for public communication. Cash is structurally important in Jamaica, but cash prevalence should not be treated as a proxy for weak oversight. The issue is whether cash activity is recorded, monitored and consistent with the customer and transaction profile. NRA3's analysis supports the conclusion that cambio cash risks are identifiable and managed within a regulated perimeter.

Bulk foreign-cash shipment is another important issue. Certain cambios ship foreign cash overseas as local commercial banks do not generally accept foreign-currency cash deposits from cambios due to de-risking concerns. This creates a practical compliance workaround: foreign cash is exported through regulated arrangements, subject to reporting to the Financial Investigations Division and oversight by the Jamaica Customs Agency. In 2024, cambios shipped approximately US$90.73 million in bulk foreign cash, representing 9.53 per cent of total cash shipped. **Annex H: Bulk Cash Shipment, 2020 - 2024** shows the total value of foreign currency cash shipped out of the country by cambios.

The policy significance is that bulk cash shipment is not an opaque parallel practice when conducted by licensed entities subject to reporting and verification. It is a managed response to correspondent banking and de-risking constraints. The continued requirement for reporting, verification and reconciliation is therefore central to keeping the channel visible.

Predicate Threats and Typologies

Cambio typologies are most relevant where illicit proceeds are converted, structured or presented as legitimate foreign exchange activity. Potential predicate links include fraud, cyber-enabled schemes, narcotics proceeds, illegal gambling, counterfeit goods activity and tax-related offences. The sector may also encounter funds generated through informal commerce where documentation of source of funds is incomplete.

The most plausible misuse scenarios involve repeated currency exchanges that are inconsistent with a customer's profile, transactions undertaken by multiple related persons, unusual use of third parties, currency conversion followed by asset purchases, or activity concentrated in locations linked to higher-risk predicate patterns. These indicators do not automatically prove money laundering, but they warrant scrutiny.

The screening of customers by cambios is aided by automated transaction systems that identify and monitor customer transactions for suspicious activity. The sector's current STR pattern should also be interpreted carefully. Low or moderate STR volumes do not necessarily mean weak reporting. In a sector with daily transaction-level data and a more standardised product set, suspicious activity may be more concentrated and more visible when it occurs. The key question is whether firms can identify unusual behaviour and escalate it in a timely and analytically sound way.

Therefore, NRA3's analytical position is that the sector's typological relevance is real but bounded. Cambios can be misused, but their product range is narrow and transaction-level data improves supervisory visibility.

Tourism, Geography and Non-Resident Exposure

Cambios are strongly connected to Jamaica's tourism economy. Tourism generates legitimate foreign currency and creates demand for exchange services. Locations in major tourism belts and commercial centres naturally experience higher levels of foreign exchange activity.

This geographic concentration should not be interpreted as a risk indicator on its own. Rather, it is a context variable that helps explain transaction volumes and customer mix. Supervisors and reporting entities should use geographic information to calibrate expectations, not to apply blanket suspicion. Non-resident exposure does, however, create practical monitoring challenges. Visitors may have limited transaction histories and may interact with the sector only briefly. This increases the importance of clear identification procedures, escalation rules and awareness of unusual behaviour. The key analytical point is that Jamaica's tourism economy generates foreign exchange activity that is normal and expected. The AML/CFT challenge is to identify activity that departs from expected tourism and commercial patterns.

Customer Due Diligence, Recordkeeping and Monitoring

Customer identification and recordkeeping are major mitigants within the cambio sector. While exemptions may apply for de minimis transactions, cambios are required to implement identification procedures and maintain records. The increasing use of electronic proprietary systems improves the reliability, retrievability and analytical value of transaction data.

The sector's ability to generate and maintain transaction records supports both supervision and financial intelligence. Daily data allows supervisors to identify volume trends, location-specific patterns, outliers and changes in customer behaviour. It also enables more targeted supervisory engagement where activity appears inconsistent with expected profiles.

Monitoring must focus on behaviour rather than assumptions. A single low-value transaction by a tourist may have little risk significance. Repeated transactions by the same person, related persons or customers with

unexplained activity may carry greater significance. Effective monitoring therefore depends on the ability to detect aggregation, recurrence and unusual patterns across time and locations.

The challenge is to preserve customer access and operational efficiency while maintaining meaningful controls. Overly burdensome procedures for low-risk transactions could undermine legitimate access, while weak controls could create opportunities for misuse. NRA3 supports a proportionate, risk-based approach.

Effectiveness of Supervision

Risk-based supervision is a principal reason for the sector's improved residual rating. The supervisor now applies a dedicated risk-based model supported by daily transaction-level data and a dedicated cambio unit. This allows supervision to be more targeted, evidence-based and responsive to emerging patterns.

Supervisory attention has focused on governance, screening, recordkeeping, transaction monitoring, agent oversight and reporting practices. Declining deficiencies and stronger controls support the conclusion that the sector has improved since NRA2.

The supervisory model also benefits from the sector's data characteristics. Given that cambio transactions are narrow and frequent, supervisors can more readily identify anomalies and compare behaviour across entities and locations. This makes the sector more visible than many other cash-facing activities.

Interconnectedness with the Banking Sector

Cambios are closely linked to the banking system. They maintain bank accounts, rely on banks for settlement and may use banking channels for non-cash transactions and liquidity management. However, de-risking pressures have affected how foreign-currency cash is handled, leading some cambios to ship foreign cash directly to overseas banks under regulated procedures.

This interconnectedness has two effects. First, it creates an additional layer of visibility, as banks may monitor transactions involving cambios and identify unusual account activity. Second, it creates operational constraints where banking services are limited, particularly in relation to foreign-currency cash deposits.

The sector therefore illustrates the wider point that AML/CFT controls must be practical as well as strict. If regulated entities are de-banked or constrained without workable alternatives, risk may move into less visible channels. Jamaica's approach has been to keep the activity within a regulated and reported framework, which supports both financial inclusion and financial integrity.

Sanctions, Terrorism Financing and Proliferation Financing Considerations

While the cambio sector's primary relevance is to money laundering, sanctions and targeted financial sanctions controls also remain important. Foreign exchange dealers may encounter customers or transactions requiring screening against relevant sanctions lists.

Jamaica's TF and PF risks are assessed as low, however, low risk does not mean no risk. Currency exchange activity can still be relevant where a designated person, related party or prohibited transaction attempts to access financial services. Screening and escalation procedures therefore remain necessary.

The sector's relatively narrow product set supports effective screening where systems and staff are properly trained. The main requirement is that sanctions controls remain up to date, that potential matches are escalated without delay and that staff understand their obligations under the AML/CFT/CPF framework.

Residual Gaps and National Action Plan Priorities

Residual challenges remain. The sector must continue strengthening customer identification, monitoring of repeat transactions, agent oversight and sanctions readiness. Exemptions for de minimis transactions should remain proportionate but must not create a blind spot for structured activity.

Authorities should continue to monitor geographic and seasonal patterns, particularly in tourism-linked locations, to distinguish expected foreign exchange demand from anomalous activity. Supervisory analytics should also continue to assess transaction aggregation, unusual customer behaviour and changes in cash/non-cash composition.

Bulk cash shipment should remain subject to reporting, verification and reconciliation given that they represent a necessary but sensitive response to banking constraints. Continued coordination among supervisors, the FID, Customs and the banking sector will be important.

The National Action Plan should therefore prioritise enhanced analytics, typology feedback, continued training, agent oversight and coordination around de-risking and bulk-cash management.

Cambio Sector Risk Score

The overall risk score for the cambio sector is **MEDIUM-LOW**. The cambio sector is an important part of Jamaica's financial system and supports the legitimate foreign exchange needs of residents, visitors and businesses. Its connection to tourism, foreign currency and cash makes it inherently relevant to money laundering risk.

NRA3's conclusion that the sector's residual risk is Medium-Low is supported by stronger risk-based supervision, daily transaction data, electronic records, improved screening and oversight of bulk cash shipment. The sector has improved since NRA2, and the risk picture is now better understood and more effectively managed.

Going forward, Jamaica should continue to strengthen transaction analytics, customer identification, agent oversight, sanctions readiness and coordination on bulk cash shipment and de-risking issues. This will preserve the sector's economic value while ensuring that currency conversion services do not become attractive for illicit value movement.

ML Typologies in the Cambio Sector

The following are indicators of money laundering in the cambio sector. Please note that these examples are not exhaustive.

1. Wholesales and other cash intensive businesses purchase foreign exchange from the general public. This provides an avenue for persons with illicit funds to convert to local currency which can then be easily used given the high use of cash in the local economy.
2. An unusually large (cash) transaction based on the customer profile.

Introduction

Credit Unions are cooperative financial institutions owned by their members and designed to promote thrift and provide access to credit on reasonable terms. They serve households, employees, small businesses and community-based groups, often reaching customers who may have limited engagement with larger financial institutions.

The purpose of this assessment is to examine how the sector's products, customer relationships and operating model influence money laundering, terrorist financing and proliferation financing risk. The analysis focuses on structural characteristics, typologies and mitigating controls, rather than institution-specific supervisory findings.

NRA3 assesses the credit union sector at **Medium-Low** residual ML risk.

Sector Overview

Evolution of the Sector

NRA2 identified credit unions as lower to moderate risk relative to more complex financial sectors. The principal vulnerabilities related to cash deposits, loan repayments, member onboarding and limited technology in some institutions.

Since NRA2, the sector has undergone further consolidation and strengthening. Governance expectations have become more formalised, compliance functions have matured and supervisory methodologies have become more risk-based. These developments support a more robust and evidence-based assessment in NRA3.

Financial Profile and Market Size

Credit Unions represent an important component of Jamaica's financial system and inclusion agenda. They mobilise substantial member savings and provide consumer, mortgage and small business lending. Their community orientation and broad geographic reach make them particularly important to households and underserved populations.

The sector is closely connected to the formal financial system through banking relationships, payment services and investment of surplus funds. This interconnectedness enhances financial stability and creates multiple layers of transaction visibility.

Sector at a Glance

Governing Legislation

Passage of the amended Co-operative Societies Act (CSA) and the Credit Union (Special Provisions). The Bill will allow BOJ to commence the licensing process for credit unions.

Delivery Channels

Mainly face-to-face

(Larger CUs offer online banking - account transfers, bill payment, balance enquiry)

AML/CFT Laws	▪ Proceeds of Crime Act (POCA) ▪ Terrorism Prevention Act (TPA) ▪ The United Nation Security Council Resolutions Implementation Act ▪ Co-operative Societies Act ▪ Co-operative Societies Regulations	Number of Customers	1.03 Million members
Size/Value of sector (per cent of GDP)	▪ **Assets:** J$195 Billion/US$1.2 billion ▪ **Operating Income:** J$16.7 Billion **Size to GDP Ratio (2024): 5.6 %**	Level of Cash	The usage of cash to make lodgments and pay loans is still prevalent, as the data suggest that 95 % of payments are via cash. While cash deposits are accepted from members, it should be noted that deposits are also made via standing order from commercial banks with which members hold accounts and through which their salaries are paid.
Customer Profile	Members are aligned to a profession or association e.g. teachers, nurses, police, farmers, employees of listed companies	Number of Players	24 Credit Unions operating as at December 2024, across 86 locations.

Sector Risk Score | **MEDIUM-LOW**

Inherent vulnerabilities

Over the period under review, as seen in the table below, the number of credit unions operating in Jamaica declined from 25 in December 2020 to 24 in December 2024. The reduction was attributed to the continued merging of several credit unions as they attempt to strengthen their capital base in preparation for prudential supervision by the BOJ. The table below depicts the change in the number of credit unions throughout the period. The 24 credit unions serve their members from 106 locations across Jamaica. Credit unions do not offer their product and services through agents.

Total Number of Credit Unions (2020 – 2024)

Indicator	2020	2021	2022	2023	2024
Total number of credit unions	25	25	25	25	24

As at December 2024, the asset base of credit unions represented 5.6 per cent of GDP (Dec 2020: 6.5 per cent), significantly lower than the banking and securities dealer sectors (see **Annex H:** Breakdown of Selected Financial Sectors as a per cent of GDP). Notwithstanding declines in the number of institutions due to ongoing mergers within the sectors. It is forecasted

The sector's core products include savings accounts, fixed deposits, personal loans, mortgages and payroll-deducted lending. These products are comparatively straightforward and primarily domestic in nature.

Inherent vulnerabilities arise where members make substantial cash deposits, repay loans using unexplained funds, maintain multiple accounts or use cooperative relationships to create an appearance of legitimacy. Legal-person and organisational accounts may also present additional ownership and control challenges.

Member and Ownership Risks

Most members are natural persons with stable domestic relationships and relatively transparent financial activity. This lowers the sector's overall risk profile.

Higher-risk situations may involve politically exposed persons, cash-intensive businesses, non-profit organisations, legal persons or members whose transactions are inconsistent with known employment, income or business activities. Beneficial ownership verification is especially important where entities maintain accounts or borrow through the sector.

Savings, Deposits and Cash Transactions

Savings and deposit products are central to the sector's operations. Cash remains relevant, as some members prefer over-the-counter transactions or may receive income outside traditional payroll arrangements.

Cash itself is not inherently suspicious. Risk arises where deposit volumes, frequency or source-of-funds explanations are inconsistent with a member's profile. Repeated cash deposits followed by rapid transfers or loan repayments may warrant enhanced scrutiny.

Loan Products and Repayment Typologies

Credit Unions primarily provide loans for personal consumption, education, vehicles, housing and small business needs. Loan proceeds are generally disbursed through regulated channels, and repayment schedules create predictable transaction patterns.

Risk may arise where loans are repaid unusually quickly, funded by unexplained third parties or used to convert illicit cash into apparently legitimate credit activity. The sector's underwriting and repayment records, however, create a strong audit trail that supports monitoring and investigation.

Payroll-Based Relationships

Payroll deduction arrangements are a significant mitigating factor. Contributions and loan repayments linked to verified employment create consistency between income and account activity.

These relationships reduce anonymity and improve transaction predictability. Where member activity diverges materially from payroll-based expectations, institutions are better positioned to detect unusual behaviour.

Governance and Cooperative Structure

The cooperative ownership model can promote close member relationships and community accountability. At the same time, it requires strong governance to ensure that boards, committees and management maintain professional oversight and independent challenge.

Compliance, internal audit and risk management functions are increasingly formalised. Sector consolidation and improved governance standards have strengthened institutional resilience and reduced vulnerabilities associated with smaller or less mature institutions.

Effectiveness of Supervision

Risk-based supervision has become a significant mitigating factor. Supervisory activities include on-site examinations, off-site monitoring, thematic reviews and governance-focused assessments.

The supervisory approach increasingly tests whether customer due diligence, transaction monitoring and escalation procedures are effective in practice rather than merely documented in policy manuals.

Interconnectedness with the Banking Sector

Credit Unions maintain bank accounts for liquidity management, payment processing and settlement. Surplus funds may also be invested through regulated institutions.

This interconnectedness creates additional layers of monitoring and supports the broader AML/CFT framework. Transactions passing through credit unions frequently intersect with banking controls, increasing overall transparency.

Residual Gaps and National Action Plan Priorities

Key priorities include continued strengthening of beneficial ownership verification, monitoring of cash-intensive members, data quality and alert calibration. Smaller institutions may require additional support to maintain analytical capability and compliance resources.

The National Action Plan supports further governance enhancement, technology upgrades, typology dissemination and supervisory analytics.

Credit Union Score

Consistent with NRA3 evidence, the overall ML/TF/PF risk for credit unions is **MEDIUM-LOW**. The credit union sector is strategically important to Jamaica's financial inclusion agenda and the broader financial system. Its community-based model and straightforward products generally constrain opportunities for sophisticated financial crime.

The residual money laundering risk is appropriately assessed as **Medium-Low**. This reflects targeted vulnerabilities associated with cash deposits, loan repayments and legal-person accounts, balanced against strong mitigating measures including customer due diligence, payroll relationships, governance, sector consolidation and risk-based supervision.

Going forward, Jamaica will continue to strengthen ownership verification, transaction monitoring, governance and supervisory technology to ensure that credit unions remain trusted and resilient gatekeepers within the national AML/CFT/CPF framework.

ML Typologies in the Credit Union Sector

Credit unions face some of the same money laundering risks identified in the typologies section in the assessment on Deposit-Taking Institutions. The following scenarios are methods used to launder money.

1. Individuals attempting to open accounts with fraudulent documents to disguise their true identity, source of funding or purpose for the account.
2. Members establish accounts that are meant for use by third parties or allow their accounts to be used by unknown third parties. This is commonly referred to as "account renting", as the owner of the account (member) keeps a portion of the funds that pass through the account as a means of payment for the use of the account.
3. Members making frequent cash deposits each below the cash threshold reporting requirement, but cumulatively, well above the threshold.
4. Members applying for loans and repaying those loans well in advance of the repayment date and are unable to provide a reasonable explanation for the early repayment. Their known employment/income details do not support the transaction.

Introduction

Microcredit institutions provide small-value credit to individuals, micro-enterprises and small businesses. These services are important in a country where informal and semi-formal economic activity remains material and where many households and small operators may not qualify easily for traditional bank credit. The sector supports financial inclusion by meeting short-term liquidity needs, business working-capital demands and household borrowing requirements.

The same inclusion function also creates AML/CFT relevance. Microcredit customers may include wage earners, self-employed persons, sole traders, small vendors, domestic workers and micro-business operators whose income can be irregular, partly cash-based or poorly documented. This does not mean that such customers are suspicious. It means that microcredit institutions need context-sensitive controls that distinguish legitimate livelihood activity from transactions inconsistent with the borrower's profile.

The purpose of this assessment is to analyse the sector's inherent vulnerabilities, the effect of formal regulation since NRA2, the current state of compliance maturity and the basis for the **Medium-Low** residual ML risk rating.

Sector Overview

Evolution of the Sector

Prior to the Microcredit Act, the sector was more fragmented and less consistently supervised. The risk was not that microcredit products were inherently complex, but that the market had weaker transparency, uneven governance and fewer formalised controls compared with regulated deposit-taking institutions.

NRA3 records a major structural shift. The Microcredit Act was passed in January 2021 and came into effect on 30 July 2021. BOJ established a dedicated Microcredit Department, and engagement with the sector began before commencement and intensified as the licensing and supervisory framework developed. Licensing is ongoing, but the effect is clear: microcredit activity is now subject to a formal legal and supervisory regime.

This represents one of the most important post-NRA2 improvements in Jamaica's financial-sector perimeter. A formerly lightly regulated activity has been brought under direct oversight. The policy significance goes beyond AML/CFT compliance; it also addresses predatory lending, consumer protection, transparency and responsible lending practices.

Financial Profile and Market Size

The microcredit sector is small relative to the banking and securities sectors, but it is important for inclusion and for closing supervisory gaps across the financial system. NRA3 and related MEVAL presentation material indicate 93 licences by June 2025, approximately 75,741 customers in 2024 and sector materiality of approximately 2.0 per cent of GDP.

The sector's customer base grew from approximately 69,237 in 2022 to 72,163 in 2023 and 75,741 in 2024. This suggests a sector that is expanding in an orderly manner within the newly formalised perimeter rather than remaining outside regulatory visibility.

The sector is strategically relevant given that it intersects with the informal economy and micro-enterprise financing. In Jamaica's risk context, informality and cash usage are structural and often legitimate.

Microcredit institutions therefore play a dual role: they provide access to credit for underserved borrowers, and they can support formalisation by documenting lending relationships, repayment behaviour and customer identity.

Sector at a Glance

Governing Legislation	The Microcredit Act [January 2021]	Delivery Channels	▪ Face-to-face Transactions ▪ Websites/Mobile Apps ▪ Telephone
AML/CFT Laws	▪ Proceeds of Crime Act ▪ Terrorism Prevention Act ▪ The United Nation Security Council Resolutions Implementation Act ▪ BOJ AML/CFT Guidance Notes	Number of Customers	▪ **2022:** 69,237 ▪ **2023:** 72,163 ▪ **2024:** 75,741
Size/Value of sector (per cent of GDP)	As at December 2024, the microcredit industry represented approximately 2.0 % (or $70B) of Jamaica's annual gross domestic product (GDP).	Level of Cash	▪ As at December 2024, 40% of MCIs reported engaging in cash transaction. ▪ 2022-2024: Cash disbursements JMD $8B - $12B, outpaced cash receipts JMD $4B - $7B
Customer Profile	▪ Primarily Jamaican residents, namely, salaried individuals. ▪ Approximately 95% of the sector's clients are classified as low and medium risk within the 2022-2024 period.	Number of Players	▪ As at June 2025, BOJ issued 93 licences to operate as MCIs in Jamaica, covering approximately 95% of the sector's assets.

Sector Risk Score | **MEDIUM-LOW**

Inherent Vulnerabilities

The sector's inherent vulnerability is driven by the nature of its customer base, the small-business environment and the potential use of cash in loan repayments. Many borrowers operate in sectors where income may be irregular, seasonal or cash-based. These conditions can make source-of-funds assessment more difficult, particularly where documentation is limited.

The main vulnerability is not product complexity [see **Annex H: Use of Cash per Product Type across Microcredit Institutions**]. Microcredit products are generally straightforward loans, usually domestic and standardised. The risk arises where illicit funds are introduced through repayments, where a third party repays a borrower's loan without a credible explanation, or where a microcredit company itself is capitalised using illicit funds.

Another vulnerability is institutional maturity. Many MCIs are newly licensed or recently brought into formal supervision. Some may still be developing their compliance frameworks, internal audit functions, reporting metrics and transaction-monitoring capability. This transitional maturity risk is expected in a newly formalised sector, but it must be actively managed.

Product and Transaction Risk

Microcredit products are lower in complexity than banking and securities products. They generally involve loan origination, disbursement, scheduled repayment and interest collection. This structure limits opportunities for sophisticated layering, but it creates specific monitoring points.

Loan disbursement can be misused where false information is provided to obtain funds or where the borrower acts on behalf of another person. Loan repayment can also be misused where unexplained cash is used to repay obligations, especially where repayment is inconsistent with the borrower's known income or business activity. Early or accelerated repayment may also be a risk indicator where the borrower lacks a credible explanation. The product risk profile is therefore concentrated around borrower identity, source of repayment, third-party involvement and consistency between repayment behaviour and the customer's financial profile. These risks are manageable if institutions maintain sound customer records, payment histories and exception reporting.

Market Entry

One of the more distinctive vulnerabilities in the microcredit sector is not only how customers use loans, but how microcredit businesses themselves are established and funded. NRA3 identifies the use of illicit funds to start small microcredit companies as a relevant typology. This risk is particularly important in a newly formalised market where former informal operators may seek entry into the regulated perimeter.

Licensing is therefore a central risk mitigant. Fit-and-proper assessments, beneficial ownership checks, source-of-capital review and business-plan scrutiny help ensure that entities entering the sector are legitimate, transparent and capable of meeting regulatory obligations. These controls reduce the risk that a microcredit business could be used as a vehicle to disguise criminal proceeds, collect interest on illicit funds or lend to related parties in a manner that obscures ownership and control.

The licensing process also supports market discipline. Institutions that cannot demonstrate suitable governance, transparent ownership or compliance readiness can be refused, delayed or subjected to conditions. This reinforces the wider conclusion that the Microcredit Act did not merely add rules; it fundamentally altered the sector's risk profile by changing who may operate and under what conditions.

The microcredit reform agenda has a dual significance. It strengthens AML/CFT controls and also improves consumer protection. Historically, concerns about predatory lending, high interest rates, abusive collection practices and weak transparency affected public confidence in the sector. Bringing the sector into a formal

framework improves financial integrity by requiring institutions to document lending relationships, disclose terms, maintain records and operate under supervisory oversight.

Consumer protection and AML/CFT are mutually reinforcing in this context. Transparent loan documentation supports borrower rights, but it also creates records that may assist supervisors and investigators. Responsible lending reduces the likelihood that desperate borrowers will engage in risky conduct to repay loans. Clear complaint and governance mechanisms improve accountability and reduce the opportunity for informal or coercive practices to remain hidden.

The sector's risk rating should therefore be understood in a broader governance context. A well-regulated microcredit sector does not only reduce financial crime exposure; it also supports fairer access to credit and strengthens confidence in regulated financial services.

Customer Due Diligence and Borrower Profiling

Customer due diligence is the principal control at onboarding. MCIs must verify identity, understand the borrower's occupation or business activity, assess the purpose of the loan and document the expected source of repayment. For micro and small businesses, this requires practical judgement. Formal records may be limited, so institutions should use reasonable alternative evidence while preserving a risk-based approach.

Borrower profiling is especially important as repayment behaviour is central to detecting unusual activity. If a borrower's known income supports modest instalments, a sudden large cash repayment should trigger review. If a borrower states that repayments will come from salary deductions, unexplained third-party cash payments require clarification.

CDD in the microcredit sector should therefore be proportionate but meaningful. Overly burdensome requirements can undermine financial inclusion, while weak controls can allow misuse. The correct approach is targeted verification and context-sensitive monitoring.

Effectiveness of Supervision

Bank of Jamaica's designation as regulator and supervisor fundamentally changed the sector's risk profile. Supervisory oversight includes licensing, monitoring, risk-based inspections, outreach and targeted training. These measures have improved transparency and created consequences for non-compliance.

The supervisory approach is appropriately proportionate. Given the sector's low to moderate inherent risk and early stage of maturity, off-site monitoring, outreach and technical guidance are central tools. More intrusive supervisory interventions can be reserved for firms with weak governance, non-responsiveness, repeated deficiencies or higher-risk business models.

This approach supports both AML/CFT effectiveness and financial inclusion. It encourages compliance without creating unnecessary barriers to legitimate microcredit activity.

Interconnectedness with the Banking Sector and Financial Inclusion

Microcredit institutions are not isolated from the wider financial system. They rely on banks for operating accounts, settlements and sometimes repayment arrangements. Where repayments are made through standing orders or transfers from bank accounts, transaction visibility improves and the risk of unexplained cash movement declines.

The sector also supports the broader financial inclusion agenda. Microcredit can provide a bridge between informal economic activity and more formal financial relationships. Properly supervised MCIs can improve documentation of borrower identity, credit behaviour and repayment capacity.

This is an important national risk-management outcome. The policy objective is not to exclude informal or low-income borrowers from credit. It is to ensure that access is provided through institutions that know their customers, monitor repayment activity and report suspicion where warranted.

Compliance Framework

The sector is still in a maturity-building phase. NRA3 recognises that many MCIs are strengthening internal frameworks to align with statutory obligations. This includes formalising policies, documenting procedures, improving monitoring evidence, training staff and strengthening management reporting.

A proportionate view is appropriate. Given the sector's small scale, domestic focus and simple products, template policies, simplified risk-rating tools and manual monitoring may be acceptable transitional practices where they are supported by clear governance and documented decision-making. The goal is not to impose bank-level complexity on small lenders, but to ensure that core AML/CFT obligations are applied consistently and effectively.

Boards and management teams are increasingly engaging with AML/CFT/CPF responsibilities. This is a positive development. The next stage of maturity should focus on evidence: how institutions demonstrate that controls work, staff understand typologies, exceptions are escalated and remediation is tracked.

Suspicious Transaction Reporting

A major improvement in NRA3 is the use of sector data to assess the maturity of microcredit institutions. ORBS survey results provide insight into how many firms have suspicious transaction processes, whether monitoring is manual, hybrid or automated, and how many institutions filed suspicious activity reports. NRA3 records important data on monitoring maturity. In an ORBS survey, 98 respondents, or 89.91 per cent, indicated that they had processes in place to identify and report suspicious transactions. Of 101 respondent MCIs, 63, or 57.80 per cent, had manual transaction-monitoring systems; 33, or 30.28 per cent, had hybrid systems; and 2, or 1.83 per cent, had automated systems.

This data is analytically important. It shows that suspicious-transaction processes are broadly present, but monitoring remains heavily manual. Manual systems can be proportionate for small institutions with low transaction complexity, but they depend heavily on staff judgement, training, documentation and escalation discipline. As institutions grow, continued reliance on manual monitoring may become less sustainable.

The FID reported 202 STRs filed by MCIs during the review period, with 79 filed in 2023 and 123 filed in 2024. The increase is consistent with the sector's formalisation and growing awareness of reporting obligations. The quality of STRs filed was reported as satisfactory. However, only 10, or 9.17 per cent, of surveyed MCIs filed a suspicious activity report in 2024, while 90.83 per cent reported that they had not done so. This does not automatically indicate weakness, but it does warrant continued supervisory engagement to ensure firms can recognise and escalate suspicion where appropriate.

Residual Gaps and National Action Plan Priorities

Residual challenges remain. Monitoring is still largely manual, which can limit consistency and scalability. Some institutions are still developing governance, internal audit, documentation and risk assessment practices. STR filing is improving, but supervisory engagement should continue to ensure that low filing does not reflect weak detection or uncertainty about reporting obligations.

Priority areas include stronger typology training, better documentation of source of repayment, improved controls over third-party payments, clearer escalation procedures, and gradual movement toward hybrid or automated monitoring where transaction volumes justify such measures.

The National Action Plan should also support continued data collection through ORBS, targeted supervisory outreach, compliance templates for smaller institutions and enhanced coordination between BOJ, FID and

other authorities where microcredit activity intersects with fraud, informal business activity or unexplained cash flows.

Microcredit Risk Score

The sector was assessed as **MEDIUM-LOW**. The microcredit sector is a clear example of how formalisation can reduce national vulnerability. The sector's inherent risk is not high given that products are small, domestic and standardised. However, its customer base, cash interfaces and early-stage compliance maturity make it relevant to AML/CFT risk.

The Medium-Low residual risk rating is appropriate. It recognises the sector's structural vulnerabilities but gives due weight to the major improvements achieved through the Microcredit Act, licensing, BOJ supervision, STR processes, training and risk-based oversight.

Going forward, Jamaica should continue to strengthen microcredit supervision in a proportionate way. The focus should be on practical effectiveness: better borrower profiling, stronger repayment monitoring, clearer third-party payment controls, improved STR awareness and continued governance maturity. If these measures are sustained, the microcredit sector can continue to support financial inclusion while operating as a transparent and accountable part of Jamaica's AML/CFT/CPF framework.

Developments since Jamaica's 2017 MER
In January 2021, the Microcredit Act was passed and it was came into effect on 30 July 2021. BOJ established a Microcredit Department in 2020. Engagement activities with the sector commenced in 2019 and intensified following the appointment of the Head of Department in January 2020. Licensing remains ongoing.

ML typology in the Microcredit Sector

1. The use of illicit funds to start small microcredit companies.
2. Insistence to make loan payments in cash rather than standing order from an account held with a financial institution.
3. Loan payments are made by a person other than the person who took out the loan.

Sector Overview

Virtual Assets (VAs) and Virtual Asset Service Providers (VASPs) have emerged globally as a priority risk area within the anti-money laundering, counter-terrorist financing, and counter-proliferation financing (AML/CFT/CPF) framework. Since the revision of Financial Action Task Force (FATF) Recommendation 15 in 2019 and subsequent targeted updates, countries are expected not only to regulate VASPs, but to demonstrate a clear, evidence-based understanding of how VA- and VASP-related risks manifest within their specific national contexts, and to apply proportionate, risk-based responses.

FATF guidance, including the Risk-Based Approach (RBA) Guidance for Virtual Assets and VASPs and the 2025 Quick Guide on Assessing ML Risks of Virtual Assets and VASPs, emphasises that VA/VASP risk assessments must go beyond generic typologies. Jurisdictions are required to assess both the risks posed by virtual assets themselves and the risks arising from VASP activities, to consider the linkages between VA and VASP risk, and to calibrate conclusions to domestic market structure, exposure pathways, and the effectiveness of mitigating measures.

This assessment applies FATF's evolving guidance to Jamaica's specific economic, financial-sector, and regulatory context.

Scope and Analytical Framing

In accordance with FATF expectations, this assessment develops a structured taxonomy of virtual assets and VASP activities and evaluates the ML/TF/PF risks they pose across the different stages of the money-laundering process, including placement, layering, and integration. The assessment recognises that certain categories of virtual assets particularly pseudo-anonymous assets (such as Bitcoin) and privacy-enhanced or anonymous assets (such as Monero, Zcash, Das) exhibit very high inherent risk at a global level due to anonymity, usability, and cross-border transfer features. Other asset classes, such as stablecoins and platform tokens, present differentiated risk profiles depending on use case and control environment.

The assessment similarly considers the full spectrum of VASP activities recognised under FATF standards, including exchange, custody, brokerage, issuance, and facilitation services. However, consistent with FATF's risk-based approach, the assessment explicitly distinguishes between:

- VA risk, which arises from the characteristics and use of virtual assets and is present in all jurisdictions; and
- VASP risk, which arises from the existence, structure, and operation of VASP entities.

During the assessment period, Jamaica did not host a domestic virtual asset service provider (VASP) sector, whether through licensed, registered, formal, or identifiable informal arrangements. The assessment identified no evidence of organised virtual asset intermediation activities being conducted within Jamaica, either directly or through locally established entities or persons acting as virtual asset exchanges, custodial wallet providers, brokers, dealers, payment gateways, or other virtual asset service providers.

This outcome reflects the structural characteristics of the domestic financial system. In particular, the assessment found no evidence of:

- domestic virtual asset exchanges facilitating fiat-to-virtual asset or virtual asset-to-fiat conversion services;
- custodial wallet providers operating within or interfacing with the regulated financial system;
- virtual asset payment gateways integrated into the domestic payments ecosystem;
- locally established businesses providing virtual asset brokerage, transfer, exchange, or administration services; or
- identifiable material informal networks facilitating virtual asset transactions at a scale capable of constituting a domestic VASP market.

While individual residents may access offshore virtual asset platforms for investment or personal purposes, such activity occurs directly through foreign service providers and does not constitute a domestic VASP ecosystem. Furthermore, where persons purport to offer investment services, discretionary investment management, pooled investment arrangements, or other securities-related activities involving virtual assets, such conduct may fall within the scope of the Securities Act and be subject to regulatory action and prosecution where appropriate.

Accordingly, the assessment concludes that Jamaica's exposure to virtual assets during the assessment period arose primarily through resident access to offshore platforms rather than through the existence of domestic VASP infrastructure, domestic exchanges, or locally established intermediary networks.

However, limited informal facilitation, peer-to-peer activity, and offshore-linked access channels were identified. Accordingly, domestic entity-level VASP vulnerabilities are not assessed as material or systemic, and the assessment evaluates VASP risk primarily through the lens of external exposure and low-level informal activity touching the domestic financial system.

This domestically observed exposure profile is consistent with independent external estimates. Blockchain analytics data (Chainalysis, Q4 2024) places Jamaica 104th globally on the Global Crypto Adoption Index and 15th among Latin American economies, with estimated annual transaction value of approximately USD 2.07 billion — a figure derived from web traffic proxy methodology and treated as directional only. Jamaica is not among the jurisdictions identified by FATF as having "materially important VASP activity," a designation applied to countries exceeding 0.25 per cent of global trading volume or hosting more than one million virtual asset users (FATF, Status of Implementation of Recommendation 15, March 2024; updated June 2025).

Jamaica's Exposure Pathways

Notwithstanding the absence of a licensed or material domestic VASP sector, Jamaica is not insulated from VA-related risk. Exposure arises primarily through:

- cross-border access to foreign VASPs by residents for investment, trading, or limited payment/remittance purposes; and
- limited informal facilitation and peer-to-peer activity, with settlement into and out of the domestic economy occurring through personal accounts held at regulated financial institutions.

Accordingly, the dominant domestic interface for VA/VASP risk is at the on- and off-ramps, where funds are converted between fiat currency and virtual assets through Jamaica's regulated financial system.

"On-ramps refer to mechanisms through which customers convert fiat currency into virtual assets, typically via bank transfers, card payments, or peer-to-peer platforms accessing foreign virtual asset service providers. Off-ramps, conversely, represent the channels through which virtual assets are converted back into fiat currency and reintroduced into the formal financial system, most commonly through deposit-taking institutions. In Jamaica, these on- and off-ramps are predominantly controlled by regulated financial institutions subject to robust AML/CFT obligations, including customer due diligence, transaction monitoring, and suspicious transaction reporting. As a result, while virtual asset activity may occur offshore, the associated financial flows are observable and mitigated at the point of entry into, or exit from, the domestic financial system. This structural characteristic significantly suppresses realized ML/TF risk and underpins the assessment of low residual virtual asset risk at the country level".

Quantitative indicators support the conclusion that this activity remains immaterial at the Jamaican system level. Reported VA-related transactions through deposit-taking institutions over the period 2020–June 2025 amounted to approximately J$8.9 billion across 296,156 transactions, representing less than one per cent of GDP. Sample analysis of peer-to-peer platforms indicates annualised transaction values of approximately

US$0.98 million, equivalent to around 0.01 per cent of GDP. Financial institutions report nil balance-sheet exposure to virtual assets and generally avoid relationships with customers engaged in VA-related business activities.

For the avoidance of doubt, the absence of licensed or formally registered VASPs in Jamaica does not imply the absence of VA/VASP-related activity. Rather, the assessment finds that such activity is present at low levels through offshore platform access, limited informal facilitation, and peer-to-peer channels. The assessment therefore distinguishes between the absence of a licensed domestic VASP sector and the presence of low-level observable exposure that remains economically immaterial and operationally contained.

The normalization analysis confirms that VA/VASP-related activity observed through Jamaican deposit-taking institutions is economically immaterial, both relative to GDP and relative to high-value cross-border formal payment throughput (see **Annex H:** Normalization of VA/VASP Activity against System Wire Transfers and GDP (DTI Sector)).

I. Materiality against GDP (value-based)

Across 2020–2024, annual VA/VASP values remain well below 0.12% of GDP (peak ≈ 0.1105% in 2023), and the cumulative 2020–2024 VA/VASP value represents approximately 0.058% of cumulative GDP. This supports the conclusion that VA/VASP activity is not systemically significant in Jamaica's economy at present.

II. Materiality against formal cross-border wire transfers (value-based)

When compared to total DTI system wire transfers (converted to JMD using annual average FX rates), VA/VASP values represent 0.0001% to 0.0731% of system wire transfer value in any year, and 0.0381% across 2020–2024. This indicates that even where retail VA/VASP activity exists, its value is negligible relative to core formal cross-border payment value.

III. Why count shares can look larger (and why value is the right comparator)

VA/VASP transactions are typically small-ticket, retail-driven transfers. Accordingly, the count of VA/VASP-related transactions can represent a non-trivial share of wire transfer volumes in certain years (e.g., 2022–2023), without implying systemic significance. The correct materiality lens is therefore value, not volumes. This is reinforced by the average VA/VASP transaction size (≈ JMD 25k–42k) relative to high-value cross-border rails.

Risk Assessment Outcomes and Supervisory Interpretation

Using a hybrid quantitative–qualitative methodology consistent with FATF and World Bank guidance, this assessment evaluates inherent risk, mitigating measures, and residual risk. The World Bank VA/VASP National Risk Assessment Tool, calibrated to Jamaica's actual exposure pathways and control environment, produces a residual risk score of approximately 11–12 per cent for both Fiat-to-Virtual and Virtual-to-Fiat channels.

On that basis, Jamaica's ML/TF/PF risk arising from virtual assets and VASP-related activity is assessed as LOW (dynamic). The "dynamic" qualifier reflects the reality that VA-related risks are externally driven, technology-enabled, and capable of rapid escalation if market adoption increases or if regulatory and supervisory measures do not keep pace. Jamaica's current low-risk posture should therefore be understood as contingent on continued financial-institution vigilance, legislative transition, and capacity-building, rather than as **an absence of risk**.

Key Risk Assessment Outputs – Basis for Policy and Legislative Action

This risk assessment is not an end in itself. Its findings directly inform Jamaica's policy and legislative response to virtual assets. While current domestic VA/VASP risk is low, the assessment confirms that inherent risks associated with VA technologies are structurally high at a global level and that cross-border access creates potential exposure pathways. In response, Jamaica has developed a Virtual Asset Service

Providers Bill, which has now been laid before Parliament. The Bill represents a risk-based, forward-looking policy response to the findings of this assessment and is designed to:

- establish a licensing and supervisory perimeter for VASP activities;
- impose proportionate AML/CFT/CPF obligations aligned with FATF Recommendation 15;
- ensure early capture of emerging VASP activity before material risks crystallise; and
- preserve Jamaica's current low-risk posture while supporting responsible innovation.

In this sense, the VASP legislative framework constitutes a direct output of the national risk assessment process, ensuring that regulation, supervision, and enforcement evolve in line with Jamaica's demonstrated risk exposure and international standards. The assessment will be updated periodically as the legislative framework becomes operational and as a more complete view of the domestic and cross-border VA market becomes attainable.

Macroeconomic, Financial System and AML/CFT/CPF Context

Jamaica's VA/VASP Context and Exposure Landscape

FATF's Risk-Based Approach (RBA) requires that a jurisdiction's risk assessment be grounded in country context, including the structure of the economy, the role of the financial sector, and the pathways through which illicit funds can enter, move, and integrate into the economy. In the VA/VASP context, FATF also emphasizes that jurisdictions must consider (i) the cross-border nature of VA activity, and (ii) how VA/VASP exposure interacts with traditional obliged entities (TOEs) such as banks, money service businesses, and DNFBPs.

For Jamaica, VA/VASP risk does not arise from a licensed or material domestic hosting sector, but rather from cross-border retail access to foreign platforms, together with limited informal and peer-to-peer activity, with domestic exposure manifesting at on- and off-ramps within the regulated system.

Independent blockchain analytics data (Chainalysis Country Brief: Jamaica, Q4 2024) estimates that Jamaica received approximately USD 2.07 billion in total cryptocurrency transaction value between October 2023 and September 2024, ranking 15th among Latin American economies and 104th globally on the Chainalysis Global Crypto Adoption Index. Centralized exchange flows accounted for approximately 50.9 per cent and DeFi activity for approximately 48.8 per cent of estimated activity. However, these estimates are derived from a web traffic proxy methodology that apportions global on-chain flows to countries based on IP-geolocated site visits, and Chainalysis itself notes that the values should be treated as estimates only.

Notably, Jamaica does not feature among the jurisdictions identified by FATF as having "materially important VASP activity" — a designation applied to jurisdictions exceeding 0.25 per cent of global trading volume or hosting more than one million virtual asset users — confirming the country's position as a small, non-hosting jurisdiction within the global VA/VASP landscape. Accordingly, this assessment uses the Chainalysis data as contextual background on the scale and composition of Jamaica's probable cross-border exposure, but does not incorporate these estimates directly into the World Bank tool's inherent risk scoring, which is instead calibrated to domestically observable and supervisory-verified indicators.

Capital Markets Liquidity Cycle, Investor Behaviour and Crypto Channels

Jamaica's Equity Market Cycle and Liquidity Effects (c. 2014 – 2019)

Between approximately 2014 and 2019, Jamaica experienced a booming domestic equity market, supported by macroeconomic stabilization, declining interest rates, fiscal consolidation, and strong IPO activity. During this period, listed securities delivered attractive real returns, and retail participation broadened materially.

Concurrently, Government of Jamaica (GOJ) bonds matured in sizeable tranches, returning lump-sum principal payments to investors. These maturities injected meaningful liquidity into the financial system, particularly among middle- and upper-income retail investors who had accumulated fixed-income holdings

during the earlier high-yield environment. The combined effect of strong equity market performance; and bond maturities releasing cash balances was an expansion of domestic investment appetite and financial market participation.

Post-COVID Market Rebalancing (2020 – 2024)
The COVID-19 pandemic (2020 onward) altered this dynamic:

- Equity market returns moderated, and volatility increased.
- Fixed-income yields compressed further as global and domestic monetary policy remained accommodative.
- The maturity profile of instruments shifted, reducing the frequency of large liquidity events.
- Real estate absorbed part of the excess liquidity as investors sought yield preservation and inflation hedges.

As a result, the domestic market has offered fewer "above-average" return opportunities in recent years, particularly for investors with higher risk tolerance.

Investor Search for Yield and Risk Migration
In this context, investor behaviour can be segmented:

Investor Profile	Observed Behaviour
Conservative	Retained deposits and government securities.
Moderate	Increased exposure to equities and real estate.
Aggressive	Sought higher risk, higher-return opportunities, including crypto-assets via cross-border platforms.

For the more aggressive cohort, the crypto market has represented a speculative asset class offering:

- high volatility,
- perceived upside potential,
- global access through online platforms.

However, Jamaica has no formal or informal domestic VASPs, meaning participation occurs through foreign offshore VASPs (oVASPs).

On/Off Ramp Constraints and the Correspondent Banking Ring-Fence

Structural Constraint: No Domestic VASP Infrastructure
Because Jamaica lacks domestic exchanges or custodial VASPs, retail access must occur through:

- Fiat → foreign VASP (on-ramp)
- Foreign VASP → Fiat repatriation (off-ramp)

These transactions are mediated almost exclusively by regulated DTIs. This structure materially constrains systemic exposure.

Correspondent Banking Dependency as a Nature Ring-Fence
Jamaica's banking system is deeply integrated into US correspondent banking networks, given:

- US-dominant remittance corridors (~96% US/Canada/UK/Cayman),
- USD clearing dependency,
- sanctions exposure risk,
- de-risking sensitivities.

As a result:
(i) Cross-Border Payments Are Heavily Screened
All outbound and inbound USD transfers:

- pass through correspondent institutions;

- are subject to layered sanctions and AML screening;
- may be rejected where VASP risk flags are triggered.

(ii) High-Risk VASPs May Face De-Risking

Foreign exchanges lacking robust compliance frameworks may:

- be rejected by correspondent banks,
- experience payment rail disruptions,
- be inaccessible from regulated Jamaican banking channels.

This creates an **indirect compliance filter** on which foreign platforms Jamaican residents can practically access.

On-Ramp Frictions Limit Scale

Retail funding of foreign crypto accounts typically requires:

i. international card payments,
ii. wire transfers,
iii. or P2P rails funded from personal accounts.

Each method is subject to:

i. CDD and EDD,
ii. transaction monitoring,
iii. sanctions screening,
iv. STR reporting.

This makes large-scale placement difficult without detection, particularly given Jamaica's strengthened AML/CFT framework and GoAML adoption.

Off-Ramp Constraints Limit Integration Risk

For crypto proceeds to re-enter the Jamaican economy:

- funds must pass through correspondent banks;
- large transfers trigger enhanced scrutiny;
- unexplained wealth may generate STR filings.

Unlike jurisdictions with domestic exchanges and local liquidity pools, Jamaica's structure means that VA-to-fiat conversion at scale must interact with regulated financial rails.

This significantly reduces:

- systemic ML integration risk;
- rapid layering potential;
- domestic liquidity amplification effects.

Residual Risk Characterization

The result is a retail-driven, externally mediated exposure model, characterised by:

- small ticket retail speculation,
- constrained liquidity conversion pathways,
- heavy reliance on regulated banking rails,
- high correspondent screening dependency.

Thus, Jamaica's exposure to foreign oVASPs is, Access-enabled but structurally constrained. The primary systemic risk vector remains:

- misuse of personal accounts as informal on/off ramps; not
- institutional scale exposure.

Macroeconomic and Financial System Overview (2020 – 2024)

Jamaica's financial system operates at the centre of a small, open economy where household income, tourism receipts, remittances, and external trade flows clear primarily through regulated financial rails. Nominal GDP as of December 2024 stood at approximately USD 22.29B (≈ JMD 3.5T). Deposit-taking institutions (DTIs) held assets of a similar magnitude (≈ JMD 2.8T) at end-2024 and delivered services through approximately 156 branches nationwide.

Remittances remain a critical macroeconomic contributor, averaging approximately USD 2.9B per year over 2020–2024 (≈ 15% of GDP on average). Importantly, remittance flows are highly granular in nature. Based on transaction volume data (≈ 11 million transfers annually), the average transaction size is approximately USD 246.66 per transfer.

This relatively small ticket size reinforces several risks and behavioural dynamics:

- Remittances are primarily consumption-driven rather than capital-accumulation driven.
- Flows are dispersed across households rather than concentrated in high-value transfers.
- The scale of individual transactions limits immediate ML layering capacity through this corridor without repeated structuring behaviour.

Remittances are strongly linked to household liquidity conditions and may influence demand for alternative transfer channels (including crypto-enabled transfers or stablecoin-based remittances) where users perceive cost, speed, or access frictions within traditional rails. However, given the modest average transaction value (~USD 246.66), any substitution effect would initially manifest at the retail level rather than at a scale capable of materially shifting macro-financial aggregates.

Cash continues to be widely used at the point of sale. However, high-value cash transactions are legally contained through the POCA cash cap (s.101A), which limits transactions above approximately JMD 1 million (~USD 6,200). This legislative cap pushes larger-value transactions into regulated channels and increases the probability that high-value placement and integration will occur within the supervised financial system rather than through purely informal cash rails.

Taken together, the small average remittance size (~USD 246.66); legal containment of high-value cash transactions; and dominance of regulated banking and remittance rails collectively constrain the scale at which virtual asset–related misuse could be embedded within ordinary household transfer patterns without detection.

Virtual asset risks are most likely to materialize where illicit funds enter the VA ecosystem (on-ramps) or re-enter the domestic economy as fiat proceeds (off-ramps). In Jamaica, where domestic VASPs are absent, those risk points are largely mediated through the regulated banking system, remittance and payment rails, and in limited cases informal facilitation using personal accounts.

Jamaica's System Map: Who Moves Value and Through Which Rails

Jamaica's financial system consists of distinct sectors that perform different functions and exhibit different ML/TF risk profiles (see **Annex H:** Jamaica's Financial System Snapshot). Understanding these rails is necessary to locate where VA/VASP risk intersects with the domestic system (see **Annex H:** VA Exposure Points by Domestic Rail (Exposure Mapping)).

Deposit-Taking Institutions (DTIs)

DTIs comprise eight commercial banks, two building societies, and one merchant bank, intermediating the majority of domestic savings, payments, and credit. With assets around JMD 2.8T at end-2024, the DTI sector is systemically important and supported by mature risk-based supervision (on-site examinations, off-site analytics, thematic reviews, simulation exercises, and increasing attention to cyber/operational resilience).

VA/VASP Relevance: *DTIs function as the primary domestic on/off-ramp gatekeepers. Where residents fund foreign VASP activity (fiat-to-virtual) or repatriate proceeds (virtual-to-fiat), DTIs provide the controls that constrain misuse: CDD/EDD, monitoring, sanctions screening, and STR reporting.*

Securities Dealers

The securities dealer sector holds approximately JMD 1.4T in assets and manages approximately JMD 2.2T in funds under management (FUM), channelling savings into repos, CIS, bonds and equities. Products remain

low complexity, with limited derivatives activity and cross-border exposures concentrated in diaspora corridors (US/UK/Canada).

VA/VASP Relevance: *This sector would only become relevant if tokenized securities, crypto-linked products, or other VA investment vehicles were introduced into the domestic market. At present, such mechanisms and infrastructure do not exist locally, and examinations have identified no evidence that regulated dealers offer VA exchange, custody, or facilitation services. The sector therefore remains a forward-looking monitoring point rather than a current VA risk driver.*

Remittance Companies

In 2024, the remittance sector included 9 operators with approximately 504 service points across Jamaica. Inbound flows of approximately USD 2.919B (~ 11.06M transfers) were dominated by US, Canada, UK and Cayman corridors (~ 96%). Cash disbursement remains high (~ 81%), but controls are robust: transaction-level data, GoAML suspicious transaction reporting, and risk-based examinations.

VA/VASP Relevance: *Remittance corridors are a plausible pathway for crypto-enabled transfers (particularly stablecoins), but transaction level assessment show that VA substitution remains nascent and immaterial relative to remittance totals. Nevertheless, this corridor warrants monitoring due to its scale and link to cross-border payment behaviours.*

Cambios

Between 2020 and 2024, 44 operators at 138 locations accounted for roughly 28–38% of total FX purchases annually. Cash purchases were approximately 9% of cambio volumes in 2024, reflecting increased digital/non-cash adoption. Where banks de-risked foreign cash deposits, regulated workarounds included bulk cash shipments (~ USD 90.7M in 2024) with mandatory reporting to FID and Customs oversight.

VA/VASP Relevance: *Cambios can become relevant if cash is used to fund informal VA conversion or if FX demand shifts into VA channels. Current evidence suggests low scale for VA conversion relative to FX market size, but the sector remains a plausible interface for informal VA activity.*

Credit Unions

Credit unions offer standard deposits and loans. Most inflows are routed through salary deductions or standing orders, limiting cash placement risk. AML/CFT residual risk remains low. Prudential oversight is expected to deepen with Credit Union legislative reform; BOJ remains the competent authority under AML/CFT.

VA/VASP Relevance: *Minimal current relevance, but risk could increase if membership-based channels become funding routes to offshore VASPs.*

Microcredit Institutions (MCIs)

MCIs were formalised under the Microcredit Act (2021). As of Jun-2025, BOJ issued ~108 licences covering ~94% of sector loans. The sector's small-ticket, short-tenor model yields low inherent ML/TF risk.

VA/VASP Relevance: *Minimal current relevance.*

Gaming and Gambling

Gaming lounges operate at scale. AML oversight by the BGLC has migrated to an RBS model (questionnaires, ORBS adoption, targeted examinations). Residual risk is medium.

VA/VASP Relevance: *While a theoretical future linkage could arise if virtual assets were accepted for gaming deposits or withdrawals, no such mechanism currently exists within Jamaica's regulated gaming framework. There are no licensed operators offering crypto-funded wagering, no integration of virtual asset payment rails into domestic gaming platforms, and no evidence of VASP-enabled settlement channels connected to gaming entities. Accordingly, virtual assets do not presently constitute a recognised domestic gaming payment channel, and any risk in this area remains forward-looking rather than current.*

Insurance
Insurance remains meaningful for household risk transfer and long-term savings. The sector's ML/TF risk has been assessed as medium-low, supported by fit-and-proper controls and prudential governance.

VA/VASP Relevance: *Insurance becomes relevant if crypto-funded premium payments, crypto-backed investment products, or tokenized offerings emerge. These are currently not material.*

Non-Profit Organisations (NPOs)
TF threat is assessed as low nationally. Processes around registration, returns and profiling have strengthened.

VA/VASP Relevance: *Internationally, VA can be used for donations. Jamaica has no evidence of VA-linked TF flows but should maintain monitoring capacity.*

Real Estate Sector
Real estate dealers are assessed medium risk with low cash exposure through formal channels. The sector is economically meaningful and linked to remittances and credit. Supervision has strengthened via guidance and inspections.

VA/VASP Relevance: *This becomes relevant in "integration" scenarios if VA proceeds are converted to fiat and used for property purchases. Current evidence does not show material VA-driven purchases.*

De-Risking and External Dependency: Why Cross-Border Exposure Matters
Jamaica relies heavily on correspondent banking relationships, particularly with U.S.-based financial institutions. This means that changes in international sanctions rules, global compliance standards, or foreign banks' risk appetites can directly affect Jamaica's financial system. In the past, periods of "de-risking" — where foreign banks reduce or restrict relationships — have created pressure within certain domestic sectors, such as cambios and money service businesses.

At the same time, these external pressures have strengthened Jamaica's control framework. Financial institutions have enhanced sanctions screening, adopted full GoAML reporting, and implemented more robust risk-based supervision practices across sectors. In this respect, de-risking has reinforced compliance discipline within the system.

When cross-border payments become slower, costlier, or more restricted, individuals may explore alternative transfer methods. In some jurisdictions, this has included the use of virtual assets, stable coins, or peer-to-peer (P2P) platforms. While this is not currently a material channel in Jamaica, the structural reliance on cross-border financial corridors means the country must remain forward-looking. Jamaica's VA/VASP risk is low today, but shifts in international banking conditions could influence future behavior, making ongoing monitoring essential.

The Comprehensiveness of the AML Framework

Jamaica's AML/CFT/CPF framework is primarily anchored in three statutes: the Proceeds of Crime Act (POCA), the Terrorism Prevention Act (TPA), and the United Nations Security Council Resolutions Implementation Act (UNSCRIA). Together, these laws criminalize money laundering (ML), terrorist financing (TF), and proliferation financing (PF) and provide authorities with powers to investigate, restrain, freeze, confiscate and prosecute illicit financial activity across all forms of property. Importantly, the legislation is asset-neutral, meaning that criminal liability applies regardless of whether value is held in traditional financial instruments or emerging digital forms such as virtual assets.

Within this framework, POCA captures the laundering of criminal proceeds irrespective of whether funds are converted into virtual assets, while reporting entities remain obligated to file Suspicious Transaction Reports (STRs) where suspicion arises from VA-related activity. The TPA provides the legal basis for targeted financial sanctions and criminalizes terrorist financing across all asset types, including digital assets. UNSCRIA implements United Nations sanctions obligations and requires the freezing of assets belonging to designated

entities, including virtual assets where applicable. Collectively, these laws ensure that the misuse of virtual assets does not fall outside Jamaica's criminal enforcement perimeter.

AML/CFT supervision is carried out through a risk-based institutional architecture comprising the Bank of Jamaica (BOJ) for deposit-taking institutions and credit unions, the Financial Services Commission (FSC) for securities and insurance sectors and prospective VASP supervision, the Financial Investigations Division (FID) as the financial intelligence unit, the Major Organised Crime and Anti-Corruption Agency (MOCA) for investigation of serious financial crime, and the National Anti-Money Laundering Committee (NAMLC) for national coordination. In the current environment, VA/VASP risk is mitigated primarily through regulated financial institutions that serve as the domestic interface for cross-border payment flows.iAlthough Jamaica does not currently host licensed VASPs, informal facilitation of access to foreign platforms may occur. Such arrangements may still fall within existing legislative provisions, including POCA, the Securities Act, and general fraud statutes, depending on their structure. Available evidence indicates that such activity remains episodic and retail-scale, rather than systemic.iTo address emerging risks and align with FATF Recommendation 15, Jamaica has developed a Virtual Asset Service Providers Bill which will establish a licensing and supervisory framework for VASPs, introduce AML/CFT/CPF obligations including customer due diligence and Travel Rule requirements, and clarify the territorial scope for entities actively providing VASP services into Jamaica. Once enacted, this framework will transition oversight from indirect containment through financial institutions to direct regulatory supervision of VASP activities.gOverall, Jamaica's legal and institutional framework already provides a strong enforcement perimeter for illicit activity involving virtual assets, while the forthcoming VASP legislation will further strengthen supervisory coverage as the sector evolves.gVirtual Asset and Virtual Asset Service Provider Risk Analyses

Overview and Analytical Framework

This Part presents the core risk analysis of Jamaica's exposure to ML/TF/PF risks arising from VAs and VASPs. The analysis is conducted in accordance with the FATF-RBA, with specific reference to Recommendation 1 (Risk Assessment and Application of a Risk-Based Approach) and Recommendation 15 (Virtual Assets and VASPs), as further elaborated in FATF's RBA Guidance for Virtual Assets and VASPs, the 2025 Targeted Update on VA/VASP implementation, and the Quick Guide on Assessing ML Risks of Virtual Assets and VASPs.

FATF guidance requires jurisdictions to identify, assess, and understand both:

- the risks arising from virtual assets themselves; and
- the risks arising from VASP activities, and to consider the linkages between the two, including how VA risks may be transmitted, amplified, or mitigated through VASP services and interactions with the regulated financial system.

Consistent with this guidance, this risk analysis is structured to move from inherent risk to residual risk, and then to policy-relevant conclusions, reflecting international best practice while remaining firmly grounded in Jamaica's domestic context.

Analytical Sequence of Risk Analysis

The risk analysis proceeds in three interrelated stages:

1. **Virtual Asset (VA) Risk Analysis**
   This stage assesses the inherent ML/TF/PF risks posed by different types of virtual assets, independent of whether a domestic VASP sector exists. It considers:
- the characteristics of VAs (e.g. anonymity, speed, portability, traceability);
- how VAs may be used across the stages of the money-laundering process (placement, layering, integration); and
- the predicate offences that VAs may facilitate (e.g. fraud, cybercrime, tax evasion).
  This reflects FATF's position that VA risk exists in all jurisdictions, regardless of market maturity or regulatory status.

2. **Virtual Asset Service Provider (VASP) Risk Analysis**
   This stage assesses risks arising from VASP activities, including exchange, custody, brokerage, issuance, and facilitation services, taking into account:
- the presence or absence of domestic VASP entities;
- exposure to foreign-based VASPs accessible to residents; and
- the regulatory and supervisory perimeter applicable to those activities.

  In Jamaica's case, where no VASPs are licensed or registered domestically, this analysis focuses on external exposure and transmission channels, rather than entity-level VASP vulnerabilities.

3. **VA–VASP Linkages and Transmission Channels**
   This stage examines how VA risk and VASP risk intersect in practice, with particular attention to:
- fiat-to-virtual and virtual-to-fiat conversion services;
- the role of regulated financial institutions as on- and off-ramps; and
- the effectiveness of mitigating measures in filtering imported VA risks before they integrate into the domestic economy.

Use of Qualitative and Quantitative Evidence

The risk analysis adopts a hybrid quantitative–qualitative approach, consistent with FATF and World Bank guidance. Quantitative indicators—such as transaction volumes, STR trends, and ratios to GDP—are used to anchor assessments of scale and materiality.

Qualitative inputs—drawn from supervisory findings, law-enforcement intelligence, and market analysis—are used to interpret the significance of those indicators and to assess risk dynamics where data are incomplete or evolving.

Where data limitations exist, conservative assumptions are applied, and such limitations are explicitly identified to support transparency and future reassessment.

References in this assessment to VA-related STRs, FI monitoring outputs, and law-enforcement outcomes refer to different stages of the control and enforcement chain. The existence of STRs or institution-level alerts does not, by itself, imply confirmed criminal conduct, formal investigation, or prosecution. During the assessment period, while some VA-related suspicious activity and institution-detected exposure were reported, no systemic ML/TF/PF cases, major investigations, or prosecution outcomes involving VASP activity were identified.

Virtual Asset (VA) Risk Analysis

Consistent with FATF guidance and the World Bank VA/VASP Risk Assessment methodology, VA risk is assessed independently of the existence of domestic VASP entities, recognising that virtual assets are borderless and that risks may be imported through cross-border access to foreign platforms.

At the same time, FATF guidance requires VA risk to be analysed through the economic functions by which VAs interact with the domestic financial system.

In Jamaica's context, VA access occurs primarily through two economic functions:

1. Fiat-to-Virtual conversion; and
2. Virtual-to-Fiat conversion.

These conversions are predominantly facilitated through foreign-based exchanges and repatriated through regulated financial institutions acting as on- and off-ramps.

In addition, **a limited degree of peer-to-peer (P2P) activity exists**, whereby individuals transact directly using escrow-enabled platforms and settle the fiat leg through domestic bank accounts. While P2P arrangements can reduce counterparty transparency at the transactional level, they do not eliminate

interaction with the regulated financial system. Accordingly, even where P2P mechanisms are used, the domestic interface remains mediated through financial institutions.

The context of Jamaica premises a VA risk analysis that presents inherent VA risks as they manifest through conversion services, without implying the existence of a licensed or material domestic VASP sector, while recognising limited informal and peer-to-peer activity.

VA Typology and Global Inherent Risk

In line with FATF expectations, the assessment begins by identifying the types of virtual assets accessible to Jamaican residents and their global inherent ML/TF risk characteristics, before contextualising those risks domestically (see **Annex H:** Inherent Risk by Type of Virtual Asset (VA Typology)).

Additionally, an assessment of how VA risk characteristics manifest in Jamaica revealed the following:

VA Risk Dimension	Input Variable	Fiat-to-Virtual	Virtual-to-Fiat	Supervisory Rationale
VA Nature & Profile	**Anonymity/ pseudonymity**	Very Low	Very Low	No domestic exchanges or custodial VASPs; FI CDD, monitoring and STRs limit manifestation at intermediary level
	P2P cross-border portability	Low	Low	No domestic exchange facilitating P2P transfers; limited informal activity captured via conversion channels
	Absence of face-to-face contact	Very Low	Very Low	Non-face-to-face CDD standards applied by FIs; no domestic VASP onboarding
	Traceability	Very Low	Very Low	Offshore tracing challenges mitigated domestically through FI records and international cooperation
	Speed of transfer	Low	Low	Inherent VA feature; practical impact reduced by bank processing and controls
Accessibility to Criminal	**Mining by criminal**	Does not exist	Does not exist	No evidence of criminal or commercial mining activity in Jamaica
	Collection of funds	Low	Low	No domestic exchanges collecting illicit funds; offshore activity constrained at funding/withdrawal points
	Transfer of funds	Low	Low	No domestic VASP transfer services; informal transfers limited in scale
	Dark web access	Very Low	Very Low	No STRs or LE findings linking domestic conversion to dark-web activity
	Expenditure of funds	Low	Low	No domestic intermediary exposure identified
Source of Funding VA	**Bank or card funding**	Very Low	Very Low	Low volumes; subject to CDD, monitoring and STR reporting
	Cash / in-kind funding	Very Low	Very Low	No evidence of cash-intensive VA funding
	Use of virtual currency	Very Low	Very Low	Retail, investment-driven usage only
Operational Features of VA	**Regulated**	Low	Low	FI on-/off-ramps apply AML/CFT controls
	Unregulated	Low	Low	Offshore exposure mitigated by domestic FI controls

	Centralised environments	Very Low	Very Low	No domestic centralised exchanges
	Decentralised environments	Very Low	Very Low	No evidence of material interaction with domestic system
Ease of Criminality	**Tax evasion**	Low	Low	No evidence of material VA-enabled tax evasion domestically
	Terrorist financing	Does not exist	Does not exist	No TF cases involving VAs identified
	Disguising criminal proceeds	Low	Low	No domestic exchange-based laundering detected
	Trace & seize difficulty	Low	Low	Limited domestic exposure
	Circumvent exchange controls	Very Low	Very Low	No evidence of VA-based circumvention
Economic Impact	**Underground economy**	Very Low	Very Low	No measurable impact on monetary policy
	Integration into financial system	Very Low	Very Low	No VA integration via domestic intermediaries
	Accountability of providers	Very Low	Very Low	No domestic VA product providers

The results indicate that virtual assets exhibit non-trivial inherent risk characteristics, consistent with global FATF typologies (see **Annex H:** Aggregated Inherent VA Risk Scores (Conversion Services)). However, the domestic manifestation of these risks is constrained by Jamaica's market structure and control environment (legal, operational i.e. on-off ramps controls). In particular, the absence of domestic exchanges or custodial VASPs materially limits the translation of global VA risk into domestic ML/TF/PF exposure.

The qualitative and quantitative evidence supports the following supervisory conclusions:

- VA risk exists in Jamaica, reflecting the global characteristics of virtual assets and the ability of residents to access foreign platforms.
- Inherent VA risk is elevated in theory, particularly with respect to anonymity, portability, and potential misuse for layering.
- Realised VA risk at the domestic level is low, because:
    i. VA access occurs primarily through foreign platforms;
    ii. domestic interaction is limited to FI-mediated on- and off-ramps; and
    iii. financial institutions apply robust AML/CFT controls, monitoring, and reporting.

Concludingly, Jamaica's inherent VA risk is assessed as **moderate in principle but low in domestic effect**, providing the analytical foundation for the subsequent assessment of VASP-related risks and mitigating measures.

Virtual Asset Service Provider (VASP) Risk Analysis

In Jamaica's context, the VASP risk analysis is framed around two realities:

1. Domestic VASP presence: During the assessment period, Jamaica did not identify a domestic VASP sector operating either formally or through observable informal market arrangements. There were no licensed or registered VASPs operating in or from the jurisdiction, no domestic virtual asset exchanges providing fiat-to-VA or VA-to-fiat conversion services, and no evidence of locally established entities or organised intermediaries offering exchange, custody, brokerage, transfer, or

VA payment gateway services. Accordingly, entity-level VASP vulnerabilities—such as shareholder transparency, governance arrangements, internal controls, compliance effectiveness, customer onboarding standards, and staff AML/CFT competence—are not assessed as current domestic vulnerabilities. These variables are not applicable because there are no domestic VASP entities or organised domestic VASP activities to which such controls could be applied during the assessment period.

2. .
3. Cross-border VASP exposure: Despite the absence of domestic VASPs, Jamaica remains exposed to foreign-based VASPs through resident access to offshore exchanges and platforms. In addition, limited retail-scale peer-to-peer matching activity supplements exchange-based exposure; however, such activity remains informal, fragmented, and economically immaterial relative to the broader financial system. This creates an "imported VASP risk" profile where the principal domestic interface occurs at FI on- and off-ramps and through associated payment rails (e.g., card channels).

Accordingly, this section assesses VASP risk through the functional VASP activities relevant to Jamaica (primarily exchange/conversion as accessed offshore), the extent and materiality of resident exposure, and the effectiveness of FI gatekeeping and government measures in constraining misuse.

VASP Taxonomy and Relevance to Jamaica

Jamaica's exposure is concentrated primarily in the exchange/conversion function, accessed via foreign providers (see **Annex H:** Inherent Risk by VASP Activity Type (Jamaican Context)). VASP risk is not a domestic entity risk but rather, it is a foreign-platform exposure risk, with the domestic system interacting through funding and settlement rails.

/Evidence of Cross-Border VASP Exposure and FI Gatekeeping (Survey Findings)

To ensure that the VASP analysis is evidence-based and consistent with FATF expectations, Bank of Jamaica (BOJ), (Regulator and Supervisor of Deposit Taking Institutions) and Financial Services Commission (FSC), (Regulator and Supervisor of Non-bank Financial Institutions) conducted structured surveys of deposit-taking institutions and obtained inputs relevant to law enforcement intelligence. Consolidated survey responses demonstrate:

- a uniform risk-averse posture to onboarding VASP businesses,
- active screening and detection measures,
- and operational responses including blocking/returns, EDD, and reporting.

These results provide indicative/approximate evidence of how VA/VASP-related exposure manifests at the domestic on- and off-ramps, primarily through individual customer activity interacting with foreign platforms, rather than through institutional VASP relationships.

Importantly, the figures should be interpreted as indicative proxy measures, not as a definitive census of VA/VASP activity in Jamaica. The reported values reflect transactions that were identified by financial institutions through ongoing customer due diligence and transaction monitoring processes, including:

i. automated monitoring flags and rule sets (e.g., counterparty names, merchant category codes, card rails and fast-funds channels); and
ii. customer-provided information such as transaction narratives, payment descriptions, and other attestations indicating links to crypto exchanges, virtual asset activity, or virtual-asset service providers.

Accordingly, the survey-based metrics represent institution-specific detection outputs derived from monitored customer accounts and are subject to limitations, including differences in monitoring configurations, keyword/counterparty lists, and the possibility that some VA activity may remain undetected where customers do not disclose activity and where counterparties are not identifiable in transaction data.

Nonetheless, these monitored and reported indicators are valuable for NRA purposes because they provide a consistent, regulated-system lens on the principal domestic touchpoints through which offshore VASP exposure can be observed, risk-rated, escalated, and (where necessary) reported to the FIU.

Survey Evidence: Bank Risk Appetite, Controls and VASP Exposure

Survey scope: Structured questionnaires were completed by major DTIs covering: enterprise risk assessment, risk appetite, onboarding screening, trigger-response actions, monitoring typologies, and VA-related transaction metrics (customers, transactions, value, corridors).

Risk appetite and policy posture:

- Institutions reported no appetite for onboarding entities that operate VASP platforms or conduct VA broking/investment services for clients.
- All reporting banks indicated they have formal policies prohibiting VA/VASP business relationships and restricting transactions associated with VA/VASP activity.

Onboarding screening and controls:

- Institutions apply screening mechanisms for VA/VASP involvement, including customer declarations, adverse media screening, regulatory enforcement screening, and counterparty review.
- Where VA/VASP activity is identified, responses include enhanced due diligence, risk reclassification, transaction blocking/returning, account restrictions/suspension, STR filing where warranted, and potential offboarding.

Transaction monitoring and typologies:

- VA-related transactions are primarily identified through narrative/counterparty review and account monitoring rules.
- Card and fast-funds channels (e.g., Visa Fast Funds/merchant category associations) were specifically cited as common detection vectors.
- Reported patterns remain limited; institutions describe low volumes of denied/returned VA-related transactions relative to overall flows.

Quantitative exposure (materiality):
Consolidated DTI data indicates that VA-related customer activity exists but remains immaterial relative to GDP and broader financial system throughput.

Where corridors are identifiable, they align with Jamaica's dominant cross-border financial corridors (US/UK/Canada) and "Other", reinforcing that VASP risk exposure is cross-border and retail-driven rather than domestic-sector driven. Additionally, returned/blocked transaction values are a very small proportion of total VA-related flows (≈0.34% of the consolidated J$8.97B total). This indicates active gatekeeping, but low levels of detected VA-linked transactions requiring rejection.

Peer-to-Peer (P2P) Virtual Asset Activity

A targeted web-scraping and market review of publicly accessible peer-to-peer (P2P) platforms identified modest but observable virtual asset (VA) activity involving Jamaican users. These platforms allow individuals to trade directly with each other, typically using an escrow function, rather than transacting through a

centralised exchange. In practical terms, P2P platforms facilitate: (i) Fiat-to-crypto conversion (e.g., JMD or USD transferred between individuals in exchange for Bitcoin, Ethereum, or stablecoins); (ii) Crypto-to-fiat conversion through the same peer matching mechanism.

Unlike traditional exchanges, the fiat leg of these transactions often occurs through transfers between personal bank accounts. As a result, the transaction may appear to the bank as a standard person-to-person transfer rather than a direct payment to a crypto exchange. This can reduce immediate transparency at the on- and off-ramp, although the funds still move through the regulated financial system.

An estimated 33,776 VA transfers were observed monthly through P2P channels. While this demonstrates that the channel exists and is used, scale remains modest relative to Jamaica's overall financial system activity and GDP.

Importantly, P2P platforms enable individual vendors (conversion service providers) to set margins and transact with a degree of pseudonymity. Many vendors accept payment through domestic retail bank accounts and digital wallet solutions. This confirms that:

- The activity is indirectly integrated into the formal financial system;
- It does not operate entirely outside regulated rails;
- Detection relies on transaction monitoring patterns rather than obvious exchange identifiers.

At present, these vendors are not licensed or supervised under Jamaican VASP legislation (which is not yet enacted). Accordingly, while activity is observable, it operates outside a dedicated domestic supervisory framework.

A review of ten locally active vendors on one major P2P platform produced the an estimated combined transaction value of USD 3.88 million across Bitcoin (BTC), Ethereum (ETH), and Tether (USDT) over a four-year period (or USD 0.98 million per year; 0.01% of GDP. The data confirms three important points:

1. The channel exists; P2P activity is real and measurable.
2. It presents theoretical AML/CFT vulnerabilities. These include:
    i. Reduced visibility at the counterparty level;
    ii. Fragmentation of transactions across individuals;
    iii. Absence of direct supervisory oversight over vendors.
3. It is currently immaterial at the systemic level. Even at the upper-bound estimates observed:
    i. Annualised flows represent approximately 0.01% of GDP;
    ii. Activity is retail-driven;
    iii. No evidence of institutional-scale or organised VASP infrastructure was identified.

Accordingly, while P2P platforms introduce a lower-visibility conversion pathway, they do not presently constitute a material ML/TF/PF transmission channel within Jamaica's financial system.

The risk is therefore assessed as structurally plausible, operationally contained through regulated fiat rails, economically immaterial at current scale, but requiring ongoing monitoring as part of a forward-looking supervisory posture.

Risk Appetite, Policy Controls and Monitoring: Consolidated Qualitative Findings

Survey results demonstrate strong FI gatekeeping and policy consistency. Few differences observed, relate to internal process design (screening at onboarding vs monitoring after onboarding), as opposed to risk appetite. These results strongly support the mitigation assumptions used in the World Bank model.

Domain	BANK 1	BANK 2	BANK 3	BANK 4	Consolidated Finding
EWRA includes VA/VASP risk	No	Yes	Yes	No	Risk is recognised in at least two banks' enterprise frameworks

Formal policy prohibiting VA/VASP activity	Yes	Yes	Yes	Yes	Uniform prohibition posture across respondents
Onboarding screens for VA/VASP involvement	No	Yes	Yes	Yes	Screening exists for most; NCB relies more on transactional controls
Typical response to VA/VASP triggers	EDD; STR; possible closure	Offboard; report	Account suspension	Return/block; deny wires; block Visa fast funds	Controls active, with strong gatekeeping and escalation
Identification method	Narrative & counterparties	Onboarding interview	Monitoring review & counterparty review	Visa merchant category; narrative review; wire purpose review	Multi-layered detection approach

Concludingly, Jamaica's VASP risk is assessed as **structurally imported, domestically filtered, and operationally contained**. While global inherent VASP risks remain significant, particularly in hosting jurisdictions, their manifestation in Jamaica is materially constrained by the absence of a domestic VASP sector and the strength of regulated financial intermediaries.

VA-VASP Linkages and Transmission Channels

Analytical Purpose

FATF guidance, including the Risk-Based Approach (RBA) Guidance for Virtual Assets and VASPs and the 2025 Quick Guide on assessing ML risks of VAs and VASPs, requires jurisdictions to assess both virtual asset risks and VASP risks and to consider the linkages between them. In particular, the Quick Guide notes that countries must consider the interaction between VA activities and traditional financial institutions, the cross-border nature of VASP operations, and the transmission of risk through regulated entities.

Consistent with this guidance, this section examines how virtual asset risks (Section IV.A) intersect with VASP-related exposure (Section IV.B) within Jamaica's financial system, including how cross-border VASP activity may enter, move through, and potentially impact domestic regulated channels.

In Jamaica's current context, the linkage question is not: "How risky are domestic VASPs?" but rather: "How do risks associated with virtual assets and offshore VASPs enter, move through, and potentially impact the Jamaican financial system?".

Structural Characteristics of Jamaica's VA-VASP Linkage Model

The Jamaican VA/VASP ecosystem is structurally characterised by:

I. **Absence of Domestic VASP Infrastructure**
- No licensed exchanges
- No custodial wallet providers
- No VA payment gateways
- No ICO/IEO issuance platforms

II. **Cross-border Access to Offshore VASPs**
- Residents access foreign-based exchanges and platforms.
- No evidence was identified of offshore VASPs being incorporated or operating physically within Jamaica during the assessment period. However, Jamaican residents are able to access offshore platforms digitally, and limited informal facilitation and peer-to-peer channels were observed.

III. **Financial Institutions as Primary Transmission Filters**
- Conversion between fiat and virtual assets occurs through foreign exchanges and repatriated as fiat currency through domestic bank accounts.
- Card rails, wire transfers, and online payments serve as entry and exit points.
- All such interactions are subject to CDD, transaction monitoring, sanctions screening, and reporting obligations.

This exposure dynamic creates what can best be described as a two-layered linkage structure in Jamaica's VA/VASP risk profile.

Layer 1 – Offshore Activity Layer
At the first layer, virtual assets are purchased, held, transferred, or exchanged on foreign-based platforms. These platforms operate outside Jamaica's jurisdictional perimeter and are not incorporated, licensed, or supervised domestically. Any risks associated with exchange functionality, custody, peer-to-peer matching, or platform governance arise at this offshore layer.

Importantly, this means that the primary technological and operational risks typically associated with hosting jurisdictions — such as inadequate VASP onboarding standards, weak governance, commingling of client funds, or insufficient supervisory oversight — do not arise within Jamaica's domestic regulatory perimeter.

Layer 2 – Domestic Financial System Filter Layer
At the second layer, exposure becomes visible and potentially impactful only when funds intersect with Jamaica's regulated financial system.
This occurs at the points where funds intersect with the regulated financial system, specifically:

- where funds move from domestic bank accounts to foreign platforms to purchase virtual assets (Fiat-to-Virtual conversion); and
- where virtual assets are first converted into fiat currency on a foreign platform, following which the fiat proceeds are transferred through payment rails into domestic bank accounts (Virtual-to-Fiat conversion).

In the latter case, domestic banks do not receive virtual assets directly. Rather, they receive fiat funds that have already been converted offshore, meaning that the domestic exposure is to fiat settlement flows rather than to direct custody or transfer of virtual assets.

These entry and exit points operate through regulated financial institutions and are subject to:

- customer due diligence and enhanced due diligence,
- transaction monitoring and counterparty screening,
- sanctions screening,
- suspicious transaction reporting,
- and supervisory oversight.

In other words, Jamaica's exposure to VA/VASP risk is not generated domestically but is instead filtered through regulated channels before it can integrate into the domestic economy.

Absence of an Amplification Layer

Critically, there is no intermediate domestic VASP layer that could amplify or multiply risk. In hosting jurisdictions, domestic exchanges and custodial providers may serve as concentration points for liquidity and transactional volume, increasing the risk of large-scale layering or obfuscation within the domestic perimeter. Jamaica does not exhibit this structural feature.

Accordingly, the country's risk profile is characterised not by internal amplification, but by externally generated exposure that must pass through domestic control gates before entering or exiting the financial system.

Primary Transmission Channel: Conversion Services

The dominant VA–VASP linkage channel in Jamaica is conversion services, specifically, Fiat-to-Virtual (On-Ramp) and Virtual-to-Fiat (Off-Ramp). These conversion points represent the only consistent interface between offshore VASP activity and Jamaica's regulated financial system (see **Annex H: Jamaica's VA-VASP Transmission Model**).

Risk Amplification versus Risk Containment

A central question in assessing VA/VASP risk is whether the jurisdiction's financial system contains structural features that could amplify inherent virtual asset risks, or whether existing controls instead contain and filter those risks.

In hosting jurisdictions, domestic VASPs can materially amplify VA-related ML/TF/PF risks where structural weaknesses exist. Amplification can occur through:

- Inadequate onboarding and customer due diligence, allowing high-risk customers to access exchange or custodial services without sufficient scrutiny;uWeak or inconsistent Travel Rule compliance, limiting transparency in cross-border virtual asset transfers;uPoor governance and internal controls within VASP entities, including ineffective compliance functions;
- Regulatory arbitrage, where VASPs operate in jurisdictions with weaker oversight while servicing customers globally;
- High-volume liquidity concentration, where domestic exchanges become aggregation points for large-scale conversion and layering activity.

Such amplification mechanisms create domestic risk multipliers, allowing illicit proceeds to be converted, layered, and reintegrated within the jurisdiction's own financial perimeter.

In Jamaica, however, the structural conditions required for such amplification are not present.

- There is no domestic VASP sector operating within the jurisdiction.
- Domestic banks do not onboard or maintain relationships with VASP businesses.
- Financial institution policies uniformly restrict or prohibit engagement with VASP entities.
- There are no locally licensed exchanges, custodial wallet providers, or VA-based payment gateways capable of concentrating liquidity or facilitating high-volume domestic conversion activity.

As a result, Jamaica does not exhibit a domestic amplification layer. Instead, the country's exposure profile is characterised by containment through regulated intermediaries. Survey evidence confirms that:

- VA-related transactions are detected through transaction monitoring systems using narrative review, counterparty identification, merchant category codes, and card-rail screening.
- Identified transactions are blocked or returned where appropriate, particularly in card and fast-funds channels.
- Enhanced due diligence measures are applied when exposure indicators arise.
- Suspicious transaction reports are filed where warranted.

- Business relationships involving VASP activities are not established.

This evidence demonstrates that exposure to offshore VASP activity is subject to active filtering at the domestic financial perimeter, rather than passive tolerance or structural amplification.

Accordingly, the VA–VASP linkage dynamic in Jamaica is characterised by risk containment rather than risk amplification. While inherent virtual asset risks remain elevated at a global level, their domestic manifestation is constrained by the absence of a hosting layer and by the presence of effective on- and off-ramp controls within regulated financial institutions.

Offshore VASP Risk and Regulatory Arbitrage Considerations

Recent FATF work on offshore VASPs highlights several structural risks relevant to non-hosting jurisdictions:

- Foreign-incorporated VASPs servicing residents without local registration.
- Inconsistent global implementation of FATF Recommendation 15.
- Potential regulatory arbitrage where VASPs operate from jurisdictions with weaker supervision.
- Limited enforceability across borders.

Jamaica's exposure aligns with this model. However:

- No evidence suggests foreign VASPs are operating "in or from" Jamaica.
- No domestic marketing or infrastructure presence was identified.
- No systemic laundering typologies linked to offshore VASPs were detected during the assessment period.
- FI gatekeeping substantially reduces the ability of offshore VASP activity to contaminate domestic financial flows.

This supports the assessment that Jamaica faces cross-border exposure risk, but not domestic-sector VASP vulnerability.

Potential Implications of Offshore VASP Risk

The linkage analysis also informs policy:

- The pending VASP Bill is appropriately calibrated as a preventative measure.
- Licensing and supervision will ensure that if VASP activity emerges domestically, it will be subject to FATF-compliant oversight.
- Travel Rule implementation will strengthen cross-border transparency.
- Continued strengthening of FI monitoring and law enforcement capability will sustain containment.

The risk assessment therefore functions not only as a diagnostic, but as a policy-alignment instrument, ensuring that Jamaica's legislative and supervisory response remains proportionate to its exposure profile.

Concludingly, the interaction between VA risk and VASP risk in Jamaica is best described as externally generated, domestically filtered, systemically contained but technology dynamic. This linkage structure supports the overall assessment that Jamaica's VA/VASP ML/TF/PF risk remains low, subject to continued vigilance and legislative transition.

Mitigating Measures Assessment

This section evaluates the effectiveness of mitigating measures currently operating within Jamaica's AML/CFT/CPF framework. Consistent with FATF Recommendation 1 and Recommendation 15, mitigating measures are assessed across three levels: (1) Government-level measures, (2) VASP-specific measures (where applicable) and, (3) Financial Institution and DNFBP measures.

Overview of Mitigation Architecture

The mitigating framework applicable to VAs and VASP exposure in Jamaica operates across three primary layers:

1. Government-Level Legal and Institutional Measures
2. Financial Institution (FI) and DNFBP Controls (Traditional Obliged Entities)
3. VASP-Specific Measures (currently not applicable due to absence of licensed domestic VASPs)

Unlike jurisdictions hosting active VASP ecosystems, Jamaica's mitigation framework is primarily indirect. Risk is not mitigated at the VASP entity level, but rather at the financial-system perimeter through regulated intermediaries and general AML/CFT/CPF legislation. This structure is central to understanding the residual risk outcome.

Aggregate Mitigation Impact – Model-Based Mapping

The risk model reflects an **inherent VA risk exposure ≈ 25%, mitigating measures effectiveness ≈ 56% and resulting residual risk ≈ 11–12%**. The mitigation score is driven predominantly by strong FI controls (Very High Mitigation), comprehensive asset-neutral AML/CFT laws (High Mitigation), effective international cooperation (High Mitigation) as well as a mature CDD and identification infrastructure (Very High Mitigation). Additionally, this is moderated by the absence of direct VASP supervisory powers (Medium Mitigation), a developing blockchain-specific law enforcement capability (Medium Mitigation), the non-applicability of VASP entity-level controls (0% contribution) and absence of direct guidance to gatekeepers i.e. financial institutions on expectations for VA/VASPs in the current context.

Structural Strengths of the Current Mitigation Framework

The assessment identifies the following structural strengths:

1. Asset-Neutral Criminalisation

Money laundering, terrorist financing, and proliferation financing are criminalised irrespective of asset type. Virtual assets do not fall outside the legislative perimeter.

2. Financial Institution Gatekeeping

Banks uniformly:

- Decline onboarding of VASP entities;
- Monitor transaction narratives and counterparties;
- Block or return identified VA-related transactions;
- Apply enhanced due diligence where exposure arises.

3. International Cooperation Mechanisms

Given the offshore nature of exposure, international intelligence-sharing and mutual legal assistance materially strengthen mitigation.

Structural Weaknesses and Moderating Factors

In addition to the previously identified gaps, the assessment notes the following moderating factors which temper the overall mitigation effectiveness:

1. **Absence of Direct VASP Licensing and Supervision**

As previously noted, Jamaica does not yet operate a VASP licensing regime. While indirect mitigation through financial institutions is strong, there is no direct supervisory oversight over VASP entities. This creates a perimeter vulnerability should domestic VASP activity emerge.

2. **Developing Blockchain Forensics Capability**

While law enforcement possesses general asset-tracing powers, specialised blockchain analytics capability and operational experience remain under development.

3. **Informal Intermediation and Perimeter Risk**

Individuals purporting to act as crypto intermediaries may operate in grey areas until licensing triggers and enforcement boundaries are clarified under the forthcoming legislative framework.

4. Absence of Direct Supervisory Guidance to Gatekeepers

Although financial institutions have adopted a cautious and risk-averse posture toward VA/VASP exposure, there is currently no formal, sector-wide supervisory guidance specifically articulating regulatory expectations regarding the treatment of VA/VASP-related activities in the interim period prior to enactment of the VASP regime.

While existing AML/CFT/CPF guidance applies in a technology-neutral manner, the absence of tailored guidance addressing expected risk assessment methodologies for VA exposure, enhanced due diligence expectations specific to offshore VASPs, monitoring typologies and red flag indicators, and reporting escalation thresholds for VA-linked activity, may result in inconsistent application of controls across institutions.

This factor moderates the overall mitigation assessment and reinforces the need for targeted supervisory communication pending implementation of the VASP legislative framework.

Residual Risk After Mitigating Measures

The World Bank VA/VASP Risk Assessment model produces the following calibrated outputs for Jamaica:

1. Inherent VA risk exposure ≈ 25%
2. Mitigating measures effectiveness ≈ 56%
3. Resulting residual risk ≈ 11–12%

These figures do not operate as a mechanical risk label. Rather, they provide a structured quantitative anchor for supervisory interpretation.

Interpretation of Inherent Risk (≈ 25%)

The inherent risk score reflects the intrinsic characteristics of virtual assets including portability, speed of transfer, cross-border accessibility; and potential for misuse in layering when assessed against Jamaica's exposure pathways.

While certain VA characteristics are globally assessed as high or very high risk, the 25% calibrated exposure reflects the absence of domestic exchange infrastructure; the limited scale of retail participation relative to GDP; and the fact that Jamaica's exposure is not driven by domestic VASP intermediation. In other words, Jamaica's inherent VA risk is moderate in principle, but materially constrained by structural factors.

Jamaica has no licensed or material domestic VASP ecosystem capable of concentrating liquidity or facilitating large-scale domestic conversion activity. While limited informal and peer-to-peer activity has been identified, it remains fragmented, retail-scale, and economically immaterial, and therefore does not create a domestic amplification layer.

Interpretation of Mitigating Measures (≈ 56%)

The mitigating score reflects the cumulative effect of government-level AML/CFT/CPF measures; financial institution controls at on- and off-ramps; as well as supervisory posture and enforcement capacity.

Notably, financial institution controls account for a significant portion of the mitigation effect. This is consistent with the survey findings, which demonstrate uniform policy prohibitions on onboarding VASP entities; operational transaction monitoring frameworks; blocking and return mechanisms in card and wire channels; enhanced due diligence and reporting procedures.

This mitigation layer is not theoretical — it is evidenced by returned transactions, monitoring triggers, and risk classification measures applied in practice.

Residual Risk (≈ 11–12%) – Why It Is Low
The linkage analysis explains why the residual score remains low despite elevated inherent characteristics globally:

1. *Absence of Structural Amplification*
   - No domestic VASPs exist to concentrate liquidity or facilitate large-scale conversion.
   - There is no domestic custodial or exchange ecosystem capable of amplifying risk.

2. *Financial Institutions as Effective Chokepoints*
   - All conversion activity must pass through regulated institutions.
   - Monitoring, screening, and escalation mechanisms materially reduce the likelihood of undetected misuse.
   - Survey evidence confirms proactive blocking and policy enforcement.

3. *Limited Materiality of Offshore Exposure*
   - VA-related transactions remain small relative to GDP and overall system flows.
   - Exposure is retail-driven rather than institutional or systemic.
   - No evidence suggests large-scale laundering channels operating through VASP interfaces.

4. *Absence of Confirmed ML/TF/PF Cases*
   - No systemic domestic ML, TF, or PF cases involving VASP activity were identified during the assessment period.
   - This supports the conclusion that inherent risks have not translated into realised domestic harm.

Taken together, these factors justify the supervisory conclusion that the residual VA/VASP risk is **LOW**.

The "Dynamic" Qualifier
The designation "dynamic" reflects forward-looking prudence rather than present vulnerability.
It recognises that:

- Virtual asset technologies evolve rapidly, including decentralised finance models and privacy-enhancing features;
- Offshore VASP accessibility may expand independently of domestic policy changes;
- Retail adoption could increase in response to macroeconomic pressures, technological shifts, or cross-border digital finance trends;
- Regulatory arbitrage risks may change as global implementation of FATF standards evolves unevenly.

Accordingly, while current residual risk is low, it is contingent upon continued vigilance by financial institutions; sustained supervisory oversight; ongoing inter-agency coordination; and timely operationalisation of the VASP legislative framework currently before Parliament.

Virtual Assets and Virtual Asset Service Providers Risk Score

The model outputs, when interpreted alongside qualitative survey evidence, transaction materiality, and structural market characteristics, support a reasoned and proportionate determination that
Jamaica's VA/VASP-related ML/TF/PF risk is **LOW (dynamic).**

This conclusion reflects not the absence of risk, but the presence of effective structural containment mechanisms within Jamaica's financial system. The dynamic qualifier reflects the evolving nature of virtual asset ecosystems and offshore platform accessibility. Changes in adoption patterns, technological integration, or cross-border digital finance could alter exposure levels over time. Jamaica's low-risk posture is therefore contingent upon continued financial-institution vigilance, effective supervisory oversight, sustained inter-agency coordination, and the timely operationalisation of the pending VASP legislative framework.

Overview of the Designated Non-Financial Businesses and Professions (DNFBPs) Sector

Designated Non-Financial Businesses and Professions (DNFBPs) comprise a diverse set of gatekeeper sectors that do not perform traditional financial intermediation but play a critical role in facilitating the formation, ownership, transfer and management of assets, legal entities and high-value transactions. In Jamaica, the DNFBP universe includes real estate dealers, motor vehicle dealers, dealers in precious metals and stones, attorneys-at-law, accountants, trust and corporate service providers (TCSPs), and gaming entities. These sectors are particularly relevant to the money laundering and terrorist financing risk landscape because they provide access to products and services that can be used to convert illicit proceeds into real or personal assets, obscure beneficial ownership, structure complex legal arrangements, or provide an appearance of legitimacy to financial and commercial activity.

Unlike deposit-taking institutions and other financial institutions, DNFBPs generally operate in fragmented markets with varying levels of institutional sophistication, supervisory intensity and AML/CFT compliance maturity. Their risk profile is driven less by high transaction volume and more by the strategic role they can play in enabling the layering and integration stages of money laundering. Attorneys, accountants and TCSPs may facilitate company formation, nominee arrangements and management of client assets; real estate and motor vehicle dealers enable the acquisition of high-value assets that can store or transform criminal proceeds; dealers in precious metals and stones offer portable and concealable stores of value; and gaming operators may be exploited to commingle and recycle funds. These sectors, therefore, present elevated exposure to beneficial ownership opacity, use of intermediaries, third-party transactions and asset-based laundering typologies.

Jamaica's NRA3 concludes that DNFBPs remain among the most analytically significant sectors in the national AML/CFT/CPF framework because they sit at the intersection of legal structuring, asset acquisition and professional facilitation. At the same time, substantial progress has been made since NRA2 through legislative reform, expansion of supervisory coverage, licensing and registration requirements, outreach and thematic inspections. These measures have materially improved transparency and awareness of AML/CFT obligations, although implementation remains uneven and supervisory maturity differs across sectors. The assessment, therefore, emphasises that DNFBPs should not be viewed as a single homogeneous category. Their residual risk ratings vary according to the nature of the products and services provided, the extent of beneficial ownership and client-account exposure, the degree of cash usage, and the maturity of sector-specific controls (refer to **Annex I:** **DNFBPs Sector Vulnerability Rating Based on World Bank Tool**).

The strategic significance of DNFBPs extends beyond their direct activities. Many high-risk transactions initiated in DNFBP sectors ultimately intersect with the banking system, securities market and broader financial sector. Real estate purchases, legal settlements, escrow transactions, vehicle acquisitions and corporate service arrangements generally involve bank accounts and payment channels, creating opportunities for transaction visibility and reporting. Nevertheless, where DNFBPs fail to identify suspicious activity, verify beneficial ownership or challenge unusual transaction structures, they may inadvertently provide the professional legitimacy needed to conceal criminal proceeds and frustrate law enforcement efforts. For this reason, DNFBPs are central to Jamaica's efforts to strengthen beneficial ownership transparency, asset recovery and the integrity of the formal economy.

The overarching conclusion of NRA3 is that Jamaica has significantly strengthened the regulatory and supervisory perimeter for DNFBPs, transforming several sectors that were previously lightly supervised into more transparent and accountable gatekeepers. Residual vulnerabilities remain, particularly in sectors characterised by fragmented ownership structures, variable compliance capacity and heavy reliance on professional judgement. However, the direction of travel is positive. Continued implementation of the National Action Plan – including stronger outreach, enhanced supervisory analytics, improved suspicious transaction reporting and deeper integration of beneficial ownership controls – will further reinforce the role of DNFBPs as effective safeguards against money laundering, terrorist financing and proliferation financing.

Designations under the Proceeds of Crime Act

To strengthen the local AML framework and satisfy recommendation 22 of the FATF Guidelines, the Proceeds of Crime (Designated Non-Financial Institution) Order, 2013, was passed. The Order applies to any person/profession designated as a non-financial institution for the purposes of the Act. As seen in **Annex I: Designations under the Proceeds of Crime Act**, Jamaica has designated gaming machine operators, casino operators, real estate dealers, public accountants, and attorneys-at-law.

Introduction

The Real Estate Board (REB) regulates real estate dealers, developers and salesmen and serves as the AML/CFT supervisor for the sector. This chapter analyses how property transactions may be used to conceal ownership and source of funds, and how supervision and preventive controls mitigate those risks.

Sector Overview

Evolution of the Sector

NRA2 identified real estate as a major DNFBP vulnerability. Since then, the REB has expanded registration, inspections, outreach and enforcement, materially improving sector awareness and compliance maturity.

The analytical conclusion for this section is that risk is concentrated where ownership, funding and commercial purpose are insufficiently transparent. Where these elements are well understood and documented, the probability that illicit funds can be introduced and legitimised through property transactions is materially reduced.

Sector Profile and Market Size

The real estate sector supports residential housing, tourism, commercial development and wealth accumulation. Property is a major store of value and an important destination for domestic and diaspora investment.

Sector at a Glance

Governing Legislation	The Real Estate (Dealers & Developers) Act	Delivery Channels	Face-to-face
AML/CFT Laws	▪ Proceeds of Crime Act (POCA) ▪ POCA (Money Laundering Prevention) Regulations ▪ The Terrorism Prevention Act, 2005 (TPA) ▪ AML/CFT Guidance Note	Avg. Number of Customers	Data not available.
Size/Value of sector (per cent of GDP)	▪ Value of sales [2024]: **Approx. J$132.03 Billion/ US$0.84 billion** ▪ % of GDP: **3.8 %**	Level of Cash	**Low, next to none:** The majority of real estate dealers do not accept cash. Clients are asked to make payments through their Attorneys-at-law.

Customer Profile

- Professionals and other salaried individuals
- Overseas residents

Number of Players

Dealer Type [2024]:

- Individual - 275
- Company - 154

Sector ML Risk Score **MEDIUM-HIGH**

Inherent Vulnerabilities

High transaction values, beneficial ownership opacity, legal entities, third-party funding, rapid resale and cross-border investment create material vulnerabilities. These features can obscure the true owners and source of wealth behind property purchases.

Cash and Settlement Risks

While most transactions settle through the banking system, deposits and partial payments may involve cash or third-party funding. These arrangements require clear explanations and supporting documentation.

Customer Due Diligence and Source-of-Funds Controls

Real estate dealers and developers are expected to identify clients, verify beneficial ownership and understand how property purchases are funded. The effectiveness of these controls depends on meaningful scrutiny rather than document collection alone.

Effectiveness of Supervision

The REB has strengthened risk-based supervision through inspections, outreach and enforcement. This has improved awareness, accountability and integration of the sector into Jamaica's wider AML/CFT framework. Risk is concentrated where ownership, funding and commercial purpose are insufficiently transparent. Where these elements are well understood and documented, the probability that illicit funds can be introduced and legitimised through property transactions is materially reduced.

Interconnectedness with Other Gatekeepers

Attorneys, banks, accountants and TCSPs frequently participate in property transactions. Effective due diligence across these sectors materially increases transparency and reduces misuse.

Beneficial Ownership Transparency

Property may be held through companies, trusts and nominees. Accurate identification and verification of beneficial owners is therefore one of the most important sector controls.

Effectiveness of Suspicious Transaction Reporting

Suspicious transaction reporting from the real estate sector can provide valuable intelligence on unexplained wealth, corruption, nominee structures and other asset-based laundering typologies.

Residual Gaps and National Action Plan Priorities

Remaining priorities include improving source-of-funds analysis, strengthening beneficial ownership verification, enhancing STR quality and supporting smaller firms through targeted outreach and training.

Sector Risk Score

The overall residual risk rating is **MEDIUM-HIGH.** The real estate sector remains one of Jamaica's most analytically significant DNFBP sectors. Continued strengthening of REB supervision, ownership transparency and inter-agency cooperation will be essential to reducing the misuse of property transactions for money laundering.

The analytical conclusion for this section is that risk is concentrated where ownership, funding and commercial purpose are insufficiently transparent. Where these elements are well understood and documented, the probability that illicit funds can be introduced and legitimised through property transactions is materially reduced.

Developments Since Jamaica's 2017 Mutual Evaluation Report (MER)

Since Jamaica's 2017 MER, the Real Estate Board (REB) has taken several steps to improve its supervisory practices geared towards the adoption of a risk-based approach to supervision. The following are some of the key initiatives that the REB has undertaken:

- Gazetting of AML/CFT guidelines in August 2019, which requires licensees to implement a risk-based AML/CFT framework.
- In 2020, the REB conducted risk assessments of 39 per cent of its licensees with the objective of categorising the identified risks to aid in the monitoring of the sector, utilising a risk-focused approach.
- The REB is currently seeking to amend the Real Estate (Dealers & Developers) Act to strengthen provisions on beneficial ownership and source of funds information.
- Between 2018 and 2019 the REB increased its training offered to the industry to include updating the industry on emerging risks as well as their legal obligation in filing reports with the designated authority.

Typologies among Real Estate Dealers

The following are potential avenues for money laundering among real estate dealers:

1. A prospective purchaser attempts or offers to purchase real estate using cash.
2. A client purchases a home with unexplained source of funds.
3. A purchaser or vendor is willing to settle on a price that is significantly above or below the market value of the real estate.

Sector Overview

Real estate developers do not currently fall under the Proceeds of Crime Act (POCA), as the Proceeds of Crime (Designated Non-Financial Institution) (Real Estate Dealers) Order, 2013 does not apply to this group. Although developers are outside POCA's Designated Non-Financial Institutions (DNFI) list, the Real Estate (Dealers and Developers) Act (REDDA), Real Estate Board (REB) regime, trust-account requirements, intermediated financing observations, and active enforcement collectively provide a foundational supervisory perimeter; sector risks are present but being managed pending any future legislative changes.

The REDDA defines a developer as a person who carries on, whether in whole or in part, the business of development of land. Development means the carrying out of building, engineering or, other operations in, on, over or under any land, or the making of any material changes in its use or in the use of any buildings or other land for the purpose of disposal of such land or any part thereof in a development scheme. Developments that are more than 5 units or lots fall under the purview of the REB. There are other developments that satisfy these criteria, but it is declared under the Housing ct by way of a special arrangement and supervision through the Housing Agency of Jamaica.

In 2025, Bank of Jamaica in collaboration with the Real Estate Board, conducted an assessment which examined the money laundering and terrorist financing (ML/TF) risks associated with real estate development, using registration information for the period 2021 to 2024. As part of the country's National Risk Assessment (NRA), this analysis aimed to identify potential vulnerabilities within the real estate development sector—an area recognised globally for its exposure to ML/TF risks due to high-value transactions, complex financing structures, and varied ownership arrangements. The assessment focused on funding sources, project scale, and pricing patterns to determine the extent to which real estate developments may serve as vehicles for illicit financial flows.

Development schemes must be registered by the REB prior to advertising and contracting. Developers themselves are not regulated under the POCA, and therefore have no legal obligation to apply AML/CFT due diligence when dealing with their clients. In practice, developers are represented by attorneys who are subject to POCA and who collect KYC documentation from purchasers and are similarly obligated to report suspicious activities/transactions. Although the REB does not have any legal authority to request information on the source of funds from developers, it does so in practice as part of the process for approving new developments.

Inherent Vulnerabilities

Jamaica's real estate development market is large, geographically concentrated, and mostly financed through traceable channels—features that shape its ML/TF risk profile. Between 2021 and 2024, 385 development applications were filed with an aggregate cost of $299,605.2 million (≈8.6 per cent of 2024 GDP). Activity peaked in 2022 and moderated thereafter as financing conditions tightened and average project costs fell (from $1,025.0 million in 2022 to $612.3 million in 2024). Project types are dominated by townhouses/apartments (≈60.4 per cent of funding), with concentrations in demand-heavy parishes (Kingston Metropolitan Area and the north coast). Parish concentration is pronounced: St. Ann accounted for 36.1 per cent of funding over the period, heavily influenced by a single multi-phase project; St. Andrew, St. Catherine and St. James followed. Price dynamics show rising minimum unit prices post-pandemic and narrowing price ranges in 2023–2024 as developers managed cost pressures—patterns that are broadly consistent with normal market behaviour rather than systematic price manipulation.

Funding sources—an important indicator of ML risk —are inherently risk-differentiated. Where reported, loans from financial institutions (DTIs, credit unions, public entities) financed the largest share (≈34.8 per cent). When projects are grouped by funding traceability, low-risk sources (bank loans, capital markets, bank deposits) accounted for ≈38.1 per cent of total costs; high-risk sources (self-finance, private investors, mixed financing) for ≈7.8 per cent; and medium-risk sources (business operations, sale of real estate) for ≈3.9 per cent. The thematic analysis notes an uptick in high-risk funding in 2024, largely explained by a small number of large projects; pricing within this bucket did not exhibit broad anomalies (minimum prices and ranges were generally stable). High-vulnerability parishes (Clarendon, Hanover, St. Elizabeth, St. James, Westmoreland) accounted for ≈16.3 per cent of total development costs, with the concentration attributable to a few very large projects. Pricing volatility in those parishes was linked to luxury offerings, rather than systemic vulnerabilities. Overall, the study found no widespread irregularities in multi-stage construction patterns or lot/unit configurations that would signal layering through project structuring [See **Annex I: Trend in Total Development Cost by Size of Development**].

Inherent ML exposure arises from the scale and liquidity of projects, mixed-source financing, concentrations in tourism-adjacent parishes, and data gaps. Notwithstanding, the modal funding channel is intermediated finance, where price behaviour is broadly normal, and anomalous patterns are episodic rather than systemic.

Supervisory Perimeter – Entry Controls, Monitoring, Outreach and Enforcement

The sector operates within a clear licensing and registration regime administered by the Real Estate Board (REB) under the Real Estate (Dealers and Developers) Act (REDDA) and Code of Ethics Regulations. Entry controls require developers to submit a complete application with: police report and bankruptcy checks, beneficial ownership verification (via company documents and BO registry), local planning approvals and plans, and other supporting documentation. Applications undergo site inspection and are reviewed by a Development Committee, which sends its recommendations for approval to the Board. Approved developers are assigned unique registration numbers (DVR-XXXX / DV-XXXX), and their status is published on a public register—a transparency control that enables market and supervisory scrutiny.

Monitoring and ongoing controls address both prudential conduct and ML-relevant risk points such as prepayment protections and the use of trust accounts. Where developers collect purchaser deposits ("prepayment contracts"), they are legally required to open a trust account at an authorized financial institution and submit copies of contracts and trust account statements to the REB within 14 days. If a developer declares no prepayments, this must be supported by a notarized statutory declaration; any later collection of deposits triggers trust-account obligations.

Compulsory information powers & records: Section 38 of the REDDA empowers the REB to issue notices requiring the production of information/documentation. Failure to comply leads to criminal prosecution. REB uses these powers to anchor investigations and prosecutions and to solidify evidentiary chains.

Complex arrangements oversight: Joint-venture and Power of Attorney structures, which are common in development projects, are reviewed by the Board to ensure they are properly executed and that authorities/powers are clear (including marketing and financing rights). This closes a frequent gateway for opacity in beneficial control and funding lines.

Targeted scrutiny of rural/low-value projects: REB notes that some rural developments are self-funded (family pooling, investor proceeds) and proceed slowly. In response, the Board instituted heightened price analysis and a more granular review of registration details (size, funding source) to detect outliers suggestive of illicit funding.

Enforcement outcomes confirm the framework is active: During the review period, the REB secured convictions against two developers for operating unregistered developments. Two developers were charged for collecting prepayments without reporting to the REB, and a further developer was being readied for charge—demonstrating escalation from monitoring to prosecution where warranted.

Supervisory outreach complements formal powers: The REB engages developers on staging/phase practices (aligned with local authority planning approvals) and reinforces statutory obligations around registration, prepayments, and reporting—thereby strengthening first-line compliance and reducing inadvertent breaches.

Conclusion

The real estate developer sector does carry inherent ML vulnerabilities—high-value transactions, occasional mixed or private funding, and concentration in tourism-adjacent and some high-vulnerability parishes flagged for lottery scamming. However, these risks are actively managed within a fairly mature supervisory perimeter. The sector's modal funding is traceable and intermediated, the price and staging signals are not systematically abnormal, and the REB's controls—from entry vetting and public registration through trust-account and reporting obligations to compulsory information powers and prosecution—are operational and evidenced by recent enforcement actions. Priorities for continuous improvement are tighter funding-source disclosures, sustained oversight of the legal arrangements for real estate development complexes, and analytics-led targeting of outliers.

Typologies among Real Estate Developers

It has been observed that the proceeds of crime have been used by criminals to finance real estate development projects as a means of laundering money in Jamaica. The following are potential avenues for money laundering among real estate developers:

1. The development is reported as 100 per cent self-financed, and payments for labour and construction materials are made using cash.
2. The developer does not have a legitimate source of funds for the self-financed portion of the project.
3. The expected cost of the completed project is significantly greater than the documented cost. For example, a developer declares total expenditure of J$100 million for a construction project. However, market benchmarks suggest that the cost of construction for a similar project would cost J$300 million. Additionally, the source of funds provided account for a fraction of the true project cost.
4. The developer sells units in the development for cash to individuals without concern for their source of funds, and those funds are subsequently integrated into the project through construction costs.

Introduction

The Betting, Gaming and Lotteries Commission is the competent authority responsible for the supervision of gaming machine operators, betting shops, lotteries, gaming lounges and other licensed gaming activities. These businesses represent the principal source of current gaming-related exposure in Jamaica and are designated non-financial institutions under the Proceeds of Crime Act.

The sector provides recreational services and contributes to employment and government revenues. At the same time, it presents exposure to money laundering because customer funds may be introduced into gaming systems and subsequently withdrawn as purported winnings. The risk is heightened where activity is cash-intensive or where transaction patterns are inconsistent with normal gaming behaviour.

Sector Overview

Evolution of the Sector

NRA2 identified the gaming sector as presenting a **Medium** level of risk due to the possibility that illicit proceeds could be commingled with gaming activity and returned to patrons as apparently legitimate funds.

Since NRA2, supervisory oversight has shifted from framework development to fully operational risk-based supervision. NRA3 notes several significant advances:

- Development and implementation of a formal risk-based supervisory methodology;
- Refinement of the methodology in January 2024 to incorporate a regulatory technology platform;
- Development of an examination manual in 2021 and updated in 2023;
- Completion of 33 full-scope, follow-up and targeted reviews;
- Issuance of 12 AML/CFT advisories since 2020; and
- Delivery of multiple industry webinars and outreach programmes.

These developments have improved sector-wide risk visibility, strengthened governance expectations and enhanced consistency in supervisory execution.

Sector at a Glance

Governing Legislation	The Betting, Gaming, and Lotteries Act	Delivery Channels	Face-to-face Engagements
AML/CFT Laws	▪ Proceeds of Crime Act (POCA) ▪ POC (MLP) Regulations ▪ Terrorism Prevention Act (TPA) and Regulations ▪ BGLC AML/CFT sector Guidance Notes	Number of Customers	In 2024 there were in excess of 200,000 clients reported across gaming lounges

Size/Value of sector (per cent of GDP)

Throughout the 2020 to 2024 period, sales generated from the gaming sector totaled approx. $551.7B; average 3% per annum

Level of Cash

As at 2024:

- approx. 80 % of transactions were done using cash as a preferred method of payment.
- 90 % reliance on cash as a payout method.

Customer Profile

- Domestic (99 %)
- Foreign National (1 %)

(Domestic and foreign clients of which 98 % were classified as Other Individuals, 2 % as High-Rollers and 0.1 % as PEPs)

Number of Players

As at March 2025, there were:

- **DNFBPs:** 7 licensed gaming machine operators and 12 prescribed premises operators.
- **Non-DNFBPs**: Over 600 licensed gaming machine operators with up to 19 machines and 59 technical service operators.

Sector ML Risk Score **MEDIUM**

Terrorism Financing, Money Laundering and Proliferation Financing Threats

During the review period, ML threats to the gaming lounges segment of the gaming sector remained Medium-Low. This was premised on financial crimes investigations involving gaming operations as well as well-known gaming typologies: large top-ups with minimal or no play followed by rapid cash-out, third-party card loading/misuse, chargebacks after wins, and incremental loads designed to skirt the cash-cap threshold. These patterns are not determinative of criminality, but they are reliable red-flag triggers that require screening rigor, tuned scenarios, automated interdiction rules, and disciplined STR escalation by licensees to the designated authority.

Inherent Vulnerabilities

The sector's vulnerability to ML/TF/PF remains at Medium. This was premised on the cash-intensive nature of the gaming operations, the inherent vulnerabilities from behavioral typologies, the residual perimeter gap for ≤19-machine operators (site-based threshold) that reduces AML coverage for a portion of the ecosystem, and the uneven maturity of small-operator compliance (in relation to screening discipline and STR escalation, documentation, and training cadence).

The customer base of Jamaica's gaming lounges is predominantly domestic by count, with a smaller cohort of foreign patrons who spend more per visit. While the 2018 snapshot showed locals comprising virtually the entire client base by number, more recent lounge reporting indicates that domestic customers still dominate by count, and foreign nationals account for a disproportionate share of spend—a mix that elevates cross-border and source-of-funds considerations without changing the fact that local play drives volumes. In 2024, operators reported roughly 200,000+ clients, about nine in ten of whom were domestic. High-risk customers (principally high-rollers and PEPs) were a small minority of the base, which supports targeted EDD rather than blanket measures.

Cash intensity remains the defining inherent vulnerability. Across 2020–2024, lounges reported cash deposits near four-fifths of total inflows and cash pay-outs typically above nine-tenths, a structure that enables speed and customer convenience but increases exposure to placement and rapid cash-out typologies. Jamaica's Proceeds of Crime Act (s.101A) legal cap on single or structured cash transactions (JMD 1 million) pushes larger settlements onto traceable rails; yet front-of-house controls, strict till reconciliation, and prompt anomaly escalation remain essential.

Supply-chain vulnerabilities have been addressed materially since 2019. The licensing of Technical Service Providers (TSPs) and the requirement that locally manufactured/assembled machines meet technical standards—paired with mandatory reporting of sales/leases and cross-checks against the BGLC licensing register—have closed earlier gaps around untracked equipment movements and operator-manufacturer overlap. These entry-point controls reduce opportunities for unlicensed devices and strengthen the audit trail from machine provenance to on-floor operation, further tempering inherent risk at the infrastructure layer.

The Comprehensiveness of the AML Framework

Gaming operators that host 20 or more machines at a prescribed premise fall squarely within Jamaica's AML/CFT perimeter as designated reporting entities under the Proceeds of Crime Act (POCA) and the Proceeds of Crime (Money Laundering Prevention) Regulations (and amendments). The Betting, Gaming and Lotteries Commission (BGLC) licenses and supervises these operators and, in 2020, gazetted revised AML guidance notes to operationalize a risk-based approach consistent with FATF expectations. The guidance was subsequently updated (2022) to clarify enhanced due diligence (EDD) requirements for specified territories and to reflect evolving supervisory practice. The broader legal scaffold includes the Terrorism Prevention Act and its Reporting Entities Regulations (as amended), the United Nations Security Council Resolutions Implementation Act (UNSCRIA), the UNSCRIA (Asset Freeze—DPRK) Regulations, and the UNSCRIA (Reporting Entities) Regulations. Together, these instruments set out obligations for customer due diligence, reporting (STRs/TPF), targeted financial sanctions (TFS), record-keeping, and supervisory access.

Licensed gaming operators must maintain written KYC/CDD policies and apply them before entering a business relationship or conducting eligible one-off transactions. At a minimum, operators collect and verify full name, current address, TRN/other reference number, and date/place of birth (or date of incorporation). Simplified due diligence may be applied only where minimal risk is demonstrable under Regulation 7; if identity cannot be verified, the operator must decline/terminate the relationship or transaction. EDD is mandatory for higher-risk customers and contexts, such as PEPs and connected parties, customers from high-risk jurisdictions, or unusual value/behavioural patterns. EDD measures include senior management approval, verification of source of funds/wealth, enhanced/ongoing monitoring, more frequent KYC refresh, and deeper information on customer purpose and activity. These requirements operate alongside tipping-off prohibitions, timely STR submission via GoAML, and immediate TFS actioning on UN designations pursuant to UNSCRIA.

A regulatory perimeter gap persists for operators with up to 19 machines per location. Because the rules treat each premises separately, a single proprietor may operate multiple small sites and remain outside the AML/CFT supervision parameters applied to gaming lounges. This fragmentation limits formal CDD/EDD and TFS assurance in a portion of the ecosystem and is flagged for legislative refinement so that oversight follows economic reality (aggregate machine count/risk), not just site-by-site thresholds.

For gaming lounges (≥20 machines), Jamaica's AML/CFT/TFS framework is comprehensive and operational: obligations are clear, guidance is current, and supervision is risk-based. The priority for NRA3's horizon is to close the sub-20-machine gap, continue lifting EDD execution quality, and sustain sanctions-screening effectiveness, ensuring consistent protection across the full gaming value chain.

Effectiveness of Supervision

The Betting, Gaming and Lotteries Commission's (BGLC's) supervision of gaming lounges is explicitly risk-based and anchored in documented AML Standard Operating Procedures that govern both onsite and offsite work. Onsite examinations are deployed in three modes—full-scope, targeted, and thematic—to test programme design and operating effectiveness across CDD/EDD, sanctions/TFS controls, transaction monitoring, record-keeping, training, and governance. Offsite monitoring runs continuously through returns

analysis, remediation tracking, and follow-ups, ensuring that issues identified onsite are closed with evidence rather than assurances.

The risk-based framework has matured in deliberate stages. In 2021, the BGLC launched a mandatory risk-assessment questionnaire to establish comparable baselines across operators. In 2022, the methodology was refined to a five-point scoring system. It was subsequently digitised in 2023 through the Online Risk-Based System (ORBS), enabling web-based submissions and analytics, and was further sharpened in 2024 with the introduction of an eight-point scale that provides greater discrimination among firms with similar profiles. Each operator's residual risk rating drives the cadence and intensity of supervisory engagement: very-high/critically high entities are examined at least annually; high/medium-high on 1–2-year cycles; medium/medium-low roughly every three years; low on a 3–4-year basis; and very low every five years, with offsite monitoring scaled accordingly. Annual risk-profile reviews, annual AML risk questionnaires, and strategic spot checks provide additional levers to respond quickly if risk signals change [see **Annex I: BGLC Supervisory Cycle**].

Execution has been active and outcomes focused. Over the review period, the BGLC completed 32 examinations, prioritising onsite work to address recurring deficiencies observed across lounges and following up with validation audits against operator remediation plans. Where plans were not executed as agreed, the BGLC escalated to First Supervisory Warning Notices and issued Directions. Two operators received such notices during the period, and one has since exited enhanced supervision upon satisfactory remediation. This escalation ladder—risk diagnostics, time-bound action plans, evidence-based closure, and proportionate sanctions—has improved the timeliness and durability of corrective actions, while preserving proportionality for lower-risk operators.

Resourcing is supported by supervisory technology. The AML/CFT supervision team comprises a Head of Division, an AML/CFT Compliance Manager (team lead), two AML/CFT Compliance Officers, and clerical support. Leveraging Supervisory technology for risk triage, structured workpapers for examinations, and standardised follow-up templates, the current complement has been sufficient for the number of active operators. Looking forward, the supervisory focus remains on (i) further exploiting supervisory technology to target thematic reviews, (ii) tightening SLA-style timelines for remediation with documented evidence of closure, and (iii) sustaining the annual risk-profile and questionnaire cycle so that onsite effort remains concentrated where residual risk is highest. This combination of method, tooling, and proportionate enforcement underpins an effective, risk-sensitive supervisory programme aligned with FATF RBS expectations.

Compliance Framework

Across the review period, the overall effectiveness of compliance frameworks in licensed gaming lounges was satisfactory. Onsite examinations confirmed that every licensee had formally appointed a Nominated Officer, with clear case-handling responsibility and an escalation route to senior management. Core artefacts such as written AML/CFT policies, CDD/EDD procedures, record-keeping standards, GoAML registration, and STR governance were in place, and operators demonstrated a working understanding of targeted financial sanctions (UNSCRIA/TPA) obligations and tipping-off prohibitions. These strengths provide the minimum pillars of program design and have supported day-to-day compliance in the highest-risk, cash-facing parts of the business.

That said, execution gaps persisted in several lounges, chiefly around the depth and consistency of the risk-based methodology and the cadence/coverage of training. In practice, some entities applied "one-size-fits-all" CDD rather than risk-tiered onboarding and refresh cycles; EDD (PEPs, high-risk geographies, unusual value/behaviour) was not always documented to the expected standard; screening controls were uneven (e.g., list-refresh discipline, match-review timeliness); and training registers did not uniformly evidence role-specific or annual refresh coverage. The BGLC addressed these deficiencies through directed remediation,

structured follow-ups, and outreach/training, and—consistent with a proportionate, improvement-first approach—did not levy sanctions during the period in which entities demonstrated timely corrective action. Going forward, the supervisory expectation is that lounges convert design into measurable effectiveness: (i) maintain an entity-level business risk assessment that drives customer/product/channel controls; (ii) formalize annual training plans (including Nominated Officer and cashier/cage-staff curricula) with attendance and testing evidence; (iii) keep EDD files with clear source-of-funds/wealth verification and senior-management approvals where required; (iv) evidence sanctions/PEP screening performance (match logs, list-update cadence, false-positive tuning); and (v) table concise compliance management information systems (alerts, STRs and rationales, overdue KYC, EDD completions, training coverage) to senior management. Where remediation stalls or repeat findings emerge, the Commission will escalate through its directions and warning-notice ladder, preserving the programme's proportionate but outcomes-oriented character.

Effectiveness of Suspicious Transaction Reporting

Employees of gaming lounges are legally required to file an internal report to the Nominated Officer (NO) where they *know, believe, or have reasonable grounds to know or believe* that an activity may involve the proceeds of crime. This internal report must be made as soon as reasonably practicable and, in any event, within 15 days of becoming aware of the activity. The Nominated Officer then assesses whether there are reasonable grounds to submit a Suspicious Transaction Report (STR) to the Financial Investigations Division (FID) under POCA, Part V s.94. Where appropriate, the report is filed via GoAML, with due regard to tipping-off prohibitions and any parallel targeted financial sanctions actions under the TPF, UNSCRIA and TPA.

Over the review period, 140 STRs were filed by gaming lounges. The BGLC, in collaboration with the FID, used GoAML data to review volumes, timeliness, completeness, and typology alignment, and to provide feedback to operators. Three of eight lounge operators augmented detection with software that screens customer databases against PEP lists and sanctions lists (e.g., OFAC and the UN Consolidated List). The remaining lounges performed manual screening, which—while permissible—presents higher operationalrisk (missed or late matches, inconsistent documentation, and weaker audit trails). The Commission recognises the effort made by licensees but remains concerned that manual controls can depress alert capture and contribute to under-reporting or delayed escalation in higher-risk scenarios. To improve STR efficiency (given transaction volumes) and effectiveness sector-wide, lounges should enhance monitoring and sanctions/PEP screening mechanisms, strengthening the ability to detect and disrupt ML/TF activity in this cash-facing market segment.

Gaming Lounges Sector Score

The overall sector score for the gaming lounges was **MEDIUM**.

The gaming lounges segment exhibits inherent vulnerabilities typical of cash-facing entertainment markets—high cash throughput at cage and payout points, episodic exposure to higher-spending foreign patrons, and a long tail of smaller operators with uneven control maturity. These features elevate placement and rapid cash-out typologies and put a premium on strong front-of-house controls, sanctions/PEP screening, and effective suspicious-activity governance. Against these risks, Jamaica has credible mitigants in place: formal entry controls and licensing by the BGLC; gazetted AML guidance aligned to FATF's risk-based approach; targeted financial-sanctions obligations under UNSCRIA/TPA; use of GoAML for reporting (with sector filings throughout the review period); the roll-out and refinement of a risk-based supervision (RBS) model; and supply-chain safeguards via Technical Service Provider licensing and mandatory machine standards. Together, these measures constrain anonymity, improve traceability, and enable proportionate supervisory focus where risk is highest.

The residual risk remains **MEDIUM** rather than lower primarily because of execution and coverage frictions. STR volumes and quality are improving but remain below what the risk profile would predict, with several

lounges still relying on manual sanctions/PEP checks that are more error-prone than automated screening. Compliance functions in smaller lounges continue to show gaps in fully embedding the risk-based methodology (risk-tiered CDD/EDD, file documentation and role-specific training cadence). In addition, elements of the supervisory architecture are still maturing. Finally, a perimeter gap persists for operators running ≤19 machines per site (outside the lounge definition), which dilutes AML coverage for a slice of the ecosystem.

Developments since Jamaica's 2017 Mutual Evaluation Report (MER)

- In September 2020, the BGLC published its revised AML/CFT/CPF Guidance Notes to incorporate the suite of substantial amendments made in 2019 to the Proceeds of Crime Act (POCA) and the Terrorism Prevention Act (TPA). The Guidance Notes were also published in the *Jamaica Gazette* and circulated to the industry in September 2020.
- The BGLC also issued advisories to its licensees in June 2020 on the 2019 amendments to the POCA/TPA/UNSCRIA.
- The BGLC developed its risk-based supervisory methodology to guide oversight of its licensees, and this was refined in January 2024 to reflect the implementation of its regulatory technology tool. This system enables the BGLC to efficiently assess sector-wide risk and conduct individual risk-based reviews of entities under its supervision through a centralized, web-based risk assessment platform. The BGLC continues to refine same to enable its alignment with the evolving environment relating to the gaming machine operators sector.
- The build-out of BGLC's risk-based supervisory methodology also included the development and implementation of an examination manual in 2021, which was subsequently updated in 2023. This manual provides structured guidance on the conduct of examinations, including the completion of thirty-three (33) full scope, follow-up, and/or targeted reviews, and other supervisory activities. The Commission continues to refine this framework to ensure alignment with the evolving risk landscape of the gaming sector.
- Since 2020, the BGLC has conducted various webinars, developed and issued twelve (12) advisories to its licensees to provide guidance and increase industry awareness of various matters including, but not limited to, legislative amendments, customer due diligence, business and customer risk assessments, transaction monitoring and data privacy as it concerns AML requirements.
- It is also important to note that the process is advanced to consolidate the legislative framework governing the entire gaming sector. In line with this, the Betting, Gaming and Lotteries Commission Act, the Casino Gaming Act, and the Racing Commission Act will be merged into a single piece of legislation to enhance regulatory effectiveness and efficiency.

Typologies in the Gaming Sector

The following are potential avenues for money laundering in the gaming sector:

1. Large top-ups, large betting on low return machines/ games with high chance of winning and redeeming the winnings in cash.
2. The cash purchase of gaming credits below reporting thresholds which can then be laundered through the deposit/encashment of a cheque received from the gaming institution for purported "winnings".
3. The placement of funds onto a gaming machine and/or gaming card with little to no gaming activity, followed by a same-day or next-day cash-out of the deposited funds.
4. Large top-ups, large betting on low-return machines/ games with a high chance of winning and redeeming the winnings in cash.
5. Use of an international credit card not in the gamer's name to top up the gaming card, then request that the funds be withdrawn and cash paid out.

A Note on Casino Gaming

The casino gaming sector is governed by the Casino Gaming Act, 2010 and Regulations made thereunder, which establish the statutory basis for the licensing, regulation, and supervision of casino gaming, including compliance with AML/CFT/CPF obligations. During the review period, an application for Jamaica's first casino gaming licence was received, increasing the likelihood that casino operations will commence in 2026. In anticipation of the advent of operational casinos, the regulatory and supervisory framework has been substantially developed and is positioned both as a proactive regulatory measure and as a signal of the regulatory readiness to prospective operators.

The Casino Gaming Commission (CGC) is established as a body corporate under the Casino Gaming Act 2010, empowered to grant casino licences, subject to fit and proper[10] and other stated requirements, as well as to regulate and supervise casino gaming in Jamaica. [11] The CGC, in its capacity as a competent authority, exercises supervisory oversight of the sector, to ensure compliance with the Casino Gaming Act and Regulations, associated subsidiary instruments, and Jamaica's financial crimes legislative framework and issues guidance to support effective industry compliance.[12]

The CGC applies a Risk-Based Supervisory (RBS) Methodology aligned with national AML/CFT/CPF risk assessments, and employs a range of supervisory tools, including –

i. Pre-licensing (suitability) assessments
ii. Pre-operational (readiness) assessments
iii. AML/CFT/CPF self-assessment questionnaires
iv. Desk-based reviews
v. Onsite inspections

These tools inform the determination of institutional risk ratings and guide the frequency, intensity and scope of supervisory engagement, as well as the proportionate application of supervisory enforcement measures.

Licensing assessments will be supported by an enforcement and investigations framework that requires the systematic collection, verification, and ongoing monitoring of beneficial ownership information submitted by applicants and licensees. Beneficial ownership will be cross-referenced against the Companies Office of Jamaica's (COJ) Beneficial Ownership Registry to ensure completeness, accuracy, and consistency. Upon completion of due diligence investigations, a consolidated report will be prepared and submitted by the Investigator for licensing consideration by the CGC. Prior to operational approval, the Licensing and Registration Division and the Enforcement and Investigations Division, respectively, will conduct desk-based and onsite reviews to assess the adequacy of proposed internal controls. Applicants will be required to demonstrate compliance with the CGC's Minimum Internal Controls (MICs) and Minimum Security and Surveillance Standards, which reflect established international best practices. These controls address, inter alia, record-keeping and retention, conduct of gaming and wagering, employee and nominee responsibilities, compliance committee functions, reporting of non-compliance, anti-bribery and anti-corruption measures, AML/CFT controls, customer due diligence and know-your-customer requirements, patron payment instruments, and surveillance and security of gaming areas and cash handling operations.

Jamaica maintains multiple regulated gaming subsectors - betting, gaming and lotteries, horseracing, and casino gaming - overseen respectively by the Betting, Gaming and Lotteries Commission (BGLC), the Jamaica Racing Commission and the Casino Gaming Commission (CGC). In recognition of the overlapping AML/CFT/CFF oversight functions and operational efficiencies, steps have been taken to consolidate supervisory approaches across the gaming sector to enhance regulatory effectiveness. In this context, drafting

[10] *This includes full background verification of owners, shareholders and associates at onboarding and follow up reviews every five (5) years (or otherwise warranted) in accordance with section 15 of the Casino Gaming Act, 2010.*
[11] *The Casino Gaming Act 2010* s.15, 16, 17, 20, 25.
[12] *The Betting Gaming and Lotteries Guidelines on the Prevention of Money Laundering and Countering the Financing of Terrorism and Proliferation* (Jamaica Gazette Extraordinary, Vol. CXLIII September 25, 2020) (Ja)

instructions for the third iteration of a harmonizing Draft Bill were submitted to the Chief Parliamentary Counsel in December 2025.

The CGC also engages in formal information-sharing and cooperation with domestic competent authorities, including the Financial Investigations Division and the Companies Office of Jamaica, to support risk assessment, supervisory planning, and enforcement activities.

Post-licensing supervision will be conducted by the CGC using a resource-efficient, risk-based approach. This will include the review of financial statements, AML/CFT/CPF policies and procedures, transaction data, customer information, independent audit findings, statistical reports maintained by the GoAML platform of the Financial Investigations Division (FID), and prior remediation plans. After the first year of operation, licensees will be required to complete an AML/CFT self-assessment questionnaire (the questionnaire). This questionnaire is designed to evaluate the effectiveness of implemented controls and to identify residual vulnerabilities. Questionnaire outcomes will inform supervisory priorities and adjustments to the level, nature and frequency of supervisory engagement.

The RBS Methodology will incorporate three core stages: risk identification, assessment of mitigating controls, and determination of residual risk. Inherent risk assessments will consider the casino's ownership and governance structure, directors and shareholders, customer profile (domestic and international), gaming products offered, supplementary services, delivery channels, and financial performance. Five primary risk factors will be assessed: product risk, customer risk, geographic risk, payment risk, and employee risk. These assessments will be informed by data provided by licensees and by findings from the National Risk Assessment.

Mitigating controls will be evaluated to determine their design and operational effectiveness, including preventive measures such as staff training and system controls, and corrective measures such as remediation plans and enhanced monitoring.

The overall AML/CFT risk profile of each casino operator will determine the intensity of supervisory engagement. The Casiono Gaming Commission will apply a graduated supervisory model comprising three stages:

Stage 1: Routine Supervision – standard supervisory activities conducted on a risk-sensitive basis.
Stage 2: Heightened Supervision – increased supervisory intensity where material risks or control weaknesses are identified; and
Stage 3: Escalated Supervisory Action – application of formal supervisory and enforcement measures where significant or persistent risk is present.

The CGC's supervision will be calibrated across four dimensions:

i. nature of supervision: balancing offsite and onsite supervisory tools, harnessing targeted reviews and thematic reviews;
ii. focus of supervision: targeting specific ML/TF/PF risks or control areas;
iii. frequency of supervision: adjusted to risk exposure; and
iv. intensity of supervision: aligned to the effectiveness of mitigating controls.

In the absence of operational casinos during the assessment period, the casino gaming sector is currently assessed as presenting low ML/TF risk with minimal threats and vulnerabilities. This assessment remains subject to review and is expected to evolve as casino operations commence and the sector becomes fully operational.

Introduction

The Public Accountancy Board (PAB) regulates public accountants in Jamaica and serves as the AML/CFT supervisory authority for accountants when they engage in designated business activities under the Proceeds of Crime Act.

This assessment examines how accounting and advisory services may be misused for money laundering and terrorist financing and evaluates the effectiveness of the supervisory and preventive framework in mitigating those risks.

Sector Overview

Evolution of the Sector

NRA2 identified accountants as an important gatekeeper profession because they may establish legal entities, prepare accounts, advise on ownership structures and participate in transactions involving significant assets.

Since NRA2, the PAB has strengthened AML/CFT guidance, outreach and supervisory activities. Sector awareness has improved, and the profession has become more integrated into Jamaica's broader AML/CFT framework.

Sector Profile and Market Size

Accountants provide audit, assurance, tax, advisory, bookkeeping and corporate support services to individuals, businesses and legal entities across the economy.

As they often possess detailed knowledge of clients' ownership structures, cash flows and financial statements, accountants are well positioned to identify unusual activity. Conversely, where controls are weak, their expertise can be used to create or sustain opaque structures and transactions.

Sector at a Glance

Governing Legislation	The Public Accountancy Act and Regulations	Delivery Channels	▪ Mainly Face-to-face ▪ Limited non-face-to-face via written instructions
AML/CFT Laws	▪ Proceeds of Crime Act (POCA) ▪ Proceeds of Crime (MLP) Regulations ▪ Terrorism Prevention Act (TPA) ▪ Terrorism Prevention Regulations ▪ Proceeds of Crime (DNFI) (Public Accountants) Order, 2013	Number of Customers	N/A

Size/Value of sector (per cent of GDP)	Currently N/A as Registrants primarily offer audit and non-audit (accounting) services, but do not manage client assets.	Level of Cash	Limited
Customer Profile	▪ Financial sector ▪ Hospitality ▪ Service industry ▪ Cash intensive (gas stations, agriculture) ▪ SMEs ▪ Medical services	Number of Players	283 Registered Public Accountants (of which 58 Registrants operate from 15 firms)
Sector ML Risk Score	**MEDIUM-LOW**		

Terrorism Financing, Money Laundering and Proliferation Financing Threats

During the review period, ML/TF/PF threats to the Public Accounting Profession remained Low, with no Public Accountant engaged in prescribed POCA activities during the review period, and no evidence of misuse of the sector in fraud or tax evasion schemes.

Inherent Vulnerabilities

The sector's vulnerabilities arise from services that can influence ownership, financial reporting and tax structuring. Risks are heightened where accountants:

- Incorporate companies or restructure ownership;
- Prepare or review financial records that may mask unusual activity;
- Advise on tax and corporate structures;
- Administer trusts or estates;
- Manage or control client assets; or
- Coordinate with attorneys, TCSPs and financial institutions.

These activities can lend professional legitimacy to transactions and structures that obscure the true source or ownership of assets.

Corporate Structuring and Advisory Typologies

Relevant typologies include the creation of companies to hold assets, movement of ownership through share transfers, preparation of accounting records that rationalise unexplained transactions, and tax planning structures with limited commercial rationale.

Complex domestic and cross-border arrangements may be used to distance assets from their beneficial owners if ownership and source-of-funds issues are not adequately challenged.

Customer Due Diligence

Accountants are required to identify clients and beneficial owners, understand the purpose of the engagement and assess whether services requested are consistent with legitimate business needs.

Beneficial ownership verification and source-of-funds analysis are particularly important where accountants are engaged in company formation, restructuring, trust administration or transactions involving legal entities and politically exposed persons.

Financial Reporting and Transaction Visibility

A significant mitigating factor is that accountants often review books and records, reconcile transactions and assess supporting documentation. This can provide valuable visibility into inconsistencies between stated business activities and actual financial flows.

The same visibility places a heightened responsibility on accountants to exercise professional scepticism and escalate unusual matters where warranted.

Professional Ethics and Discipline

The accounting profession is subject to established ethical standards, continuing professional development requirements and disciplinary processes.

The intersection of AML/CFT obligations with professional ethics materially strengthens accountability and provides an additional mechanism to address non-compliance.

Effectiveness of Supervision

The PAB has strengthened AML/CFT supervision through guidance, outreach and structured compliance monitoring. Supervisory efforts focus on customer due diligence, beneficial ownership verification, recordkeeping and suspicious transaction reporting.
This has increased awareness and improved the profession's contribution to Jamaica's AML/CFT effectiveness.

Interconnectedness with Other Gatekeepers

Accountants frequently work alongside attorneys, TCSPs, banks and real estate professionals. Effective due diligence by accountants can therefore strengthen transparency across multiple sectors and reduce the likelihood that illicit structures go unchallenged.

Effectiveness of Suspicious Transaction Reporting

The PAB has strengthened AML/CFT supervision through guidance, outreach and structured compliance monitoring. Supervisory efforts focus on customer due diligence, beneficial ownership verification, recordkeeping and suspicious transaction reporting.

This has increased awareness and improved the profession's contribution to Jamaica's AML/CFT effectiveness.

Residual Gaps and National Action Plan Priorities

Key priorities include strengthening beneficial ownership analysis, improving identification of suspicious financial patterns, enhancing STR quality, and supporting smaller practitioners with practical guidance and training.

The National Action Plan supports continued outreach, typology development, supervisory analytics and coordination with the General Legal Council, Financial Services Commission and law enforcement.

Accountants: Sector Score

The overall risk score for public accountants was **MEDIUM-LOW**. The accountants sector remains one of Jamaica's most strategically significant DNFBP sectors because professional accountants can materially influence the transparency of ownership, financial reporting and complex transactions.

The residual money laundering risk is appropriately assessed as **Medium-Low**. This reflects meaningful vulnerabilities associated with professional advisory services and corporate structuring, balanced against stronger PAB supervision, ethical standards and improved compliance awareness.

Going forward, Jamaica will continue to strengthen beneficial ownership verification, source-of-funds analysis, professional scepticism and inter-agency cooperation to ensure that accountants function as effective gatekeepers within the national AML/CFT/CPF framework.

Developments Since Jamaica's 2017 MER

- Virtual training sessions were held in January 2020 and March 2021 to aid the supervisory authorities in undertaking risk-based supervision for the DNFI/DNFBP sectors.
- The PAB's AML Guidance for Accountants was approved by the Minister in 2016 (gazetted in 2021) and is in effect. The Guidance covers, inter alia, POCA, TPA and UNSCRIA, KYC policies and procedures, risk-based approach, risk assessment and enhanced due diligence.

Introduction

The General Legal Council (GLC) is the statutory body responsible for regulating attorneys-at-law in Jamaica. In addition to professional conduct oversight, the GLC serves as the AML/CFT supervisory authority for attorneys when they engage in designated activities under the Proceeds of Crime Act.

This chapter assesses how legal services may be misused for money laundering and terrorist financing, and evaluates the effectiveness of the supervisory and preventive framework in mitigating these risks.

Sector Overview

Evolution of the Sector

NRA2 identified attorneys as a high-impact gatekeeper sector because they are often involved in legal structuring, conveyancing, escrow arrangements and client account management. The central concern was that legal expertise could be used to obscure ownership and legitimise the movement of illicit assets.

Since NRA2, the GLC has expanded AML/CFT outreach, inspections, compliance guidance and enforcement activity. Awareness of obligations has improved, and supervisory processes have become more structured and risk-based, increasing the sector's integration into Jamaica's wider AML/CFT framework.

Sector Profile and Market Size

Attorneys-at-law play a foundational role in commercial and personal transactions, including real estate conveyancing, probate and estate administration, business acquisitions, company incorporation, and trust arrangements.

Legal services are embedded in high-value and complex transactions, therefore, attorneys can either materially enhance transparency or, where controls are weak, unintentionally facilitate the concealment of ownership and source of funds.

Sector at a Glance

Governing Legislation	The Legal Profession Act	Delivery Channels	Face-to-Face Engagement* ***Approx. 1 % of survey respondents conducted non-face-to-face engagements**
AML/CFT Laws	▪ Proceeds of Crime Act (POCA) ▪ POCA (Money Laundering Prevention) Regulations (as amended) ▪ Terrorism Prevention Act (TPA) Terrorism Prevention (Reporting Entities) Regulations ▪ Proceeds of Crime (DNFI) (Attorneys) Order, 2013	Number of Customers	Data not available

Size/Value of sector (per cent of GDP)

The legal services sector forms part of Jamaica's dominant services industry (finance, real estate, transport, accommodation), which contributes **60.26% GDP.** No disaggregated data is available for the legal profession. However, the sector plays a vital role in supporting commerce, real estate, and financial transactions.

Level of Cash

0 – **5** % of Total Business*

***Based on 66 % of survey respondents.**

Customer Profile

- Residents
- Non-Residents
- PEPs

Number of Players

Practising Attorneys (including DNFIs) – 2,540 (Dec 2025)

DNFI Attorneys – 1,647 (Dec 2024)

Sector ML Risk Score | **MEDIUM**

Background – Legal Challenge

In 2013, attorneys were designated as Designated Non-Financial Institutions (DNFIs) through amendments to the POCA. As a result of the amendment to the POCA, the Proceeds of Crime (Designated Non-Financial Institution) (Attorneys-at-Law) Order, 2013 was issued. The order designated Attorneys-at-law who engaged in certain business activities as DNFIs and part of the regulated sector. The activities outlined in the order are listed below:

- Purchasing or selling real estate;
- Managing clients' money, securities, or other assets;
- Managing bank, savings, or securities accounts;
- Organising contributions for the creation, operation, or management of companies;
- Creating, operating or managing a legal person or legal arrangement (such as a trust or settlement); and
- Purchasing or selling of a business entity.

The Jamaican Bar Association (JBA) instituted a legal challenge against the Attorney General and the General Legal Council (GLC), in relation to the designation of attorneys as DNFIs. The JBA argued that the designation of attorneys as financial intermediaries was unconstitutional; and information required under the amendments breached confidentiality, attorney-client privilege, and legal professional privilege. The JBA contended that the regime contravened sections 13(3)(a), (c), (j), (r), 14(2)d, 16 (1), 2 & 6(c) 13(3)(c) of the Charter of Fundamental Rights and Freedom ("Charter") as well as section 16 of the Constitution. The matter was heard by the Full Court, which dismissed the JBA's claim.

The JBA appealed the decision of the Full Court. On 10 July 2020, the Court of Appeal allowed the Bar's appeal and found that the designation of Attorneys under the Act was likely to contravene the rights guaranteed to attorneys by the Constitution. The court concluded that the following instruments, in so far as they apply to attorneys-at-law, were unconstitutional, null and void, and of no legal effect for being inconsistent with sections 13(3)(j) and 13(3)(a) of the Charter.

- The Proceeds of Crime Act (POCA), 2007 (as amended by the Proceeds of Crime (Amendment) Acts, 2013 and 2019), section 91A (2) (save and except 91A(2)(b)); 91A (5); 94(2) and 95), in so far as it requires attorneys-at-law to report suspicious transactions directly to the designated authority;(The provisions of the Proceeds of Crime (Money Laundering Prevention) Regulations, 2007 and the amendments to it that touch and concern the enforcement of the POCA;(The Legal Profession (Canons of Professional Ethics) (Amendment) Rules, 2014 that permit attorneys-at-law to reveal client confidences or secrets in compliance with the POCA and the attendant regulations;

- The provisions of the General Legal Council of Jamaica: Anti-Money Laundering Guidance for the Legal Profession, published in the Jamaica Gazette Extraordinary of Thursday, 22 May 2014, No. 223A that are designed to enforce the provisions of the POCA.

The General Legal Council and the Attorney General, on behalf of the Government of Jamaica, appealed the decision of the Court of Appeal to the Privy Council. The Appeal was heard on the 29 and 30 of November 2022 and judgment was handed down on 9 February 2023. The ruling also confirmed that even though the Regime engaged the right to privacy, and in particular attorney/client confidentiality, the interference was demonstrably justified in a free and democratic society and was therefore not unconstitutional. The judgment also confirmed the legality of the provisions of the POCA for the monitoring and supervision of the legal profession by the GLC as competent authority and also confirmed the legality of the requirement for the members of the profession to make suspicious transaction reports.

The GLC's authority as competent authority for Attorneys-at-law was also fettered during the litigation. Upon the handing down of the Privy Council's judgment, the GLC acted in all urgency to commence supervision of attorneys and immediately sought to re-sensitise their licensees regarding their obligations under the Regime. An online training course was conducted in tandem with the FID to expose them to the GoAML online reporting platform to enable compliance with reporting obligations, pursuant to the POCA/TPA/UNSCRIA.

Terrorism Financing, Money Laundering and Proliferation Financing Threats

During the review period, ML/TF/PF threats to the legal profession remained Medium. This was premised on the conveyancing role played by attorneys in the higher-risk real estate sector in the purchase and sale of real estate and real estate developments, as well as other relevant typologies, including acting on behalf of clients in nominee arrangements and formation of legal structures.

Inherent Vulnerabilities

The sector's vulnerabilities are driven by the strategic role attorneys play in structuring transactions and holding client funds. Risks are highest where attorneys:

- Receive or disburse funds through client accounts;
- Form companies or trusts;
- Act in real estate transactions;
- Manage legal arrangements for beneficial owners;
- Coordinate transactions involving multiple intermediaries; or
- Advise on ownership structures spanning several jurisdictions.

These services are legitimate and often essential, but they can be misused to obscure control and ownership if professional skepticism and due diligence are insufficient.

Client Account and Escrow Risks

Client accounts are among the most significant risk areas because they can receive and disburse funds associated with real estate, settlements and commercial transactions. If the underlying purpose and source of funds are not adequately understood, client accounts may be used to move illicit proceeds under the appearance of legal activity.

The key control objective is to ensure that account activity is directly linked to bona fide legal services and that unusual payment patterns, unrelated third-party transfers and unexplained residual balances are appropriately investigated.

Beneficial Ownership and Source-of-Funds

Beneficial ownership verification is central to effective AML/CFT controls in the legal profession. Attorneys must identify the natural persons who ultimately own or control legal entities and understand the rationale for complex structures.

Source-of-funds and, where appropriate, source-of-wealth enquiries, are particularly important in high-value transactions, politically exposed person relationships and transactions involving opaque ownership structures.

Governance

The legal profession benefits from a well-established ethical and disciplinary framework. Breaches of AML/CFT obligations may also raise questions of professional misconduct.

This intersection between regulatory compliance and professional discipline is a significant mitigating factor because it reinforces accountability and provides multiple avenues for corrective action.

Additionally, professional legal privilege is an important principle of the justice system. However, privilege does not exempt attorneys from AML/CFT obligations when they engage in designated business activities. NRA3 emphasises the importance of a clear understanding of the boundary between privileged legal advice and activities that trigger customer due diligence and suspicious transaction reporting obligations.

Effectiveness of Supervision

The GLC has strengthened AML/CFT supervision through inspections, guidance, outreach and enforcement. The supervisory focus increasingly evaluates operational effectiveness, including client acceptance, ownership verification, source-of-funds analysis, and suspicious transaction reporting.

This approach has improved sector awareness and increased the profession's contribution to Jamaica's overall AML/CFT effectiveness.

Suspicious Transaction Reporting

Suspicious transaction reports from attorneys can provide particularly high-value intelligence because legal professionals are often involved in complex ownership and asset-transfer arrangements.

The significance of reporting lies in the quality of the narrative and supporting documentation rather than in volume alone.

Residual Gaps and National Action Plan Priorities

Key priorities include strengthening beneficial ownership analysis, improving understanding of privilege boundaries, enhancing client account monitoring and increasing the consistency and quality of suspicious transaction reporting.

The National Action Plan supports continued outreach, typology development, supervisory analytics and coordination with the Real Estate Board, Companies Office and law enforcement.

Attorneys: Sector Score

The overall risk score for the legal profession was determined to be **MEDIUM**. The attorneys-at-law sector remains one of Jamaica's most strategically significant DNFBP sectors because legal professionals can materially influence the transparency and integrity of high-value and complex transactions.

The residual money laundering risk is appropriately assessed as **Medium**. This reflects meaningful vulnerabilities associated with client accounts, legal structuring and ownership opacity, balanced against stronger GLC supervision, professional discipline and improved compliance awareness.

Going forward, Jamaica will continue to strengthen beneficial ownership verification, source-of-funds analysis, client account oversight and inter-agency cooperation to ensure that attorneys-at-law function as effective gatekeepers within the national AML/CFT/CPF framework.

Development Since Jamaica's 2017 Mutual Evaluation Report (MER)

Since the 2017 MER, the General Legal Council (GLC) resumed AML/CFT oversight of the sector in light of the successful court challenge. Consequently, Attorneys-at-Law, in their role as gatekeepers, are obliged to monitor and report suspicious client activities as a DNFI.

- Successful legal challenge in favour of the Government of Jamaica resulting in the resumption of the GLC's oversight of the sector.
- Implementation of risk-based supervision of the sector.
- Enactment of the Legal Profession (Competent Authority Examinations) Regulations, 2024 (LP(CAE)) to guide the process of inspections and to establish disciplinary sanctions for non-compliance.
- Issuance of AML/CFT Guidance to the profession.

Typologies among Attorneys-at-Law

It should be noted that the obligation to file a Suspicious Transaction Report (STR) is not limited to reasonable suspicion aroused by a client, but also where suspicion relates to any other party, irrespective of whether the attorney acts for that party. The following are potential avenues for money laundering amongst attorneys:

1. A developer seeking the service of an attorney to execute legal paperwork for the development of a residential lot that is being self-financed with cash, without substantive proof of the source of funds.
2. A customer deciding not to go through with a real estate transaction when queries relating to the source of funds are made by the attorney.
3. A developer who was convicted of an acquisitive crime requesting legal services for the development of residential dwellings.
4. The service of an attorney is sought to purchase real estate. However, the asset is purchased in the name of a relative without good reason.
5. Transfer of assets from one party to another in an unusually short time period.
6. The requested service was refused by another attorney-at-law.
7. The attorney receives a sum of money from a third party to hold the funds in trust, and is then instructed to deduct their fees and pass the remaining funds on to the client without providing any actual legal service.

Introduction

Trust and Corporate Service Providers offer services such as company incorporation, registered office provision, maintenance of statutory records, nominee services and administration of trusts and related legal arrangements. These activities are integral to legitimate business formation and corporate governance.

The purpose of this assessment is to analyse how TCSP services may be misused to conceal ownership and control and to evaluate the extent to which Jamaica's regulatory and supervisory framework mitigates those risks.

Sector Overview

Evolution of the Sector

NRA2 identified legal persons and beneficial ownership opacity as important national vulnerabilities. At that time, Jamaica did not yet have a dedicated licensing regime for TCSPs.

Since NRA2, Jamaica enacted and operationalised the Trust and Corporate Services Providers Act and supporting regulations, bringing the sector within a formal licensing and supervisory perimeter. This is one of the most significant structural improvements recorded in NRA3 because it directly addresses a previously important vulnerability related to corporate transparency.

Sector Profile and Market Size

The TCSP sector is relatively small but strategically important. TCSPs are involved at the point where legal entities and arrangements are created and maintained, making them central to the integrity of beneficial ownership information.

Their services frequently intersect with attorneys, accountants, banks, securities dealers and real estate professionals. As a result, effective controls in the TCSP sector can materially enhance transparency across the wider economy and financial system.

Sector at a Glance

Governing Legislation

- The Financial Services Commission Act & Regulations
- Trust and Corporate Services Act & Regulations

Delivery Channels

- Face-to-face
- Online

AML/CFT Laws

- Proceeds of Crime Act (POCA)
- POCA (Money Laundering Prevention) Regulations (as amended)
- Terrorism Prevention Act (TPA)
- Terrorism Prevention (Reporting Entities) Regulations
- FSC's AML/CFT/CPF Guidelines

Number of Customers

Trust Services

- **Domestic:** 222
- **Foreign:** 8

Corporate Services

- **Domestic:** 884
- **Foreign:** 123

 Size/Value of sector (per cent of GDP)	**Trust Assets:** 2024 ▪ J$532.8B/US$3.40B (15.24% GDP)	 Level of Cash	TCSPs do not conduct cash transactions and are not required to submit TTRs.
 Customer Profile	▪ Domestic Corporations ▪ International Corporations ▪ High Net Worth Individuals	 Number of Players	▪ 14 Corporate Service Providers (CSPs) ▪ 5 Trust Service Providers (TSPs) ▪ 7 that offer both Trust and Corporate Services ("TCS").
	Sector Risk Score	MEDIUM-LOW	

Terrorism Financing, Money Laundering and Proliferation Financing Threats

During the period under review, there was no evidence of ML/TF/PF threats to the new TCSP sector, and consequently, the threat rating was assessed as Low. There were no ML investigations, prosecutions, convictions, or financial intelligence involving TCSPs or their clients over the review period. There is an awareness of relevant typologies, including acting on behalf of clients in nominee arrangements and in complex legal structures. Though the threat indicators are currently low, continued monitoring and outreach are required, given the sector's role as gatekeeper to the financial system and the typologies of potential abuse.

Inherent Vulnerabilities

There are twenty-six (26) TCSPs regulated by the FSC and are subjected to prudential and AML/CFT supervision. This includes a total of fourteen (14) Corporate Service Providers (CSPs), five (5) Trust Service Providers (TSPs), and seven (7) that offer both Trust and Corporate Services ("TCS"). In many instances, TCSPs are adjunct activities to the core businesses of licensees, while several TCSPs have opted to form separate businesses to conduct these services. Associated businesses of TCSPs under the purview of the FSC are as follows in **Annex I:** **No. of Associated Businesses of TCSPs**.

The sector continues to grow year over year with total assets of TCSPs valued at $1.0 billion[13] for the year ended December 31, 2024, compared to the prior year of $273.9 million. For the corresponding period, total value of the trust funds held for clients was approximately J$ 532.8B, representing 15.24% of the country's GDP. Trusts registered and administrated by TSPs amounted to 230.

The largest percentage of trusts registered and administered by TCSPs as at December 2024 were trust assets administered for the licensed financial services industry – Repo book (70%), Debentures held in trust for financing arrangements with licensees (15%) and testamentary and intestacy types (10%), shown in the **Annex I:** **Types of TSPs Registered**. This demonstrates the conservative use of Trust services since commencement of the new regime.

[13] Total on-balance sheet assets as at December 2024, primarily associated with TCSPs with adjunct businesses such as securities dealers.

The core vulnerability is that legal entities and arrangements can be used to distance assets and transactions from the natural persons who ultimately own or control them. Risks increase where ownership structures involve multiple layers, foreign jurisdictions, nominee arrangements or complex trust relationships.
The sector is therefore inherently exposed to:

- Concealment of beneficial ownership;
- Use of shell or holding companies;
- Nominee directors and shareholders;
- Cross-border structuring;
- Asset holding and administration arrangements; and
- Difficulties in identifying the ultimate controlling persons.

Beneficial Ownership and Control Risks

Beneficial ownership transparency is the defining issue for this sector. TCSPs must identify and verify the natural persons who ultimately own or control each client and maintain information that is accurate, adequate and current.

The analytical significance of the sector lies in the fact that weak beneficial ownership controls can undermine the effectiveness of customer due diligence across banks, securities dealers, attorneys and other gatekeepers that rely on corporate information.

Customer Due Diligence and Ongoing Monitoring

TCSPs are required to identify customers and beneficial owners, understand the purpose and intended nature of the relationship, and monitor for changes in ownership, control or business activity. Records must be retained for the prescribed statutory period and be available to competent authorities when lawfully required. These obligations are foundational to the sector's risk-mitigation role because they create a reliable audit trail regarding ownership and control.

Ongoing monitoring is particularly important because legal structures may evolve over time through share transfers, director changes, additions of beneficiaries or amendments to trust arrangements.

Effectiveness of Supervision

The Financial Services Commission (FSC) has implemented a structured licensing and supervisory programme that includes policy reviews, offsite monitoring, inspections and outreach. Supervisory work focuses on beneficial ownership verification, recordkeeping, customer risk assessment and ongoing monitoring.

The sector is newly formalised, therefore, supervisory engagement has also emphasised education and capacity building to support consistent implementation. Licensing is a key control because it subjects market entry to fit-and-proper testing, ownership scrutiny and assessment of compliance readiness. Governance expectations require licensed TCSPs to maintain policies, controls and responsible officers capable of managing AML/CFT obligations.

This market-entry discipline significantly reduces the risk that opaque or unsuitable operators can provide corporate services without oversight.

Suspicious Transaction Reporting

Suspicious transaction reports from TCSPs can be highly valuable because they may reveal attempts to establish entities with opaque ownership, unexplained funding arrangements or structures lacking a clear commercial rationale.

The intelligence value of these reports is significant because TCSPs operate at the formation stage of many legal structures used elsewhere in the economy.

Residual Gaps and National Action Plan Priorities

Residual challenges include ensuring consistency in beneficial ownership verification, monitoring complex ownership structures and maintaining current records as client structures evolve.

National Action Plan priorities include continued supervisory outreach, enhanced beneficial ownership analytics, stronger typology guidance and close coordination with the Companies Office, attorneys, accountants and financial institutions.

TCSPs: Sector Score

The overall risk score for TCSPs was determined to be **MEDIUM-LOW**. The TCSP sector is one of Jamaica's most strategically significant DNFBP sectors because it directly influences the transparency and integrity of legal persons and arrangements.

The residual money laundering risk is appropriately assessed as **Medium-Low**. This reflects meaningful vulnerabilities associated with ownership opacity and complex structures, balanced against the substantial progress achieved through the Trust and Corporate Services Providers Act, licensing, beneficial ownership requirements and FSC supervision.

Going forward, Jamaica will continue to strengthen ownership verification, recordkeeping, ongoing monitoring and inter-agency cooperation to ensure that TCSPs function as effective gatekeepers within the national AML/CFT/CPF framework.

Development Since Jamaica's 2017 Mutual Evaluation Report (MER)

The Financial Services Commission's (FSC) designation as Competent Authority for TCSPs pursuant to POCA in 2022 empowers the FSC with the authority to oversee and supervise TCSPs in their responsibilities under POCA and the POC – MLPR. Further, pursuant to the Fourth Schedule of POCA, TCSPs have been designated as DNFIs by the Minister of National Security by order. The Trusts Act was also consequentially amended in 2022 to facilitate the designation of a Trustee as a DNFI in accordance with POCA.

Red Flags for TCSPs

It should be noted that the obligation to file an STR is not limited to reasonable suspicion aroused by a client, but also where suspicion relates to any other party, irrespective of whether the officer acts for that party. The following are examples of unusual or suspicious ML activities related to the TCSP sector:

1. The formation of shell companies by TCSPs that can be used by money launderers;
2. The operation of virtual overseas offices which provide TCSP services;
3. The use of nominee agreements to hide from the TCSP the beneficial ownership of client companies;
4. The use of foreign private foundations that operate in jurisdictions with secrecy laws;
5. Transactions that utilize complex and opaque legal entities and arrangements;
6. Multiple trust accounts with the same beneficiary;
7. Trust account receiving multiple cash deposits without a reasonable rationale;
8. Transactions in a trust account are inconsistent with the customer profile; and
9. The use of TCSPs as a nominee shareholder to obscure the beneficial ownership of a legal person.

Part VI — Legal Persons, Legal Arrangements and Non-Profit Organizations

Legal Persons

Introduction

Legal persons are central to modern commercial activity. They allow individuals and businesses to enter contracts, hold assets, raise capital, employ staff and conduct economic activity under recognised legal structures. In Jamaica, legal persons include companies incorporated under the Companies Act, overseas companies registered under Part X, new company types, non-profit organisations, societies, and statutory bodies.

The purpose of the NRA3 legal-persons assessment is to determine whether these structures can be misused for ML/TF purposes and whether Jamaica's legal and institutional framework provides adequate transparency over ownership and control. This assessment is particularly important because legal persons can be used to conceal beneficial owners, layer transactions, hold property or vehicles, open bank accounts, and conduct business in a way that distances illicit proceeds from the natural persons who control them.

NRA3 approaches legal persons through a risk-based lens. It does not assume that incorporation is suspicious. Rather, it asks whether the type of entity, ownership structure, business activity, cross-border links, nominee arrangements or sectoral exposure creates a realistic opportunity for misuse. This approach supports a balanced public message: companies are essential to Jamaica's economy, but corporate transparency is necessary to prevent legal personality from being misused to conceal criminal wealth.

Sector Overview

Evolution of the Sector

NRA2 identified beneficial ownership transparency as an important area for continued strengthening. At that stage, Jamaica had basic company registration and recordkeeping requirements, but the framework for collecting, verifying and providing access to beneficial ownership information required enhancement to align fully with evolving FATF expectations.

NRA3 records material improvement through the Companies (Amendment) (Beneficial Ownership), 2023 Act. The amendment established a comprehensive beneficial ownership framework for legal persons aligned with FATF Recommendation 24. It requires timely and accurate disclosure and verification of beneficial ownership information, provides sanctions for non-compliance, and enables timely access to beneficial ownership information by competent authorities and authorised stakeholders.

This reform materially changes the risk picture. A legal-persons regime that previously relied more heavily on basic corporate information is now supported by a clearer beneficial ownership framework. The improvement is not merely legislative; it directly affects Jamaica's ability to identify the natural persons who ultimately own or control companies and to support investigations, supervision, tax enforcement and international cooperation (see updated legal persons landscape in **Annex J:** Legal Persons Landscape (Jamaica)).

FATF Guidelines on Legal Persons (R.24)

The FATF's Recommendation 24 outlines the requirement for countries to identify, assess, and understand the money laundering and terrorist financing risks associated with different types of legal persons operating within their jurisdictions. Countries are also required to ensure transparency and beneficial ownership of legal persons so that competent authorities can identify the natural persons who ultimately own or control companies and other legal entities. The recommendation mandates that countries establish mechanisms to collect, verify, and maintain accurate, adequate, and up-to-date beneficial ownership information, and to

ensure that such information is accessible to competent authorities in a timely manner for AML/CFT purposes. It also requires measures to prevent the misuse of legal persons, including controls over nominee shareholders and directors, record-keeping obligations, and effective sanctions for non-compliance. In addition, countries must facilitate international cooperation and information sharing to support cross-border investigations involving legal persons.

Legal Persons Landscape (Jamaica)

NRA3 identifies four principal categories of legal persons operating in Jamaica. These are: companies incorporated under the Companies Act; new company types linked to the international financial services framework; non-profit organisations and other legal persons, including entities administered through the Department of Co-operatives and Friendly Societies; and statutory bodies established by Acts of Parliament (refer to **Annex J:** Summary of Principal Categories of Legal Persons).

Companies incorporated under the Companies Act account for approximately 94% of legal persons operating within Jamaica and are therefore the primary focus of the assessment. These include private companies limited by shares, public companies, companies limited by guarantee, unlimited companies, and overseas companies registered under Part X (refer to **Annex J:** Types of Companies Incorporated under the Companies Act).

The dominance of ordinary companies is significant. It means that Jamaica's legal-persons risk is driven less by niche or exotic structures and more by the ordinary corporate vehicles used across commerce and industry. This makes effective beneficial ownership collection and verification especially important at the company-registry level and at the point where companies interact with banks, TCSPs, attorneys, accountants, real estate dealers and tax authorities.

Company Types and Ownership Profile

The vast majority of companies incorporated under the Companies Act are private companies limited by shares. NRA3 records that approximately 90% of companies fall into this category. These companies are widely used for small and medium-sized enterprises, family businesses and private commercial activity.

The ownership profile is comparatively simple. Approximately 96% of companies have simple ownership structures where the beneficial owner and shareholder are the same person. This structural simplicity materially reduces the potential for complex layering and hidden control within corporate ownership chains.

Jamaica's active-company landscape is also predominantly domestic. NRA3 records 76,895 active registered companies, of which approximately 97% are locally incorporated and 3% are overseas Part X companies operating branches in Jamaica. Only approximately 4% of domestic companies demonstrate more complex corporate structures involving single or multi-layered legal entity shareholders. Among overseas companies, approximately 95% maintain simple ownership arrangements and 5% exhibit more complex structures (see **Annex J**: Companies Operating in Jamaica).

Financial Flows of Legal Persons – by Industry

NRA3 classifies company financial flows by reference to annual turnover and employment, using Jamaica's MSME policy classifications. The legal-persons landscape is dominated by small and micro companies, which account for approximately 81.8% of legal persons. (see **Annex J:** Fiscal Company Categorization and **Annex J:** MSME Policy Classification of Legal Persons (Financial Flows), 2020 - 2024). The financial flows of companies/legal persons are also classified by sectors (see **Annex J:** Legal Persons by Sector).

This is analytically important because the scale and complexity of legal persons influence their potential for misuse. Micro and small companies may still be misused, particularly where cash turnover is high or records are weak, but they generally present a different risk profile from complex corporate groups, multi-layered holding structures or cross-border vehicles.

The MSME dominance reinforces the conclusion that Jamaica's corporate landscape is largely domestic, operational and commercially straightforward. It does not eliminate risk, but it reduces the prevalence of sophisticated layering through complex corporate chains.

Legal Framework

FATF Recommendation 24 requires countries to understand the ML/TF risks associated with legal persons and to ensure that competent authorities can access adequate, accurate and up-to-date beneficial ownership information in a timely manner. It also requires measures to prevent misuse through nominee shareholders and directors, recordkeeping obligations, effective sanctions and international cooperation.

NRA3 concludes that Jamaica made material progress through the 2023 beneficial ownership amendments to the Companies Act. The strengthened framework supports collection, verification and access to beneficial ownership information. It also provides a basis for sanctions where entities fail to comply.

The importance of this framework is practical. Beneficial ownership information supports supervisors, law enforcement, tax authorities and other competent authorities in identifying who ultimately owns or controls a company. It also assists financial institutions and DNFBPs when performing customer due diligence. The strengthened framework, therefore, has system-wide value beyond the Companies Office itself.

Money Laundering and Terrorism Financing Threats to Legal Persons

NRA3 found that neither patterns of beneficial ownership obscurity through complex corporate structures nor the misuse or abuse of legal persons for money laundering and terrorist financing featured in financial crime investigations, prosecutions or convictions over the review period.

The assessment instead indicates that self-laundering typologies remain more prevalent. This is consistent with a domestic corporate landscape in which legal owners and beneficial owners are commonly the same person and where many businesses are small, local and operationally simple.

The assessment also notes that certain higher-risk legal persons, particularly those operating in used car dealerships and real estate development, continue to feature prominently in tax-related matters. This finding is important because it shows that residual risk is not evenly distributed across all legal persons. Sectoral activity matters. Legal persons operating in high-value, cash-relevant or asset-based sectors warrant closer attention even where the broader corporate landscape is low risk.

Inherent Vulnerabilities of Legal Persons

NRA3 identifies several inherent vulnerabilities relevant to legal persons. The first is ease, speed and cost of formation. Jamaica's company registration process is designed to support ease of doing business and can generally be completed within the same day to approximately five days, depending on completeness and processing requirements. A fast registration system supports legitimate commerce, but it also requires robust verification and post-registration controls to prevent legal entities from being misused (refer to **Annex J: Registration of Legal Persons in Jamaica: Processing Requirements, Time and Cost**).

The second vulnerability is scale. Because companies incorporated under the Companies Act dominate the landscape, any weakness in corporate transparency could have broad systemic effect. The third vulnerability is ownership complexity. Although only a minority of domestic and overseas companies have layered structures, those entities require greater scrutiny because they can obscure control.

A fourth vulnerability is sectoral exposure. Legal persons operating in sectors such as used car dealerships and real estate development may present higher risk due to asset values, cash interfaces, tax exposure or links to property and trade-based typologies. The risk is therefore less about the legal form alone and more about the combination of legal form, ownership structure, sector, transaction behaviour and source of funds.

Ease, Speed and Cost of Formation/Registration

NRA3 also considers new company types linked to Jamaica's international financial services ambitions, including structures under the Segregated Accounts Companies Act, 2024. These include incorporated segregated accounts companies and segregated accounts companies.

No segregated accounts companies had been registered in Jamaica since the enactment of the Act in 2024. As a result, there was no operational evidence of misuse during the assessment period. However, NRA3 appropriately identifies these structures as requiring monitoring because they may introduce additional cross-border exposure, structural complexity and asset segregation features as the market develops.

The key policy implication is that low current exposure should not lead to passive oversight. Emerging structures should be monitored early, with clear beneficial ownership, regulatory no-objection and due diligence arrangements built into the framework before the sector becomes materially active.

Non-Profit Organizations and Other Legal Persons

NRA3 treats non-profit organisations and other legal persons, including industrial and provident societies, friendly societies, benevolent societies, specially authorized societies and co-operative societies, as part of the wider legal-persons landscape, while assessing NPO terrorist financing risk in a dedicated chapter.

These entities are administered through the Department of Co-operatives and Friendly Societies and are generally established for charitable, social, economic or community purposes rather than profit generation. They are generally lower ML risk, although TF vulnerability is assessed separately where cross-border funding or charitable activities may be relevant.

This treatment is important because it avoids overgeneralisation. NPOs, co-operatives and statutory bodies are legal persons, but their purpose, governance, funding and risk drivers differ materially from private companies engaged in commerce.

Statutory Bodies

Statutory bodies are legal persons established by Acts of Parliament to perform public, regulatory or governmental functions. NRA3 notes that there is no centralised registry responsible for maintaining a consolidated list of all such entities. While this is an information-management limitation, the enabling statutes for these bodies are publicly available.

NRA3 assesses statutory bodies as presenting minimal ML/TF risk. This conclusion reflects their statutory establishment, governance frameworks, public accountability and limited exposure to private commercial financial flows. Nevertheless, a consolidated list would improve transparency, support whole-of-government data quality and assist future risk assessments.

Foreign Legal Persons and Part X Companies

Foreign legal persons with sufficient links to Jamaica are relevant to Recommendation 24 because cross-border structures can introduce additional complexity. NRA3 considers overseas companies registered under Part X of the Companies Act and other foreign-linked legal persons.

Overseas companies are not exempt from transparency expectations. They must comply with registration, ownership disclosure and ongoing reporting requirements. NRA3 records that overseas companies operating in Jamaica are predominantly simple in structure, with approximately 95% maintaining simple ownership arrangements and approximately 5% exhibiting more complex ownership structures.

The relatively low share of overseas companies and the simplicity of most foreign-linked structures reduce inherent risk. However, 5% with more complex arrangements require proportionate scrutiny because complexity and cross-border elements can increase opacity and investigative difficulty.

Effectiveness of International Cooperation with Foreign Jurisdictions

NRA3 recognises that international cooperation is essential for addressing cross-border risks involving legal persons. Legal persons may operate across jurisdictions, hold assets abroad or involve foreign shareholders, directors or beneficial owners. The timely exchange of information assists competent authorities in identifying and verifying beneficial ownership in cross-border investigations.

Jamaica's improved beneficial ownership framework supports international cooperation because it creates a clearer domestic information base. Where information is accurate and accessible, Jamaica is better positioned to respond to foreign requests and to seek assistance from foreign counterparts.

This is especially relevant for Part X companies, emerging international financial services structures and any legal persons linked to foreign assets or counterparties (refer to **Annex J:** **Jurisdiction Map of Foreign Company Ownership**).

Interconnectedness with Financial Institutions and DNFBPs

Legal persons intersect with virtually every part of Jamaica's AML/CFT framework. Companies open bank accounts, acquire property, hold securities, obtain insurance, borrow from financial institutions, use attorneys and accountants, and may be administered by TCSPs.

This interconnectedness is a major mitigating factor where gatekeepers perform effective customer due diligence. Banks, securities dealers, attorneys, accountants, TCSPs and real estate professionals can all contribute to verifying ownership, understanding source of funds and reporting suspicion.

Conversely, if company information is inaccurate or beneficial ownership is not properly verified, weaknesses can transmit across sectors. A company used to acquire property, open accounts or conduct trade can create a veneer of legitimacy if gatekeepers rely on incomplete corporate information. This is why the strengthened beneficial ownership (BO) framework is central to national risk mitigation.

Residual Gaps and National Action Plan Priorities

Residual challenges remain. First, beneficial ownership information must remain accurate, adequate and up to date. Collection alone is insufficient if information is stale, incomplete or unverified. Second, authorities should continue monitoring companies operating in sectors identified in NRA3 as higher risk, including used car dealerships and real estate development.

Third, the small subset of companies with complex ownership structures requires targeted scrutiny. Although only approximately 4% of domestic companies and approximately 5% of overseas companies show more complex ownership, these entities have a higher potential for opacity than simple owner-managed companies. Fourth, emerging structures such as segregated accounts companies should be monitored as they become operational.

The National Action Plan should therefore focus on data quality, enforcement of BO obligations, inter-agency information sharing, competent-authority access, risk-based monitoring of complex structures and continued support to gatekeepers that rely on corporate and BO information.

Conclusion

Jamaica's legal-persons assessment is a strong example of risk-based analysis. NRA3 recognizes the global misuse potential of legal persons but grounds Jamaica's rating in domestic evidence. The legal-persons landscape is dominated by local, private, relatively simple companies. Complex ownership structures are limited. Overseas companies are a small share of active companies. There was no identified pattern of misuse or abuse of legal persons for ML/TF in investigations, prosecutions or convictions during the review period.

The residual risk of misuse or abuse of legal persons is therefore appropriately assessed as **Low**. This conclusion is reinforced by the 2023 beneficial ownership amendments, which materially strengthened Jamaica's alignment with FATF Recommendation 24 and improved competent-authority access to BO information.

Going forward, Jamaica should continue to maintain a dynamic approach. The key priorities are ensuring the accuracy and currency of BO data, monitoring higher-risk sectors and complex structures, strengthening inter-agency use of BO information, and keeping emerging company types under review. These measures will ensure that legal persons remain facilitators of legitimate commerce rather than vehicles for concealment.

Introduction

Legal arrangements differ from legal persons because they do not necessarily possess separate legal personality but can still hold and manage assets for the benefit of others. The principal legal arrangement considered in NRA3 is the trust.

Trusts serve legitimate purposes, including succession planning, asset management, charitable giving and fiduciary administration. At the same time, they may be used to obscure ownership and control where the identities of settlors, trustees and beneficiaries are not adequately known.

This assessment evaluates the extent to which legal arrangements are used in Jamaica, the vulnerabilities they present and the effectiveness of Jamaica's legal and supervisory framework in mitigating those risks.

Sector Overview

Evolution of the Sector

NRA2 identified the need to strengthen understanding of legal arrangements and the mechanisms available to obtain beneficial ownership information when trusts are used.

Since NRA2, Jamaica has materially strengthened the regulation of trust and corporate service providers through the Trust and Corporate Services Providers Act and supporting regulations. These reforms require licensing, fit-and-proper assessments, customer due diligence, recordkeeping and beneficial ownership verification. They significantly improve transparency over entities and professionals involved in establishing and administering trusts.

FATF Guidelines on Legal Arrangements (R.25)

The FATF defines a legal arrangement as *"…. express trusts and other similar legal arrangements. Examples of other similar arrangements (for AML/CFT purposes) may include but are not limited to fiducie, certain types of Treuhand, fideicomiso and Waqf."*

The FATF further defines Express Trusts as *"……a trust clearly created by the settlor, usually in the form of a document e.g. a written deed of trust. They are to be contrasted with trusts which come into being through the operation of the law and which do not result from the clear intent or decision of a settlor to create a trust or similar legal arrangements (e.g. constructive trust)."*

Consequent upon the aforementioned definitions, the FATF's Recommendation 25 outlines the requirement for countries to identify express trusts, to assess the associated ML/TF risks of misuse, and to take preventive measures. This includes ensuring the adequacy and efficacy of the legal frameworks for adequate, accurate, and up-to-date information on the legal and beneficial ownership of express trusts and other similar legal arrangements. This includes information on the settlor(s), trustee(s), protector(s), enforcer(s) and beneficiary(ies), or class(es) of beneficiaries, and any other person exercising ultimate effective control, that can be obtained or accessed efficiently and in a timely manner by competent authorities, law enforcement, as well as financial institutions (FIs) and Designated Non-Financial Businesses and Professions (DNFBPs) in the course of business.

Legal Arrangement Landscape in Jamaica

The Jamaican legal arrangement landscape presented in NRA 2 forms the baseline of this assessment (**Annex J: Legal Arrangements in Jamaica (Baseline)**).

NRA3 indicates that trusts are less widely used in Jamaica when compared with ordinary companies and other legal persons. Their use is concentrated in estate planning, fiduciary administration and specialised commercial or family arrangements. This relatively limited prevalence is a key analytical factor. Lower usage means lower aggregate exposure, fewer opportunities for misuse and a smaller population requiring targeted oversight.

Where trusts are used, they are typically established with the assistance of attorneys, accountants, licensed TCSPs and financial institutions, all of which are subject to AML/CFT obligations.

Express Trusts

A trust may involve multiple parties, including a settlor, trustee, beneficiaries and, in some cases, protectors or other controlling persons. Legal ownership is separated from beneficial enjoyment; understanding who ultimately controls or benefits from the arrangement can be more complex than in a simple company structure.

A summary of Jamaican legal arrangements can be found in **Annex J: Types of Legal Arrangements**.

The scope of Trusts in Jamaica ranges from those registered and/or administered by the TSCPs under the TSCPA, as well as (domestic and foreign) trusts that own shares in legal persons under the Companies Act [See **Annex J: Landscape of Recorded Legal Arrangements**].

This structural feature is the principal source of vulnerability. If gatekeepers do not obtain and maintain accurate information on all relevant parties, trusts can obscure ownership, control, and the source of assets.

Money Laundering and Terrorism Financing Threats to Legal Arrangements

The ML/TF threat to legal arrangements is assessed as **Low**. Legal arrangements did not feature prominently in domestic investigations, prosecutions or convictions for money laundering or terrorist financing during the review period.

This finding suggests that trusts are not currently a common vehicle for concealing criminal proceeds in Jamaica. The prevailing typology remains self-laundering and the use of more direct ownership structures rather than sophisticated trust arrangements.

Inherent Vulnerabilities of Legal Arrangements

NRA3 recognises several inherent vulnerabilities associated with legal arrangements:

- Separation of legal and beneficial ownership;
- Discretionary beneficiaries whose interests may not be fixed;
- Cross-border trustees or beneficiaries;
- Use of protectors or other control mechanisms;
- Layering of trusts with companies and other legal structures; and
- Limited public visibility compared with company registries.

These features are internationally recognised risk factors, although their practical significance in Jamaica is constrained by the limited scale of trust activity.

Trusts Administered by TCSPs

Licensed Trust and Corporate Service Providers are central to Jamaica's mitigation framework. Where TCSPs establish or administer trusts, they must identify and verify settlors, trustees, beneficiaries, and other controlling persons, understand the purpose of the arrangement and maintain current records.

The TCSP sector is licensed and supervised by the FSC; trust administration is increasingly subject to structured oversight, including inspections, offsite monitoring and remediation where deficiencies are

identified. The proportion of Trusts administered by TCSPs is outlined in **Annex J:** Types of Trusts Administered by TSPs (December 2024).

Summary of Inherent Vulnerabilities

Inherent vulnerabilities were predominantly low, and primarily arose from the following variables. A summary of findings can be found in **Annex J**: Summary of Inherent Vulnerabilities for Legal Arrangements.

Cross-Border Risk Exposure

Some trusts may involve foreign settlors, beneficiaries, trustees or underlying assets. Cross-border arrangements can increase complexity and may require cooperation with foreign competent authorities. NRA3 recognises that international cooperation and information exchange remain important tools where legal arrangements extend beyond Jamaica's borders.

Basic and Beneficial Ownership (BO) Disclosure for Trusts Registered as Companies

All Companies are required to disclose their beneficial owners to the Registrar. This obligation to provide BO Information is done annually and within 14 days when there are changes. The Companies Office of Jamaica (COJ) maintains an online BO Registry for all beneficial owners of companies incorporated under the Companies Act.

The Beneficial Owner Information collected includes: name, address, nationality, occupation, date of birth, taxpayer registration number, and the relation to the company that makes the individual(s) named the beneficial owner of the company. A beneficial owner may be determined by either ownership of 25% or more of the shares held, by ultimate effective control of the company, or by control through a management position, date of commencement, or cessation of the beneficial owner.

Information from complex corporate structures is provided by companies when filing their annual returns. The COJ has provided a complex structure generator tool on its Bohub website to assist companies in identifying beneficial owners.

Table: Accuracy of BOI

Legal Arrangements		
Type Legal Persons	BO Disclosure Requirements	Frequency of Disclosure
1)Trusts as a member/shareholder in Companies incorporated under the Companies Act	Where the Trust owns shares in a Company under the Companies Act or is a member of a company without a share capital or; Where the company is a Unit Trust or; Where the company is limited by guarantee and registered as a Trust eg: charitable trust,	i) At incorporation (S8) ii) Changes within 14 days (S109) iii) Annually (S377A)

		the following is provided: Collected by COJ: BO Particulars: Name, address, nationality, occupation, date of birth, and taxpayer registration number /other Tax Identification number (eg. passport number). BO Relationship: The relation to the company that makes the individual(s) the beneficial owner of the company. A beneficial owner may be determined by either ownership of 25% or more of the shares held by ultimate effective control of the company, or by control through a management position. BO Dates: Date of commencement and cessation of the beneficial owner		
	Trusts under the TCSPA	**Verification is done by the TCSPs as well as by the FSC as the Supervisor.**	TCSPA Section 16, 30A, Regulation 12	

Interconnectedness of Legal Arrangements

Attorneys, Accountants and Financial Institutions

Attorneys and accountants often assist in establishing trusts and advising on succession and tax matters. Banks, securities dealers and other financial institutions may onboard trusts as customers and are required to identify and verify all relevant parties.

This network of gatekeepers materially reduces risk when due diligence is applied effectively. Each participant contributes to the collection and verification of information on ownership, control, and source of funds.

Legal Persons

Trusts are often used in conjunction with companies and other legal persons to hold assets or conduct transactions. As a result, weaknesses in trust transparency can compound vulnerabilities in the legal-persons framework.

Conversely, the strengthened beneficial ownership and TCSP regimes reinforce one another by improving transparency across both legal persons and legal arrangements.

Residual Gaps and National Action Plan Priorities

Residual challenges include maintaining accurate information on all relevant trust parties, monitoring cross-border structures and ensuring that gatekeepers consistently understand Recommendation 25 requirements.

The National Action Plan prioritises continued supervisory outreach, inter-agency cooperation and strengthening the practical use of trust information by competent authorities.

Conclusion

Jamaica's legal arrangements assessment reflects a proportionate and evidence-based conclusion. Trusts can be used internationally to obscure ownership and control, but their use in Jamaica is relatively limited and they have not featured prominently in financial crime investigations during the assessment period.

The residual risk of misuse or abuse of legal arrangements is therefore appropriately assessed as **Low.** This conclusion is reinforced by the licensing and supervision of TCSPs, stronger AML/CFT obligations for attorneys and accountants, and the customer due diligence requirements imposed on financial institutions.

Going forward, Jamaica will continue to strengthen information quality, supervisory coordination and the ability of competent authorities to access timely information on settlors, trustees, beneficiaries and other controlling persons. These measures will ensure that legal arrangements remain transparent and are not misused to conceal illicit assets.

Introduction

Non-Profit Organisations (NPOs) include charities, religious entities, foundations, community groups and other organisations established for charitable, educational, religious, cultural or humanitarian purposes. They are essential partners in social development and disaster response and frequently deliver services where public and private resources are limited.

The purpose of this assessment is to analyse the extent to which NPOs may be vulnerable to abuse for terrorist financing or money laundering and to evaluate whether the supervisory and outreach frameworks administered by the Department of Co-operatives and Friendly Societies (DCFS) and other competent authorities adequately mitigate those risks.

Sector Overview

Evolution of the Sector

NRA2 identified the need for a more refined and risk-based understanding of the NPO sector, particularly to distinguish between the broader charitable community and the subset of organisations potentially vulnerable to terrorist financing abuse.

Since NRA2, Jamaica has undertaken significant reforms. These include enhanced registration and recordkeeping, outreach to NPOs, targeted risk assessments, improved inter-agency coordination and more focused implementation of FATF Recommendation 8. These measures have materially improved transparency and reduced the risk of unnecessary disruption to legitimate charitable activities.

Sector Profile and Market Size

The NPO sector is diverse and includes faith-based organisations, educational charities, health and social service providers, foundations and community-based groups. Most entities are domestically focused and rely on local donations, grants and volunteer support.

The sector contributes significantly to social welfare, poverty reduction, education, healthcare, youth development and disaster response. This societal importance is a central consideration in the risk assessment and underscores the need for proportionate supervision.

FATF Guidelines for NPOs

The FATF defines an NPO as a "legal person or arrangement", or an organisation that primarily engages in raising or disbursing funds for purposes such as charitable, religious, cultural, educational, social or fraternal, or for the carrying out of other types of "good works."

FATF's Recommendation 8 was intended solely for those NPOs that are susceptible to terrorist financing abuse, given that not all NPOs are inherently high risk. It requires countries to review both the adequacy and the efficacy of their legislative frameworks governing non-profit organisations to identify and address vulnerabilities that may allow these organisations to be abused or misused by terrorist organisations. These risks include:

a. posing as legitimate entities;
b. seeking to exploit legitimate entities as conduits for terrorist financing, including for the purpose of escaping asset-freezing measures; and
c. concealing or obscuring the clandestine diversion of funds intended for legitimate purposes to terrorist organisations.

Countries are required to adopt and implement measures to protect the sector against abuse and exploitation, as well as identify and take effective, proportionate and dissuasive actions against those NPOs that through, either negligence or wilful blindness, enable such organisations to be used as conduits for terrorist financing. These measures adopted by countries should not disrupt or discourage legitimate charitable activities but rather promote transparency and engender greater confidence in the sector across the donor community and general public.

Sector at a glance:

Registered Charities	▪ Charities Authority (DCFS) ▪ **1,475 Registered Charitable Organisations**	Companies Limited by Guarantee (NPOs)	▪ Registrar of Companies (COJ) ▪ **6,086 Companies Limited by Guarantee without share capital**
Main NPO Purposes (DCFS)	▪ Community Development - 141 ▪ Religion (local churches and councils) – 442 ▪ Arts & Culture – 44 ▪ Education – 293 ▪ Relief of those in Need - 286	Main NPO Purposes (COJ)	▪ Community Development - 2,949 ▪ Religion (local churches and councils) – 1,489 ▪ Arts & Culture – 1,061 ▪ Education – 198 ▪ Relief of those in Need - 30
Legal Structure (RCOs)	▪ Legal persons - 673 ▪ Legal Arrangements (Foundations, Trusts) - 802	Funding (RCOs)	▪ RCO Income (2024) – donations received and government support ▪ Total funding – J$35B (~2.06% of nominal GDP) ▪ Donations - J$24B (~1.42% of nominal GDP) ▪ Government support – J$11B (~0.64% of nominal GDP)
	Sector Risk Score	**LOW**	

Legal Framework

Jamaica's NPO ecosystem is anchored in a suite of statutes that collectively establish the sector's legal personality, tax status, and minimum governance expectations, including the Charities Act (2013) (and Regulations 2022), the Companies Act (as amended 2023) (companies limited by guarantee), the Friendly Societies Act (1968), the Trusts Act (2019) (trust deeds/foundations), and the Income Tax Act (1955) (tax exemptions/returns). The Charities Regulations, promulgated in 2022, introduced enhanced governance, financial accountability and compliance measures for Registered Charitable Organisations (RCOs) to prevent misuse and ensure transparency. The Department of Co-operatives & Friendly Societies (DCFS) functions as the Charities Authority with powers to register, monitor, suspend or revoke charitable status and to require

annual returns, financial statements and governing-body disclosures. Registration under the Charities Act remains voluntary in principle (it is pursued to access tax relief), but- practically -charities that seek duty and tax concessions, banking services and donor confidence enter the perimeter, creating a strong incentive to register.

Targeted Financial Sanctions (UNSCRIA) and Terrorism Prevention Act (TPA) obligations apply nationally and are relevant to NPOs through banking-channel due diligence, sanctions screening and suspicious activity reporting obligations of supervised financial institutions (FIs) and designated non-financial institutions (DNFIs). In practice, the sector's heavy reliance on formal banking channels brings NPO flows under POCA/TPA/UNSCRIA controls operated by FIs and DNFIs (customer due diligence, sanctions screening, monitoring, and GoAML reporting).

Supervisory Framework

During the period 2020 to 2025, the DCFS has materially strengthened its risk-based supervisory (RBS) oversight across the registration, monitoring, and renewal cycle:

- Entry & renewal controls: Application/renewal forms were re-tooled to capture governance, programme scope, domestic/foreign funding, banking arrangements and key control policies. Fitness-and-propriety checks of directors/officers were scrutinised and cross-checked with other public registers (e.g., Companies Office of Jamaica) and, where needed, shared with TAJ, Jamaica Customs and law-enforcement.
- Risk profiling & planning: A central RCO register maintains unique identifiers, programme categories and status flags (returns overdue, conditional registration). Basic profiles include foreign-funding share, cross-border activities, cash/in-kind intensity, sanctions awareness and governance maturity. These profiles drive the DCFS' monitoring and intervention/support programme.
- On-site/off-site testing: Inspections test the effectiveness of the RCO's internal controls and statutory requirements, including segregation of duties, dual signatories, procurement, cash/in-kind handling, conflict-of-interest, donor/beneficiary records and whether expenditure aligns to stated purposes. Written findings include time-bound corrective actions, with conditional re-registration where appropriate and follow-ups to confirm remediation.
- Registration platform, Data & Analytics: The DCFS developed and implemented an electronic registration platform in 2023 to enable efficient processing of RCO registrations and risk profiling of RCOs. Further work to refine the system is in progress to enable data capture for effective risk profiling, and to improve trend analysis (e.g., timeliness of annual returns, concentration of foreign donations, grant disbursement patterns). Data quality has, however, improved over the review period, aided by enhanced returns templates and sector outreach.
- Outreach & guidance: The DCFS engages the sector in regular clinics/webinars to support RCO boards on fiduciary duties, financial stewardship, sanctions awareness and record-keeping. The DCFS also provides support to RCOs by sharing model policies and guidance notes or best practices on programme execution, as well as templates to guide budgets, donor acknowledgments, gift-in-kind valuation, related-party disclosures, and assist smaller volunteer-led entities operationalise basic controls.
- Enforcement ladder: Proportionate measures - including finding letters, conditional registration, escalated re-visits, and, where necessary, refusal/suspension - are now applied consistently. The emphasis remains remedial and facilitative, in line with the objective of international standards to protect legitimate activity while guarding against misuse and/or abuse.
- Inter-agency coordination also matured over the period. The DCFS shares updates on the status of RCOs with key partners - COJ on registration of RCOs, the TAJ on relief grants, the Jamaica Customs Agency on concessions usage, and consults with law-enforcement when adverse indicators arise. The banking sector provides a robust "second line" around NPO flows via CDD/EDD, sanctions screening and GoAML reporting where violations are observed.

Terrorism Financing, Money Laundering and Proliferation Financing Threats in the NPO Sector

Jamaica's TF threat level remains low and there were no observed domestic TF cases involving NPOs in the review period. Jamaica's NPO sector targets domestic relief and benevolent endeavours and is structurally unattractive to foreign or domestic extremist activity.

The FATF-recognized typologies - posing as legitimate NPOs, exploiting legitimate NPOs as conduits, or diverting funds from legitimate programmes - remain theoretically relevant to the internationally-connected minority of entities. The practical risk is tempered by: (i) pervasive bank-based controls (sanctions screening at onboarding/transactions, monitoring, and STR/SAR/PER filings); (ii) improved DCFS risk-profiling and oversight (focus on foreign inflows, cross-border work, and governance capacity); and (iii) inter-agency information-sharing. PF exposure via NPOs is assessed as very low, primarily as programme purposes and funding patterns are domestic service activities with limited trade or dual-use linkages. Sanctions awareness is reinforced through FI and DNFI relationships.

Inherent Vulnerabilities

As at the NRA2 baseline, there were 1,228 registered charities, 269 benevolent societies, 236 friendly societies and 474 trusts/foundations; companies limited by guarantee (without share capital) numbered 5,764. Donations captured for roughly one-third of registered charities equated to ~0.7 % of GDP (2019); sector-wide projections were ~2 % of GDP, signalling moderate economic scale with concentrated larger entities.

As of December 31, 2024, there were approximately 7,561 NPOs that satisfied the FATF definition of an NPO, of which 1,475 are Registered Charitable Organizations (RCOs) and 6, 086 are registered as companies limited by guarantee without a share capital at the Companies Office of Jamaica. Donations captured for approximately 53% of registered charities equated to ~2.06 % of GDP (2024), with ~31% funded through government support, signalling moderate economic scale concentrated in larger entities.

The Registered Charitable Organizations (RCOs) are entities incorporated under the Companies Act, the Friendly Societies Act, or some other Act of Parliament, as well as unincorporated entities, on the approval of the Charities authority [see **Annex K:** Dispersion of Registered Charitable Organizations (2024)]. Incorporated RCOs primarily include Companies limited by guarantee without a share capital, Foundations, Benevolent Societies and Friendly Societies. Unincorporated RCOs include clubs and associations, and account for approximately 1% of the RCO portfolio, with sixteen (16) registered unincorporated RCOs. Although unincorporated, these RCOs are subject to a structured registration process, which involves having their Constitution stamped at the tax collectorate (Tax Administration Jamaica) and lodged at the Registrar General's Department (RGD), after which an application for registration as an RCO is submitted to the Charities Authority (DCFS), in the established manner. The registration process includes the provision of statutory and tax identification numbers (NIS and TRN). As an unincorporated entity, the DCFS facilitates the process of obtaining the necessary statutory and tax identification numbers by providing the applicant with letters to the national insurance offices and tax authorities to secure the respective NIS number and TRN.

The principal vulnerabilities involve diversion of charitable funds, use of false beneficiaries, inadequate oversight of overseas partners and insufficient segregation of duties. Weak governance and poor recordkeeping can increase the risk that funds are misapplied or redirected.

These vulnerabilities are most significant where organisations handle substantial funds, conduct cross-border activity or rely on complex networks of affiliates and implementing partners.

Funding, Distribution and Cash Risks

NPOs may receive donations from individuals, corporations, grant-making bodies and diaspora supporters. Funds may be distributed to beneficiaries directly or through partner organisations.

Cash usage is not inherently suspicious, especially in humanitarian and community settings. The principal risk arises where there is inadequate documentation of receipt, custody and disbursement of funds or where payments are made to beneficiaries or counterparties that cannot be independently verified.

Residual Gaps and National Action Plan Priorities

Remaining priorities include improving data quality, refining risk segmentation, enhancing sanctions awareness, strengthening partner due diligence and maintaining close coordination among competent authorities.

The National Action Plan supports continued outreach and targeted monitoring of higher-risk NPOs while preserving a proportionate and enabling regulatory environment.

Conclusion

The TF threat to/through NPOs in Jamaica is **LOW**. The NPO sector is a vital component of Jamaica's social and developmental infrastructure. The overwhelming majority of organisations are legitimate and provide essential services to communities across the country.

The residual risk is appropriately assessed as **Low**. This reflects targeted vulnerabilities associated with a smaller subset of higher-risk organisations, balanced against improved registration, governance, outreach and risk-based monitoring.

Going forward, Jamaica will continue to strengthen risk segmentation, governance standards and inter-agency coordination to ensure that NPOs remain both effective social partners and resilient participants in the national AML/CFT/CPF framework.

Part VII- Annexes

List of Tables, Figures and Boxes

Annex A – Jamaica's Legal & Institutional Framework

Law Enforcement Agencies and their Primary Legislation

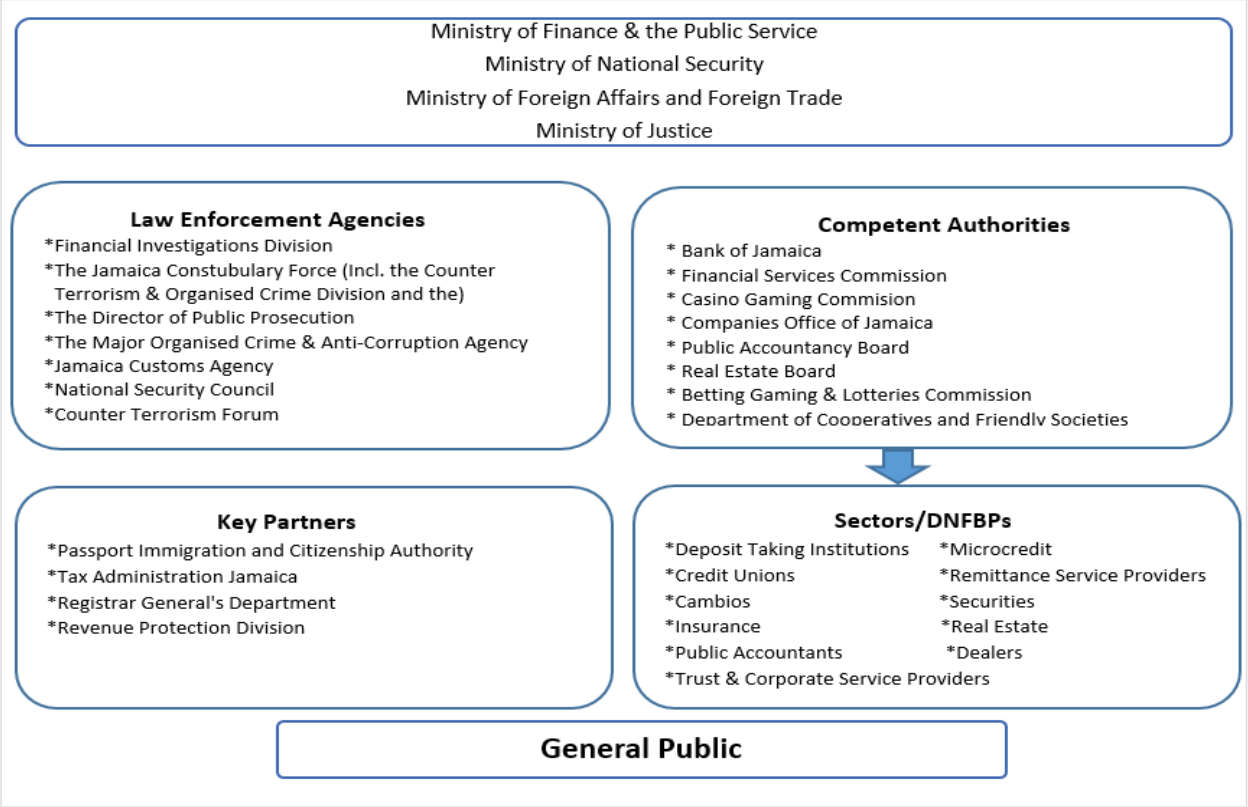
Law Enforcement Agencies	Legislations
Financial Investigation Division	The Financial Investigations Division Act
Office of the Director of Public Prosecution	Section 94 of the Jamaica Constitution The Mutual Assistance (Criminal Matters) Act
The Jamaica Constabulary Force	The Constabulary Force Act
(Including the Counter Terrorism & Organised Crime Division and the– Constabulary Financial Unit)	The Terrorism Prevention Act
	The Interception of Communications Act
The Major Organised Crime & Anti-Corruption Agency	The Major Organised Crime and Anti-Corruption Agency Act
	The Corruption Prevention Act

Competent Authorities and their Primary Legislation(s)

Competent Authorities	Sectors	Legislations
Bank of Jamaica	Banking Sector	The Banking Services Act
		Bank of Jamaica Act
		Guidance Notes on the Prevention of Money Laundering and Countering the Financing of Terrorism, Proliferation and Managing Related Risks
	Cambio & Remittance	Bank of Jamaica Act
		Operating Directions issued under the BOJ Act by BOJ under authority delegated by the Ministry of Finance and the Public Service
		Guidance Notes on the Prevention of Money Laundering and Countering the Financing of Terrorism, Proliferation and Managing Related Risks
	Microcredit	Microcredit Act
Department of Cooperatives & Friendly Societies	Credit Unions	The Co-operative Societies Act
		The Co-operative Societies Regulations
Financial Services Commission	Life Insurance	The Financial Services Commission Act
		The Insurance Act
		Guidelines on the Prevention of Money Laundering and Countering the Financing of Terrorism and Proliferation
	Securities Sector	The Financial Services Commission Act
		The Securities Act

		Guidelines on the Prevention of Money Laundering and Countering the Financing of Terrorism and Proliferation
Real Estate Board	Real Estate Dealers	The Real Estate (Dealers & Developers) Act
		Anti-Money Laundering Guidance for Real Estate Dealers
Betting Gaming & Lotteries Commission	Gaming Lounges	The Betting, Gaming, and Lotteries Act
		The Betting, Gaming, and Lotteries Commission Guidance Notes for Gaming Lounge Operators
Companies Office	All	The Companies Act
Public Accountancy Board	Public Accountants	The Public Accountancy Act
General Legal Council	Attorneys	The Legal Profession Act

Key Stakeholders in Jamaica's AML/CFT/CPF Regime



Annex B — National Risk Picture: 2017 MER to present

Jamaica's Technical Compliance Ratings, January 2017

R 1	R 2	R 3	R 4	R 5	R 6	R 7	R 8	R 9	R 10
PC	PC	LC	LC	LC	NC	PC	NC	C	PC
R 11	**R 12**	**R 13**	**R 14**	**R 15**	**R 16**	**R 17**	**R 18**	**R 19**	**R 20**
PC	PC	C	PC	C	LC	PC	PC	PC	C
R 21	**R 22**	**R 23**	**R 24**	**R 25**	**R 26**	**R 27**	**R 28**	**R 29**	**R 30**
PC	PC	PC	PC	PC	PC	PC	PC	LC	LC
R 31	**R 32**	**R 33**	**R 34**	**R 35**	**R 36**	**R 37**	**R 38**	**R 39**	**R 40**
LC	LC	PC	LC	PC	LC	C	LC	C	PC

Jamaica's Technical Compliance Ratings, December 2020

R 1	R 2	R 3	R 4	R 5	R 6	R 7	R 8	R 9	R 10
PC	LC	LC	LC	LC	LC	PC	PC	C	LC
R 11	**R 12**	**R 13**	**R 14**	**R 15**	**R 16**	**R 17**	**R 18**	**R 19**	**R 20**
LC	C	C	LC	PC	LC	LC	LC	LC	C
R 21	**R 22**	**R 23**	**R 24**	**R 25**	**R 26**	**R 27**	**R 28**	**R 29**	**R 30**
C	PC	PC	PC	PC	PC	PC	PC	LC	LC
R 31	**R 32**	**R 33**	**R 34**	**R 35**	**R 36**	**R 37**	**R 38**	**R 39**	**R 40**
LC	LC	C	LC	PC	LC	C	LC	C	PC

Jamaica's Technical Compliance with Re-Ratings, December 2023

R 1	R 2	R 3	R 4	R 5	R 6	R 7	R 8	R 9	R 10
LC	LC	LC	LC	LC	LC	PC	PC	C	LC
R 11	**R 12**	**R 13**	**R 14**	**R 15**	**R 16**	**R 17**	**R 18**	**R 19**	**R 20**
LC	C	C	LC	PC	LC	LC	LC	LC	C
R 21	**R 22**	**R 23**	**R 24**	**R 25**	**R 26**	**R 27**	**R 28**	**R 29**	**R 30**
C	LC	LC	C	C	LC	LC	LC	LC	LC
R 31	**R 32**	**R 33**	**R 34**	**R 35**	**R 36**	**R 37**	**R 38**	**R 39**	**R 40**
LC	LC	LC	LC	LC	LC	C	LC	C	LC

Key:

C	Compliant
LC	Largely compliant – There are only minor shortcomings
PC	Partially compliant – There are moderate shortcomings
NC	Non-compliant – There are major shortcomings
NA	Not applicable – A requirement does not apply, due to the structural, legal or institutional features of the country

Annex C – National Threat Assessment

Key Predicate Offences (and Threat Levels)

Predicate Offences	ML THREAT	TREND
Terrorism Financing	L	↔
Human Trafficking	ML	↑
Trafficking in Narcotics (all offences other than simple possession)	H	↑
Trafficking in Arms (all offences involving firearms)	MH	↓
Receiving Stolen Goods	L	↔
Larceny Act Offences (excluding robbery, receiving stolen goods, extortion and fraud/embezzlement)	MH	↔
Corruption/Bribery	M	↓
Fraud (to include all descriptions of fraud under the Larceny Act including embezzlement)	H	↑
Law Reform (Fraudulent Transactions) (Special Provisions) Act 2013	MH	↔
Cybercrimes breaches	H	↑
Breach of Intellectual property rights including copyright, patents and trademarks.	MH	↓
Kidnapping for ransom	L	↔
Breaches of the Bank of Jamaica Act (illegal cambio and unauthorized purchase and sale of foreign currencies)	ML	↓
Breaches of the Betting Gaming and Lotteries Act (Illegal gambling and gaming)	L	↔
Criminal Justice (Suppression of Criminal Organisations) Act 2014	MH	↓
Cross Border - Cash Smuggling	MH	↔
Environmental Crime (including illegal quarrying)	L	↔
Extortion	ML	↓
Forgery	M	↔
POCA 101A	L	↔
Robbery	ML	↔
Tax crimes (Breaches Revenue Administration Act (RAA/GCT/Income Tax etc)	ML	↔
Murder for Hire	ML	↔

Key:

ML THREAT
H – High
MH – Medium High
M – Medium
ML – Medium Low
L – Low

TREND
No Change ↔
Increasing ↑
Decreasing ↓

Annex D – National Vulnerability Assessment

National ML Combative Ability

Variable	NRA 3 Ratings	NRA 2 Ratings	Change
Quality of AML Policy & Strategy	0.8	0.4	→
Effectiveness of ML Crime Definition	0.8	0.8	↔
Comprehensiveness of Asset Forfeiture Laws	0.8	0.8	↔
Quality of FIU Intelligence Gathering & Processing	0.8	0.8	↔
Capacity & Resources of Financial Crime Investigators	0.7	0.6	→
Integrity & Independence of Financial Crime Investigators	0.7	0.6	→
Capacity & Resources of Financial Crime Prosecutors	0.8	0.5	→
Integrity & Independence of Financial Crime Prosecutors	0.9	0.9	↔
Capacity & Resources for Judicial Processes	0.8	0.2	→
Integrity & Independence of Judges	0.9	0.9	↔
Quality of Border Control	0.7	0.4	→
Comprehensiveness of Customs Regime on Cash & Similar Instruments	0.8	0.5	→
Effectiveness of Customs Controls on Cash & Similar Instruments	0.8	0.3	→
Effectiveness of Domestic Cooperation	0.7	0.6	→
Effectiveness of International Cooperation	0.8	0.7	→
Availability of Independent Audit	0.8	0.8	↔
Level of Financial Integrity	0.9	0.8	→
Effectiveness of Tax Enforcement	0.9	0.8	→
Formalization of the Economy	0.4	0.2	→
Availability of Reliable Identification Infrastructure	0.8	0.4	→
Availability of Independent Information Sources	0.6	0.4	→
Available & Access to Beneficial Ownership Information	0.8	0.5	→
Overall Ratings	**0.72**	**0.40**	

Key Poverty and Vulnerability Indicators in Jamaica, 2021 - 2023

Indicator	2021	2023	Comment
Greater Kingston Metropolitan Area	10.4 %	3.0 %	Substantial reduction
Other Urban Centres (OUC)	15.5 %	9.0 %	Noticeable decline
Rural Areas	22.1 %	11.5 %	Still highest, but much improved
Overall National Poverty Rate	11.5 % (alt: 16.7 %)	8.2 %	Marginal decline nationally (check source consistency)
Food Insecurity (poorest households)	—	High incidence	Moderate to severe food insecurity persists

Source: Planning Institute of Jamaica; Jamaica Observer[14]

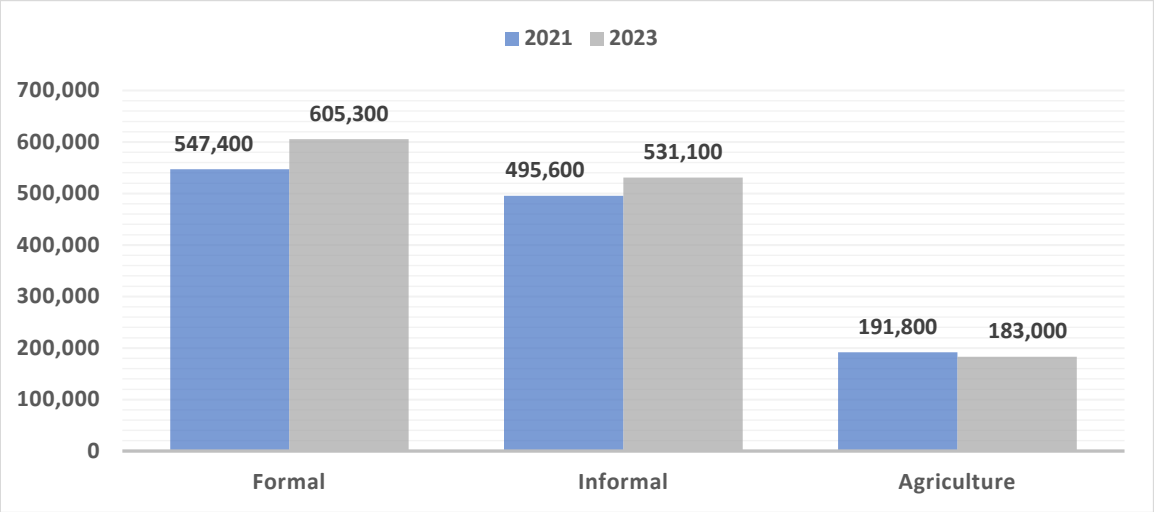
[14] Source: Planning Institute of Jamaica, 'PIOJ reports decline in poverty' (JIS, 22 May 2025) https://jis.gov.jm/decline-in-poverty/
Jamaica Observer, 'Record drop in poverty' (22 May 2025) https://www.jamaicaobserver.com/2025/05/22/record-drop-poverty/

Trend in Payment Methods in Jamaica, 2020 - 2025

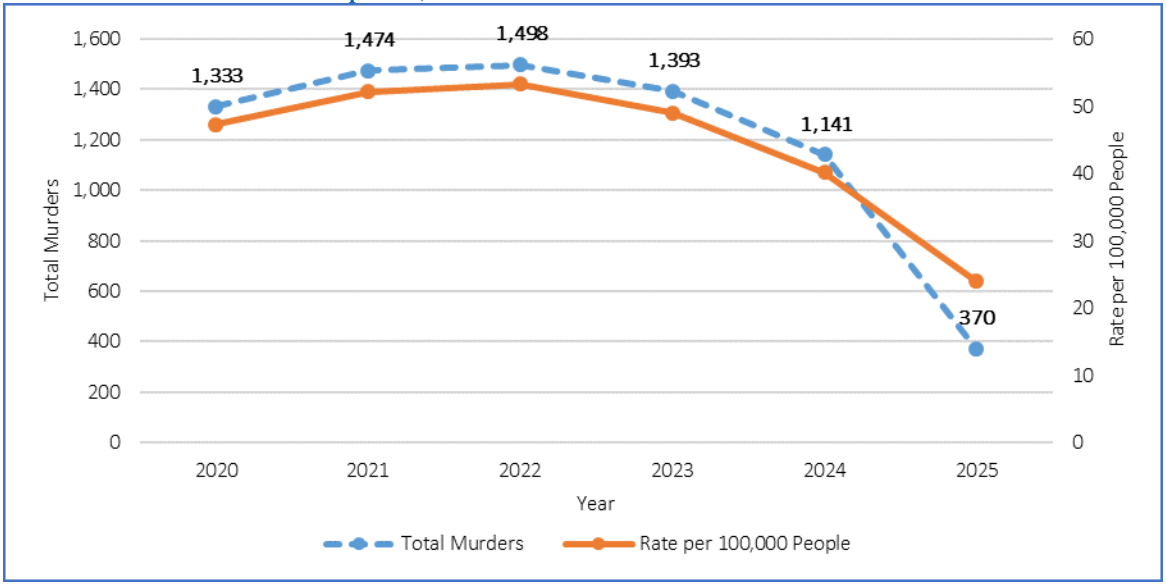
Payment Method	Trend (2020–2025)	Notes
Cash	Stable to slightly declining	Still dominant in informal sectors
Cheques	Sharp decline (–68%)	Largely replaced by digital methods
Debit Cards	Strong growth (+193%)	Widely used for retail purchases
Credit Cards	Moderate growth	Increasing consumer adoption
Digital Wallets	Emerging, growing fast	Especially among younger users
RTGS	High-value growth (+146%)	Backbone of institutional payments

Annex D- Figures

Estimated Size of the Formal and Informal Economy



Trend in Total Murders and Rates per 100,000



Annex E – Terrorism and Terrorist Financing Risk

Terrorism Financing Residual Risk Synthesis

TF Threat/ Vulnerability	Rating	Status
Domestic Threat	Very Low	No threat events observed or reported.
Cross-Border	Low	Both incoming and outgoing are managed.
Transit/ Logistics	Low - Moderate	Structural, mitigated by selectivity.
Institutional Vulnerability	Low	Strong legal powers, proven sanctions machinery, maturing BO/ID infrastructure, and functional cooperation.
Overall TF Risk	**Low**	**Stable and credibly managed.**

Annex F – Proliferation Financing Risk Assessment

Jamaican Outbound Wires to Russia, 2020 - 2024

Year	Sending Country	Receiving Country	Total Value (US$)	Total Volume	Share of Total National Value (%)	Share of Total National Volume (%)
2020	Jamaica	Russia	233,208	64	0.002	0.027
2021	Jamaica	Russia	353,547	36	0.002	0.015
2022	Jamaica	Russia	13,495	9	> 0.001	0.003
2023	Jamaica	Russia	19,367	4	> 0.001	0.001
2024	Jamaica	Russia	2,684	1	> 0.001	> 0.001

Jamaican Outbound Wires to Laos, 2020 - 2024

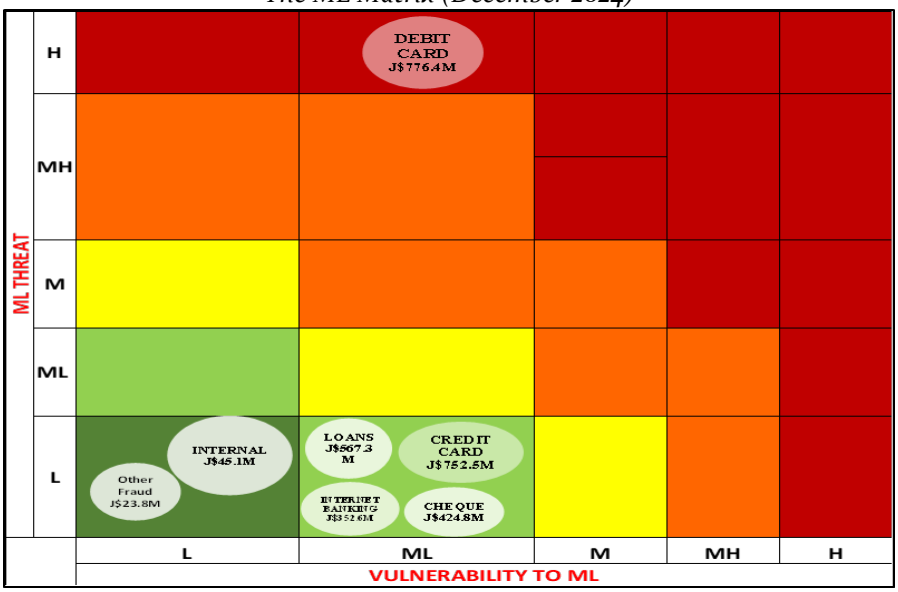
Year	Sending Country	Receiving Country	Total Value (US$)	Total Volume	Share of Total National Value (%)	Share of Total National Volume (%)
2020						
2021	Jamaica	Laos	5,900	1	> 0.001	> 0.001
2022	Jamaica	Laos	5,900	1	> 0.001	> 0.001
2023	Jamaica	Laos	0	0	0	0
2024	Jamaica	Laos	7,950	1	> 0.001	> 0.001

Annex G — Thematic Studies and Typologies

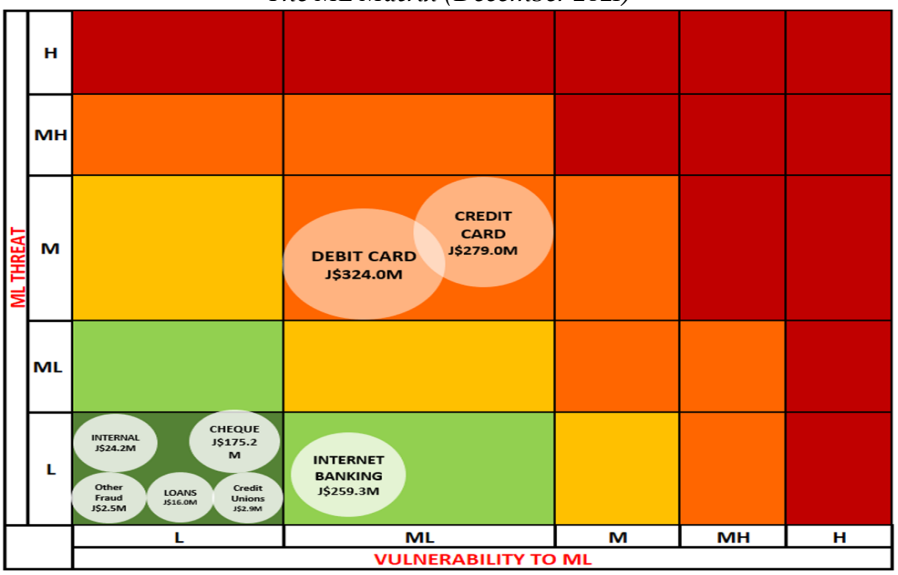
Bank Fraud

Money Laundering Matrices, 2021/2024

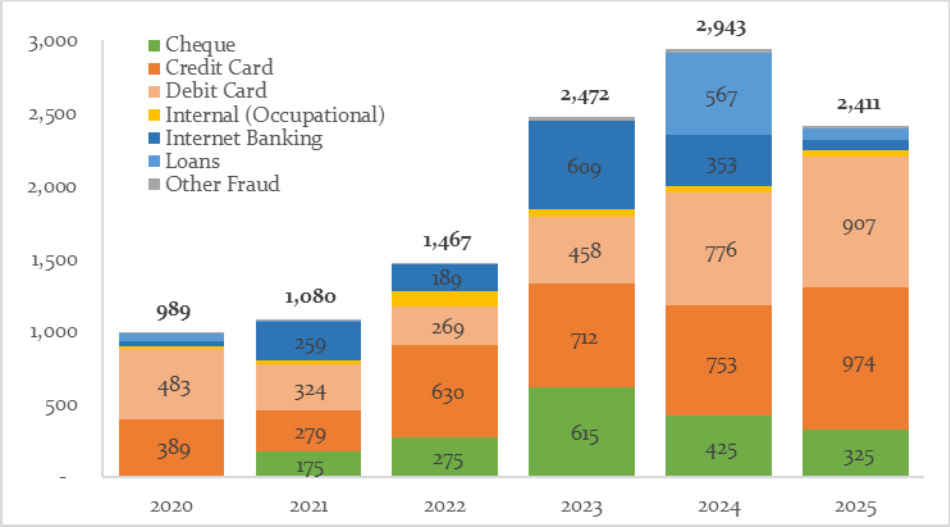
The ML Matrix (December 2024)



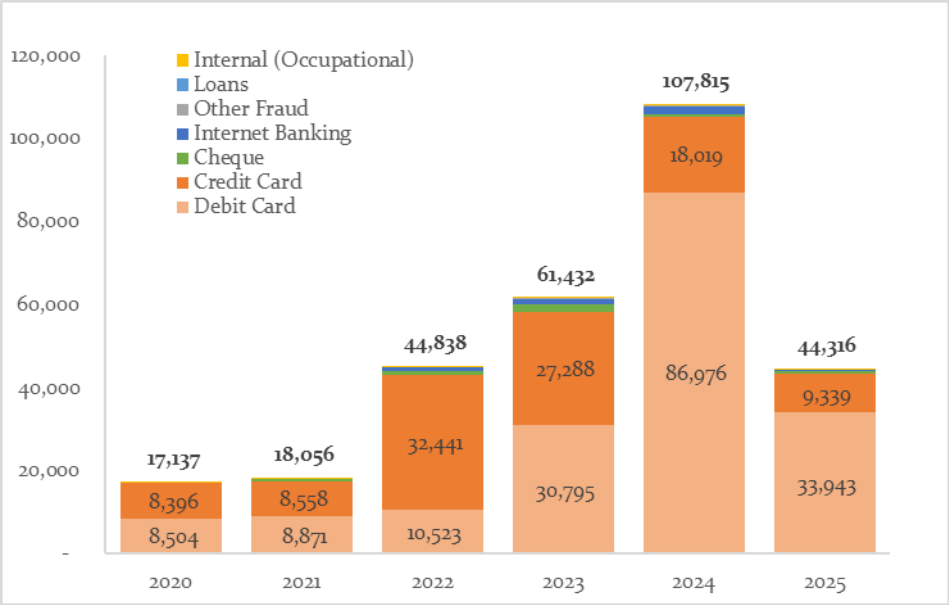
The ML Matrix (December 2021)



Stock Composition of Annual Fraud Amounts Reported (JMD millions)



Total Annual Number of Fraud Occurrences in the DTI Sector



Annex H — Financial Sector Risk Assessments

Financial Sector Vulnerability Ratings

Sector	Sector's Vulnerability to ML		Sector's ML Threats		Overall Sector Risk Score	
	2021	2025	2021	2025	2021	2025
Deposit Taking Institutions (DTIs)	Medium	Medium-Low	Medium	Medium	**MEDIUM**	**MEDIUM**
Securities	Medium	Medium	Medium	Medium-High	**MEDIUM**	**MEDIUM-HIGH**
Life Insurance Companies	Medium	Medium-Low	Low	Low	**MEDIUM-LOW**	**MEDIUM-LOW**
Remittance	Medium-High	Medium-Low	High	Medium-Low	**HIGH**	**MEDIUM-LOW**
Cambios	Medium	Medium-Low	Medium	Medium-Low	**MEDIUM**	**MEDIUM-LOW**
Credit Unions	Medium-Low	Medium-Low	Low	Low	**MEDIUM-LOW**	**MEDIUM-LOW**
Microcredit Institutions	Medium-Low	Medium-Low	Not Assessed	Low	**N/A**	**MEDIUM-LOW**
Virtual Assets and Virtual Assets Service Providers	Not Assessed	Low	Not Assessed	Low	**N/A**	**LOW**

Deposit-Taking Institutions

Customer Risk Classification (2024)

Risk Grade	Commercial Banks	Building Society	Merchant Bank	DTI SYSTEM	% of SYSTEM
Number of Low-Risk Customers	2,907,731	607,917	294	3,515,942	70.7 %
Number of Medium-Risk Customers	811,239	2,040	193	813,472	16.4 %
Number of High-Risk Customers	360,950	58,190	19	419,159	8.4 %
Simplified Due Diligence	122,850	34	-	122,884	2.5 %
Number of Customers Unassigned	98,262	20	2	98,284	2.0 %
Total Customers	**4,301,032**	**668,201**	**508**	**4,969,741**	**100.0 %**

The NRA Risk Rating of Products/Services Offered by DTIs

Products/ Services	Risk Rating for ML/TF
Private Banking	Medium-Low
Current Account/ Retail Deposits	Medium-Low
Corporate Deposits	Medium-Low
Wire Transfers (Incoming and Outgoing)	Medium
Online Banking	Medium-Low
Credit Cards	Medium-Low
Debit Cards	Medium-Low

Securities Dealers

FSC's Risk Profiling of Licensees in the Securities Sector

Risk Profile	2020	2021	2022	2023	2024
Low	12	9	9	12	13
Moderate	6	6	8	9	11
Above Average	1	2	2	7	4
High	2	2	2	3	4

Life Insurance Companies

Vulnerabilities Assessment of Life Insurance Product/Services

Product Type	Assessment
1. Individual Life	Two of the four entities surveyed (50 per cent) offer various life insurance products. Based on the responses received, those offering whole life, term life, life with savings, and life with investment options indicated that agents are used in the sale of these products. Similarly, two out of the four entities (50 per cent) reported offering endowment products, with agents also being utilized in their distribution.
2. Group Life	All four entities surveyed offer group life insurance products; however, only three out of the four (75 per cent) utilize agents in the sale of these products.
3. Annuities (Individual and Group)	Based on the survey responses, only two out of the four entities (50 per cent) offer fixed and variable term annuity products (individual life annuities), and both utilize agents in the sale of these products. Group life annuities are offered by one of the four entities (25 per cent), and this entity also uses agents for distribution.
4. Sickness & Health (Group and Individual)	Only one of the four entities surveyed (25 per cent) indicated that they offer group long-term care products, and this is done through agents. In contrast, all four entities (100 per cent) offer individual critical illness products, all of which are distributed to customers through agents.

Remittance Companies

Jamaica's Remittance Flows (USD Millions), 2020 - 2024

Year/Period	Inbound Transfers		Outbound Transfers	
	Value USD Mn	No. of Transfers ('000)	Value USD Mn	No. of Transfers ('000)
2020	2,459.44	10,951.43	59.41	177.60
2021	3,011.51	12,107.63	52.58	155.42
2022	2,956.28	11,709.29	61.22	178.40
2023	2,921.91	11,343.39	74.82	219.74
2024	2,919.12	11,063.10	80.68	239.28

Cambios

Distribution of Cambio Purchases, 2020 - 2024

	2020		2021		2022		2023		2024	
Description	**Amount (USD Mn)**	**Share of Total (%)**	**Amount (USD Mn)**	**Share of Total (%)**	**Amount (USD Mn)**	**Share of Total (%)**	**Amount (USD Mn)**	**Share of Total (%)**	**Amount (USD Mn)**	**Share of Total (%)**
Total Purchases o/w	**4,566.01**	**100.00**	**5,174.66**	**100.00**	**5,064.19**	**100.00**	**5,138.88**	**100.00**	**4,768.57**	**100.00**
Cash	*301.81*	*6.61*	*421.22*	*8.14*	*567.70*	*11.21*	*537.01*	*10.45*	*433.33*	*9.09*
Non-Cash	*4,264.20*	*93.39*	*4,753.44*	*91.86*	*4,496.49*	*88.79*	*4,601.87*	*89.55*	*4,335.52*	*90.91*

Bulk Cash Shipment, 2020 - 2024

Year/Period	No. of Cambios	Value of Shipment [USD 'Mn]	Value as a % of the FX Market
2020	3	128.52	19.02
2021	2	136.06	17.27
2022	2	114.68	10.18
2023	3	119.72	11.50
2024	2	90.73	9.53

Credit Unions

Breakdown of Selected Financial Sectors as a per cent of GDP

Sector	Indicator	2020	2021	2022	2023	2024
Banking	Bank assets/GDP (%)	95.9	90.7	81.1	80.1	80.3
Securities Dealers	Securities dealers' assets/GDP (%)	51.5	47.2	41.3	40.2	40.8
Credit unions	Credit unions' assets/GDP (%)	6.5	5.9	5.3	5.3	5.6

Virtual Assets and Virtual Asset Providers

Normalization of VA/VASP Activity against System Wire Transfers and GDP (DTI Sector)

Year	VA/VASP Txns (Count)	VA/VASP Value (JMD)	Avg VA/VASP Txn (JMD)	VA/VASP Value as % of GDP	System Wire Transfers (Count)	System Wire Transfers (Value, JMD)	VA/VASP Count as % of Wire Count	VA/VASP Value as % of Wire Value
2020	97	3,350,017	34,536	0.0002%	578,077	3.53T	0.0168%	0.0001%
2021	26,042	1,105,788,682	42,462	0.0436%	613,952	4.77T	4.2417%	0.0232%
2022	92,937	2,871,378,393	30,896	0.0950%	697,810	4.93T	13.3184%	0.0582%
2023	119,508	3,688,622,268	30,865	0.1105%	751,240	5.05T	15.9081%	0.0731%
2024	31,379	773,734,186	24,658	0.0221%	572,052	3.88T	5.4853%	0.0200%
2020–2024 (Total)	**269,963**	**8,442,873,546**	**31,274**	**0.0582%**	**3,213,131**	**22.16T**	**8.4019%**	**0.0381%**

Jamaica's Financial System Snapshot

Indicator	2020–2024 / 2024 Snapshot	VA/VASP Relevance
Nominal GDP (Dec 2024)	USD 22.29B / JMD 3.5T	Materiality benchmark for VA flows
DTI assets (end-2024)	~JMD 2.8T	Main on/off-ramp controls
Remittances (avg 2020–2024)	~USD 2.9B (~15% GDP on average)	Potential corridor for stablecoin/P2P experimentation
Cash cap (POCA s.101A)	~USD 6.2k/JMD 1M	Pushes high-value flows into regulated rails

VA Exposure Points by Domestic Rail (Exposure Mapping)

Exposure Rail	How VA risk can touch Jamaica	Current Assessment
DTIs	Funding foreign VASP accounts (Fiat→VA), receiving proceeds (VA→Fiat)	Primary interface; controls strong
Remittance	Crypto-enabled transfers potentially substituting corridor remittances	Nascent; not material
Cambios	Cash/FX interface could be used to fund informal conversion	Plausible but low evidence
Securities Dealers	Potential VA investment products / tokenised exposure	Not observed, no mechanism to facilitate tokenised exposure
Real Estate	Integration risk (fiat proceeds used to purchase property)	Theoretical; no evidence of materiality

Inherent Risk by Type of Virtual Asset (VA Typology)

VA Type	Sub-Type	Inherent ML/TF Risk (Global)	Relevance in Jamaica	Supervisory Interpretation
Exchange VAs	Pseudo-anonymous (e.g. Bitcoin)	Very High	Present via offshore use	Risk exists in theory; domestically constrained by FI on- and off-ramps
Exchange VAs	Anonymous / privacy-enhanced (e.g. Monero)	Very High	Limited / niche	No material domestic indicators identified
Platform VAs	Smart-contract platforms	High	Limited	Usage observed among small, tech-savvy cohort
Stablecoins	USD-pegged	Medium	Present	Used primarily for value stability on offshore platforms
Utility VAs	Platform-specific tokens	Low	Minimal	No evidence of material domestic use
Security VAs	Tokenised securities	Low	Not observed	No domestic issuance or trading
Closed VAs	Game / closed systems	Very Low	Not observed	No relevance in domestic context

Aggregated Inherent VA Risk Scores (Conversion Services)

VA Risk Component	Weighted Contribution
VA Nature & Profile	23%
Accessibility to Criminal	27%
Source of Funding VA	20%
Operational Features of VA	31%
Ease of Criminality	28%
Economic Impact	20%
Overall Inherent VA Risk Exposure	≈ 25%

Inherent Risk by VASP Activity Type (Jamaican Context)

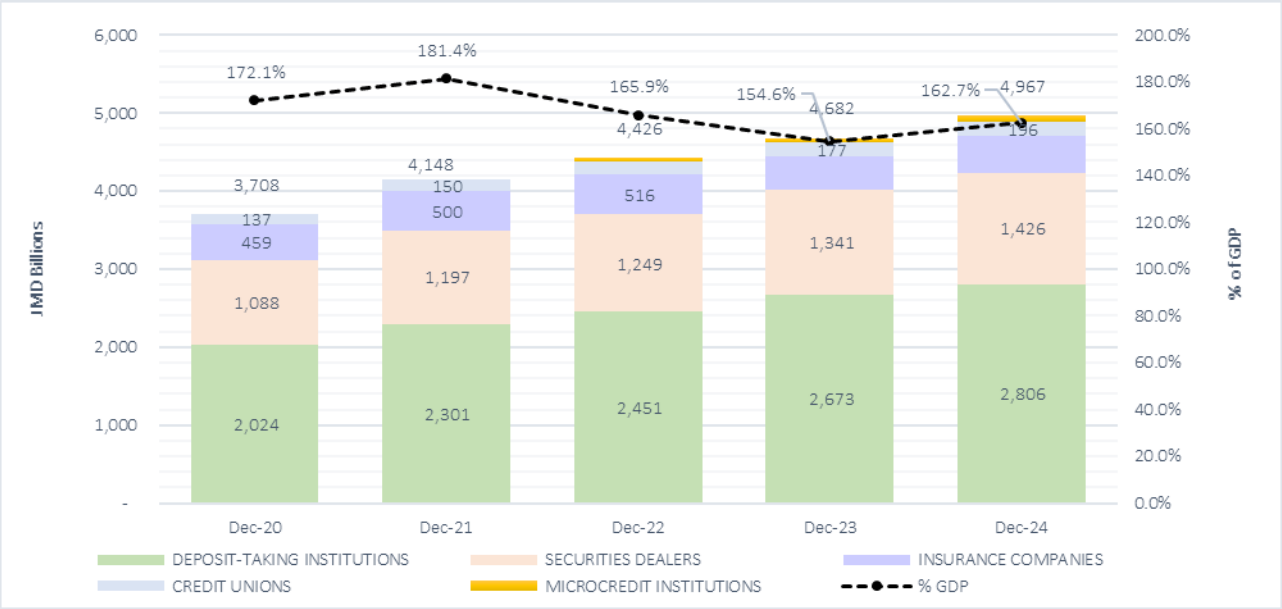
VASP Activity	Sub-type	Inherent ML/TF Risk (Global)	Domestic Presence	Treatment in Jamaica Assessment
Exchange	Centralised exchanges	High	No	Assessed via foreign access and domestic FI on/off-ramps
Exchange	P2P exchanges	Medium	Informal only	Assessed as secondary exposure; largely filtered through FI rails
Custody	Custodian wallet providers	Medium	No	Not applicable domestically; foreign exposure considered qualitatively
Brokerage	VA brokers	Medium	No	Not applicable domestically
Issuance	ICO/IEO	Medium	No	Not observed domestically
Other	Anonymisation tools	Medium	No	Global typology only
Infrastructure	Miners/validators	Low	No	Does not exist domestically

Jamaica's VA-VASP Transmission Model

Stage	Offshore Activity	Domestic Interface	Risk Control Layer
Funding	Resident funds foreign VASP account	Bank transfer / card payment	CDD, transaction monitoring, sanctions screening
Holding	Assets held on foreign platform	No domestic interface	Outside domestic jurisdiction
Trading	Exchange, P2P or platform activity	No domestic interface	Outside domestic jurisdiction
Withdrawal	VA converted to fiat offshore	Funds returned to domestic account	Monitoring, counterparty review, STR triggers

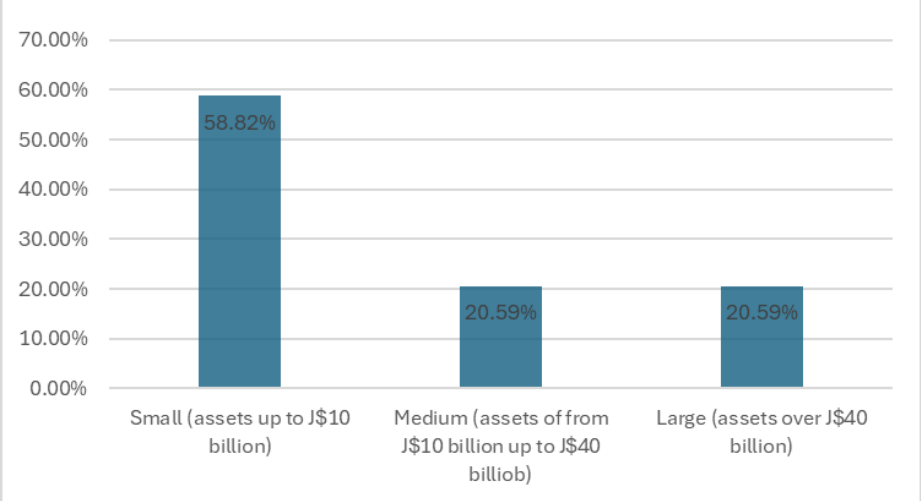
Annex H- Figures

Distribution of Assets in the Financial Services Sector



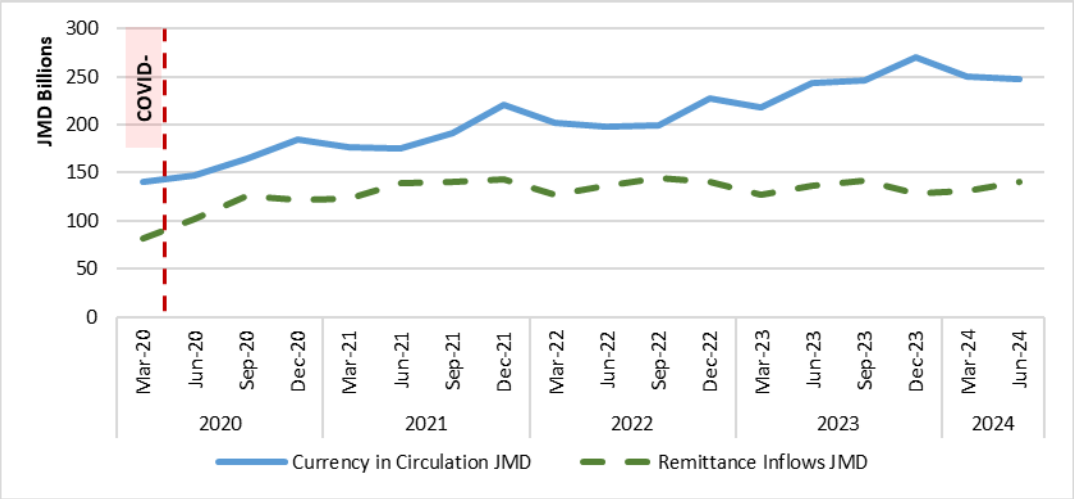
Securities Dealers

Distribution of Assets by Dealer Size

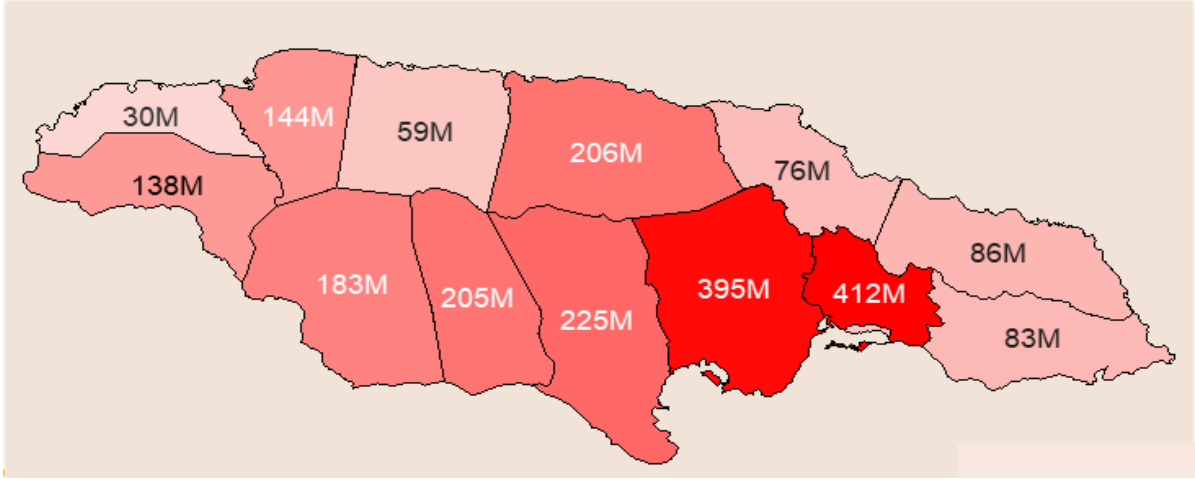


Remittance Companies

Trend in Currency in Circulation against Remittance Inflows, 2020 - Jun 2024

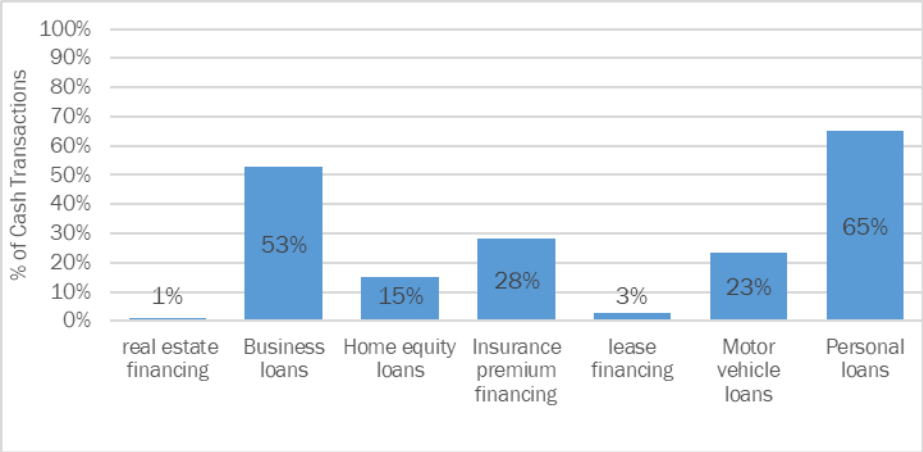


Total Cash Disbursements per Parish (Millions) by Remittance Companies (2024)



Microcredit Institutions

Use of Cash per Product Type across Microcredit Institutions



Annex I — Designated Non-Financial Businesses and Professionals Risk Assessments

DNFBPs Sector Vulnerability Rating Based on World Bank Tool

Sector	Sector's Vulnerability to ML		Sector's ML Threats		Overall Sector Risk Score	
	2021	2025	2021	2025	2021	2025
Real Estate Dealers	Medium	Medium-High	Medium-Low	Medium	MEDIUM	MEDIUM-HIGH
Gaming	Medium	Medium	Medium-Low	Medium-Low	MEDIUM	MEDIUM
Public Accountants	Medium-Low	Medium-Low	Low	Low	MEDIUM-LOW	MEDIUM-LOW
Attorneys	Medium	Medium	Medium	Medium-Low	MEDIUM	MEDIUM
Trust & Corporate Service Providers	Medium	Medium-Low	Not Assessed	Low	N/A	MEDIUM-LOW

Designations under the Proceeds of Crime Act

ORDER	EFFECTIVE DATE	ACTIVITIES
The Proceeds of Crime (Designated Non-Financial Institution) (Gaming Machine Operators) Order, 2013	1st day of April, 2014	Applies to any person who operates twenty or more gaming machines pursuant to a licence under the Betting, Gaming and Lotteries Act.
The Proceeds of Crime (Designated Non-Financial Institution) (Casino Operators) Order, 2013	1st day of April, 2014	Applies to any person who operates a casino pursuant to a licence issued under the Casino Gaming Act.
The Proceeds of Crime (Designated Non-Financial Institution) (Real Estate Dealers) Order, 2013	1st day of April, 2014	Applies to any person who is issued a licence under the Real Estate (Dealers and Developers) Act authorizing that person to engage in the practice of real estate business in the capacity of a real estate dealer.
The Proceeds of Crime (Designated Non-Financial Institution) (Public Accountants) Order, 2013	1st day of April, 2014	Applies to any person registered as a public accountant under the Public Accountancy Act, and who carries out any of the following activities on behalf of any client (a) purchasing or selling real estate; (b) managing money, securities or other assets; (c) managing bank accounts or savings accounts of any kind, or securities (as defined by the Securities Act) accounts; (d) organizing contributions for the creation, operation, or management of companies; (e) creating, operating or managing a legal person or legal arrangement (such as a trust or settlement); or (f) purchasing or selling a business entity.
The Proceeds of Crime (Designated Non-Financial Institution) (Attorneys-at-law) Order, 2013	1st day of June, 2014- Obligations to comply stayed until the conclusion of the Privy Council's Ruling made on 9 February 2022. In effect since the date of the judgement.	Applies to any person whose name is entered on the Roll of Attorneys-at-Law pursuant to section 4 of the Legal Profession Act, and who carries out any of the following activities on behalf of any client ((a) purchasing or selling real estate; (b) managing money, securities (as defined by the Securities Act) or other assets; (c) managing bank accounts or savings accounts of any kind, or securities accounts; (d) organizing contributions for the creation, operation, or management of companies; (e) creating, operating or managing a legal person or legal arrangement (such as a trust or settlement); or (f) purchasing or selling a business entity.

Gaming Lounges

BGLC Supervisory Cycle

Residual Risk Profile	Critically High/Very High	High/Medium-High	Medium/Medium-Low	Low	Exceptionally low
Inspection Cycle – Onsite	At Minimum, Annually	1-2 Years	3 Years	3-4 Years	Every 5 Years
Inspection Cycle –Offsite	As Required	Semi-Annual	Annual	Ad Hoc	Ad Hoc
AML/CFT Risk Profile Review	Annually	Annually	Annually	Annually	Annually
AML/CFT Risk Evaluation Questionnaires	Annually	Annually	Annually	Annually	Strategic Spot Checks

Trust & Company Service Providers

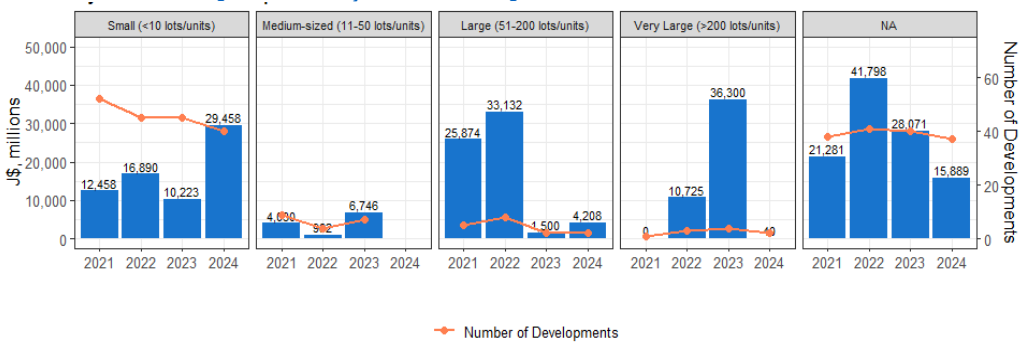
Types of TSPs Registered

Types of TSPs	No of Trusts Administered by TSPs	Relative %
Repo Assets	158	70%
Debenture Holder	34	15%
Testamentary and Intestacy	24	10%
Bond Indenture	3	1%
Unit Trust	3	1%
Estate Planning	2	0.9%
Special Needs	1	0.4%
Spendthrift	1	0.4%
Asset Protection	0	0
Other	2	0.9%
Total	**230**	

Annex I – Figures

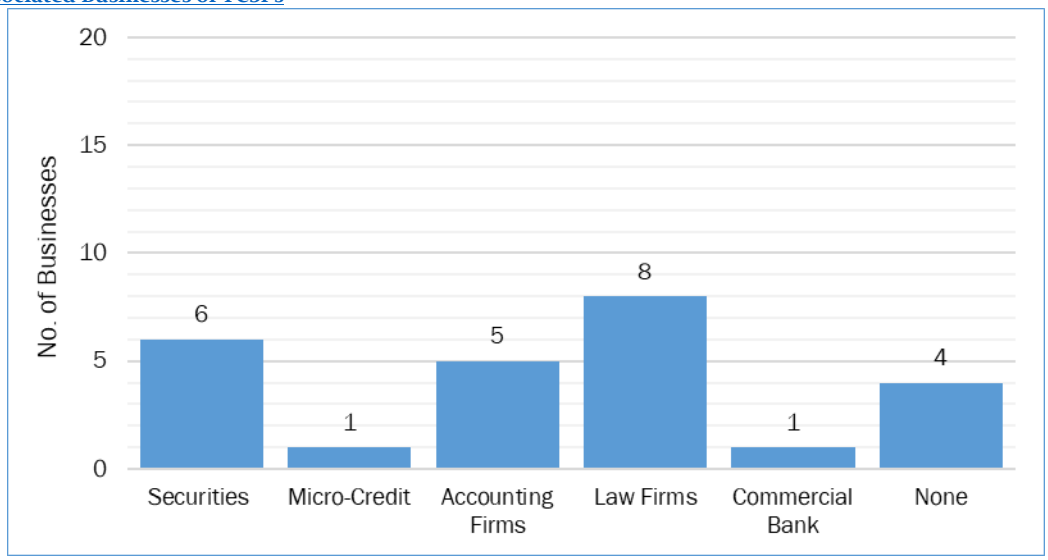
Real Estate

Trend in Total Development Cost by Size of Development



Trust & Company Service Providers

No. of Associated Businesses of TCSPs



Annex J — Legal Persons and Legal Arrangements

Legal Persons

Summary of Principal Categories of Legal Persons

Category of Legal Person	Legal Basis	Sub-Types / Structures	Key Characteristics	Relevance to ML/TF Risk Assessment
Companies under the Companies Act	Companies Act	**Limited Companies:** • Limited by Shares (Private / Public) • Limited by Guarantee without Share Capital • Limited by Guarantee with Share Capital (Hybrid) **Unlimited Companies** **Overseas (Part X) Companies**	The largest subset of legal persons in Jamaica. Companies limited by shares are the most common form and operate across all sectors of commerce and industry. Public companies may be listed or non-listed on the Jamaica Stock Exchange. Overseas companies represent foreign companies establishing a place of business in Jamaica.	Represent approx. **94% of legal persons** in Jamaica and therefore form the **primary focus of the risk assessment**. Corporate structures may present vulnerabilities where ownership transparency is insufficient.
New Company Types (International Financial Services Structures)	Segregated Accounts Companies Act, 2024	**Incorporated Segregated Accounts Companies (ISACs)** **Segregated Accounts Companies (SACs)**	Emerging structures intended to support Jamaica's international financial services sector. ISACs allow segregated accounts with separate legal personality, while SACs allow separate accounts with ring-fenced assets and liabilities but without separate legal personality.	May present **cross-border exposure and structural complexity** requiring monitoring, particularly as the sector develops.
Non-Profit Organizations and Other Legal Persons	Charities Act, Industrial and Provident Societies Act, Friendly Societies Act, Co-operatives Societies Act	**Industrial and Provident Societies** **Friendly Societies** • Friendly Societies • Benevolent Societies • Specially Authorized Societies **Co-operative Societies (e.g., Credit Unions)**	Entities established for charitable, social, economic or community purposes and administered by the **Department of Co-operatives and Friendly Societies (DCFS)**. These entities possess legal personality and operate for member benefit or charitable objectives rather than profit generation.	Generally **lower ML risk but assessed for potential TF vulnerability**, particularly where cross-border funding or charitable activities exist. [*Refer to NPO Chapter of NRA3*]
Statutory Bodies (Bodies Corporate)	Established by Acts of Parliament	Government-established entities such as the **Bank of Jamaica** and the **Financial Services Commission**. Some churches may also be incorporated by statute.	Public entities created to perform regulatory, governmental, or public service functions. They have legal personality, may own property, and can sue or be sued.	**Low ML/TF risk**, given strong governance structures, statutory oversight, and limited exposure to private commercial financial flows.

Types of Companies Incorporated under the Companies Act

Company Type	Legal Structure	Key Characteristics	Typical Use / Purpose	ML/TF Risk Considerations
Private Companies (Limited by Shares)	Liability of members limited to unpaid shares. Articles	Privately owned companies with closely held ownership structures.	Widely used for **small and medium-sized enterprises, family**	Risk may arise where **beneficial ownership is obscured through**

	restrict transfer of shares, limit members to **20 persons**, and prohibit public share offerings.	Cannot invite the public to subscribe for shares or debentures.	**businesses, and private commercial activities**.	**nominee arrangements or layered ownership structures**. However, structures are generally simpler in Jamaica.
Public Companies (Limited by Shares)	Companies that may offer shares to the public. Can be **listed on the Jamaica Stock Exchange (JSE)** or remain **non-listed public companies**.	Larger companies with broader ownership. Public companies may raise capital through securities offerings.	Typically used for **large commercial enterprises, financial institutions, and investment vehicles**.	**Lower ML risk relative to private companies** where listed due to disclosure, governance, and regulatory oversight requirements.
Companies Limited by Guarantee (Without Share Capital)	Companies owned by **guarantors rather than shareholders**. Members agree to contribute a specified amount in the event of liquidation.	Do not issue shares. Typically operate for **non-profit purposes** such as charitable, religious, or social activities.	Commonly used by **charities, associations, foundations, and non-profit organizations**.	Generally **lower ML risk**, but potential **TF vulnerability** depending on cross-border activities and funding sources.
Companies Limited by Guarantee with Share Capital (Hybrid Companies)	Companies limited by both **shares and guarantee**, with **two classes of members** (shareholders and guarantors).	Shareholders typically hold voting rights, while guarantors participate in income or capital distribution without voting rights.	Used in **specialized corporate structures**, particularly where governance and financial participation are separated.	**Moderate structural complexity** may require beneficial ownership scrutiny.
Unlimited Companies	Companies where **members have unlimited liability** for company debts. May be registered **with or without share capital**.	Shareholders are jointly and severally liable for the debts of the company if it is wound up.	Used in **specialized commercial arrangements**, often where participants are willing to assume full liability.	Generally **lower misuse risk** due to unlimited liability exposure, which discourages concealment.
Overseas (Part X) Companies	Companies incorporated **outside Jamaica** that establish a **place of business within Jamaica**.	Operate as **branches of foreign companies**, subject to registration requirements under Part X of the Companies Act.	Used by **international companies conducting business operations in Jamaica**.	Potential **cross-border ML risk exposure**, requiring monitoring of ownership structures and financial flows.

[Companies Operating in Jamaica]

Company Type	Total (as at December 2024)	Company Structure
DOMESTIC COMPANIES REGISTERED UNDER THE COMPANIES ACT		
Private Companies (Limited by Shares)	66,470	96% simple ownership structure (BO and shareholder same) 4% complex structures (shareholders are companies with single or multiple layers)
Public Companies (Limited by Shares)	1,478	
Companies Limited by Guarantee (Without Share Capital)	6,086	NPOs (separately assessed for TF risk)
Companies Limited by Guarantee with Share Capital (Hybrid Companies)	135	
Unlimited Companies	39	
FOREIGN COMPANIES REGISTERED UNDER THE COMPANIES ACT		
Overseas (Part X) Companies	1,683	95% simple ownership structure (BO and shareholder same) 5% complex structures (shareholders are companies with single or multiple layers)
Total Companies under Companies Act	**76,895**	**94% of all legal persons**

OTHER LEGAL PERSONS		
Segregated Accounts Companies	0	None registered since Act came into force
Industrial & Provident Societies	701	
Cooperatives	186	
Statutory Bodies	N/A	No centralized registry

Fiscal Company Categorization

Company/Firm Category	Total Annual Turnover	Percentage of Companies in Category
Micro Classification	≤J$15 million	56.60%
Small Classification	5-75M	25.20%
Medium Classification	75 - 425 M	12.70%
Large Classification	425M -1 B	5.5%

Registration of Legal Persons in Jamaica: Processing Requirements, Time and Cost

Category	Type of Legal Person	Registering Authority	Key Requirements	Processing Time	Approx. Cost (J$)
Companies	**Companies under the Companies Act** • Companies Limited by Shares • Companies Limited by Guarantee (with or without share capital) • Unlimited Companies	Companies Office of Jamaica (COJ)	• Articles of Incorporation • Business Registration Form (BRF) • Beneficial Ownership Return	Standard: ~4 days Expedited: Same day / Next day	$27,500
	Overseas (Part X) Companies	Companies Office of Jamaica (COJ)	• Certified incorporation documents from foreign jurisdiction • Particulars of Overseas Company • Beneficial Ownership Return	Standard: ~4 days Expedited: Same day / Next day	$30,000
New Company Types	**Incorporated Segregated Accounts Companies (ISAC)** **Segregated Accounts Companies (SAC)**	Companies Office of Jamaica (COJ)	• Articles of Incorporation • Business Registration Form • Beneficial Ownership Return • SAC/ISAC Schedule 1	Standard: ~30 days (includes regulatory no-objection process)	~$49,000
Non-Profit Organizations	**Industrial & Provident Societies**	Department of Co-operatives and Friendly Societies (DCFS)	• Application Form (Form A) signed by minimum 7 members • Proposed Rules of the Society • Declaration of Capitalization • Listing of Board Members	Varies based on completeness of submission	$8,000
	Friendly Societies / Benevolent Societies / Specially Authorized Societies / Agricultural Loan Societies / Approved Organizations	Department of Co-operatives and Friendly Societies (DCFS)	• Application Form • Fit and Proper Questionnaire for Directors and Secretary • Proposed Rules and supporting documents	Varies	$2,000
	Co-operatives (e.g., Credit Unions)	Department of Co-operatives and Friendly Societies (DCFS)	• Minimum 10 members • Steering Committee • Proposed Rules • Application Form • Business Plan /	Varies depending on review process	$2,000

Category	Type of Legal Person	Registering Authority	Key Requirements	Processing Time	Approx. Cost (J$)
			Feasibility Study • Registered office confirmation		
Statutory Bodies	**Bodies Corporate established by statute**	Parliament of Jamaica	• Draft Bill prepared by sponsoring entity • Parliamentary approval through legislative process • Royal Assent by Governor-General	Legislative process dependent	Not applicable

Legal Arrangements

Types of Legal Arrangements

Legal Arrangements Type of Legal Arrangements	Overview:	Processing Requirements
Trusts	a. The Trust Deed is Registered with the Registrar General Department. b. Pension Plans are deemed to be trust arrangements and are registered with the Financial Services Commission. c. Charitable Trust are duly registered with the Department of Cooperatives and Friendly Societies upon approval as a charitable entity.	• **Cost:** a. Based on the number of words. (160 words = 1 sheet). $500 per sheet • **Processing Time Options:** a. Standard service: 4–6 weeks b. Expedited service:7–10 working days & 3-5 days

Landscape of Recorded Legal Arrangements

Trusts	2020	2021	2022	2023	2024	Total
Trusts						
• **Trust Deeds Registered at RGD**	34	25	28	39	31	157
• **Trusts Administered by TSCPs (Domestic)**	NA	NA	NA	191	31	222
• **Trusts Administered by TSCPs (Foreign)**	NA	NA	NA	8	0	8
• **Trusts (domestic) as shareholders in (domestic) Companies**	NA	NA	NA	NA	38	38
• **Trusts (foreign) as shareholders in (domestic) Companies**	NA	NA	NA	NA	10	10
• **Trusts (foreign) as shareholders in (foreign – Part X) Companies**	NA	NA	NA	NA	1	1

Types of Trusts Administered by TSPs (December 2024)

Types of Trusts Administered by TSPs	No of Trusts Administered by TSPs	Relative %age
Repo Assets	**158**	**70%**
Debenture Holders	**34**	**15%**
Testamentary and Intestacy	**24**	**10%**
Bond Indenture	**3**	**1%**
Unit Trust	**3**	**1%**
Estate Planning	**2**	**0.9%**
Special Needs	**1**	**0.4%**
Spendthrift	**1**	**0.4%**
Asset Protection	**0**	**0**
Other	**2**	**0.9%**
Total	**230**	

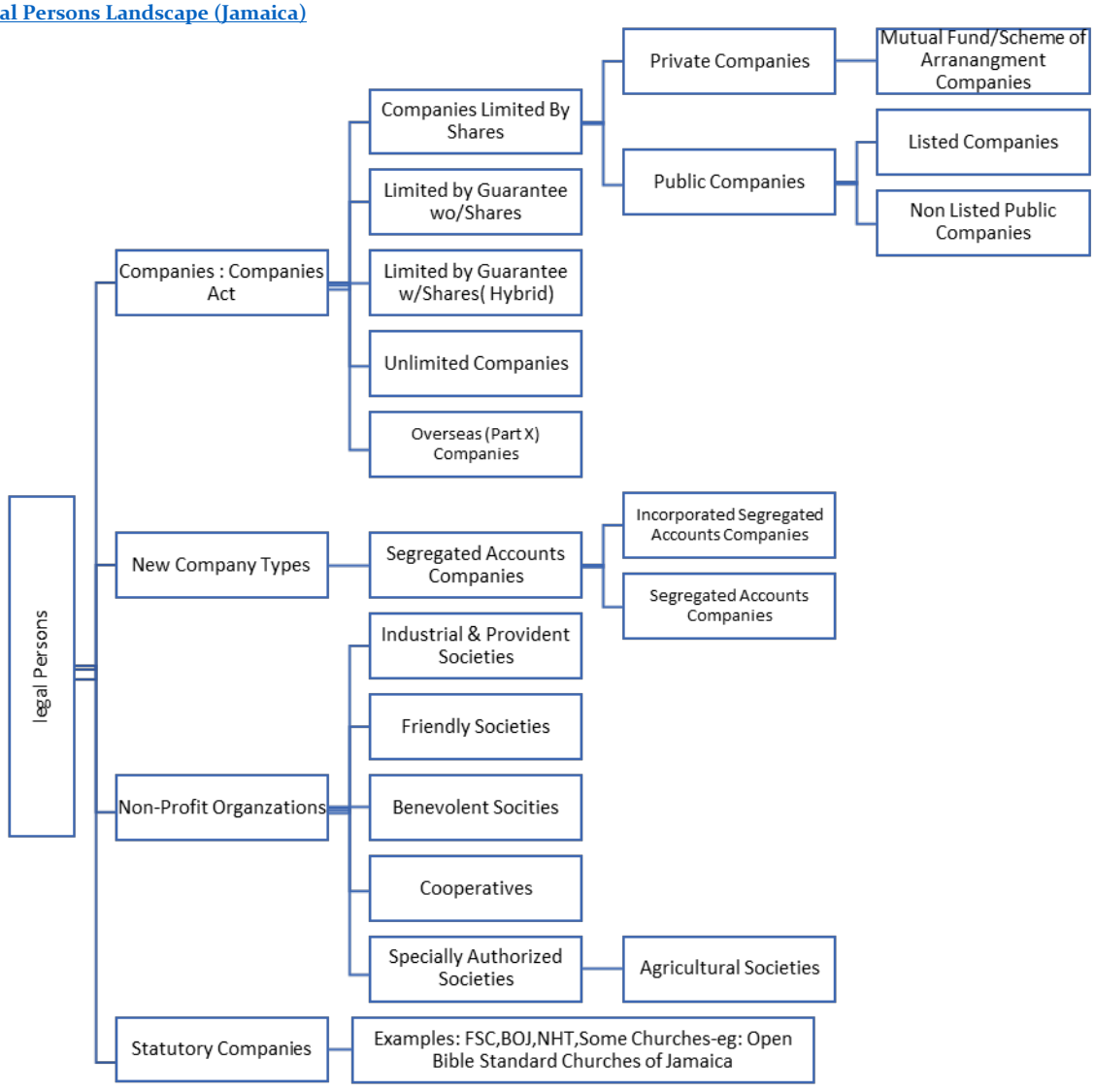
Summary of Inherent Vulnerabilities for Legal Arrangements

Variable Accessed	Score
Ease, Speed, and Costs of Formation/ Registration -	**Low**
Scale & Size of Legal Arrangements -	**Low**
Quality & Accessibility of Information - Trusts	**Low**
a. Basic Information	***Low***
b. Beneficial Ownership Information	***Low***
Tax Attractiveness	**Low**
a. Attractiveness for Non- Resident Use	***Low***
b. Attractiveness for Use in Your Jurisdiction	***Low***
Cross Border Exposure	**Low**
Effectiveness of International Cooperation with Foreign Jurisdictions	**Low**

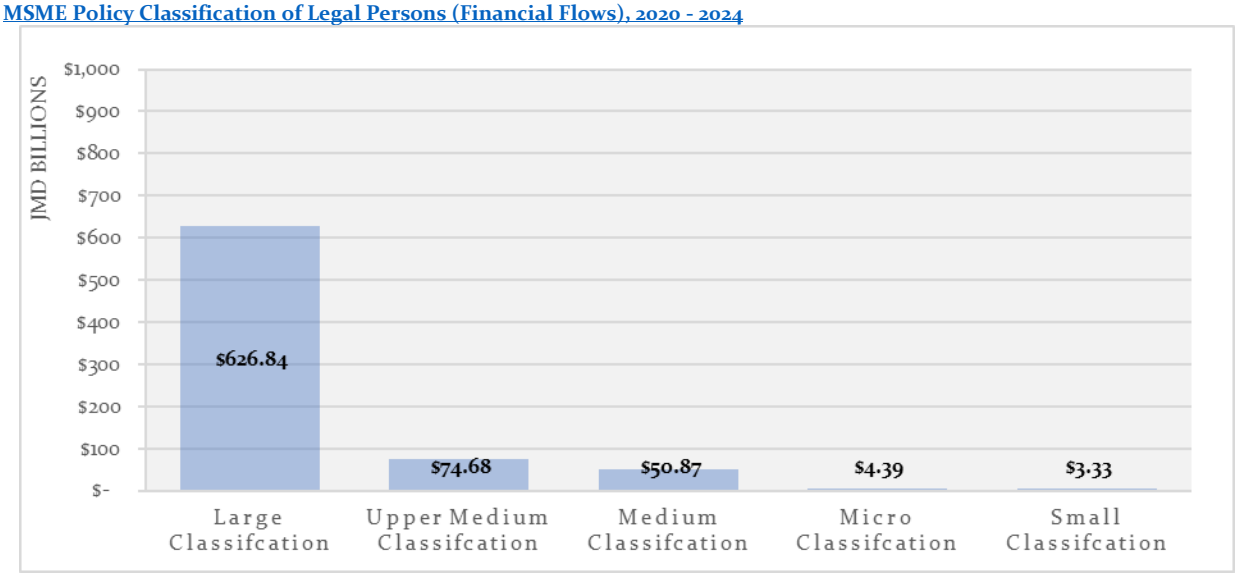
Annex J – Figures

Legal Persons

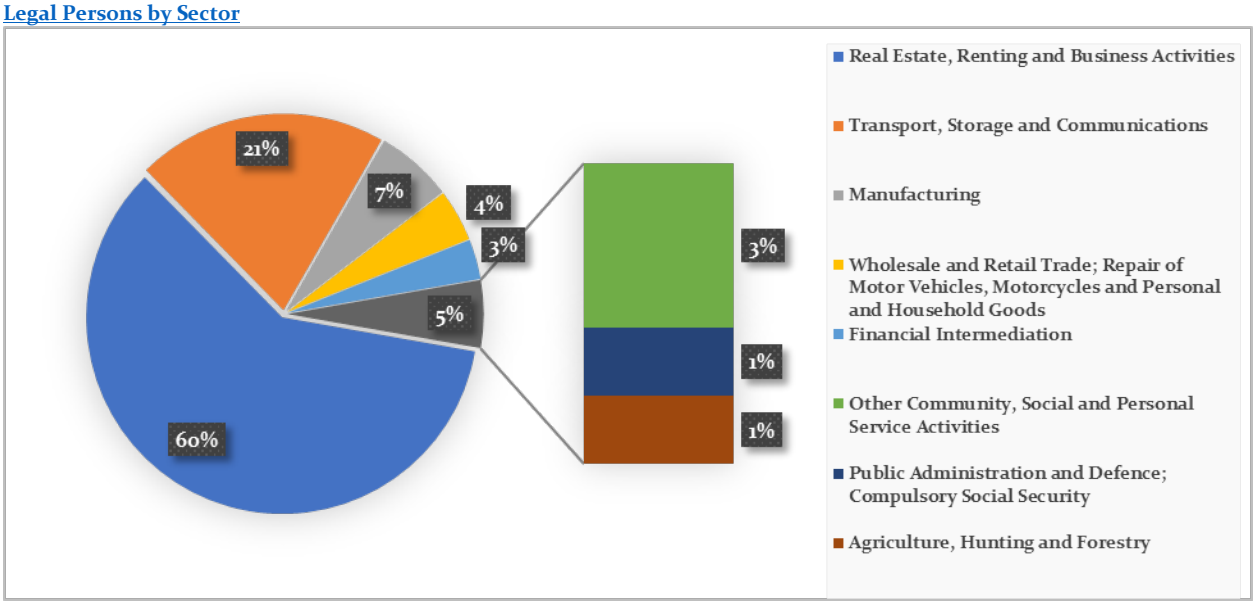
Legal Persons Landscape (Jamaica)



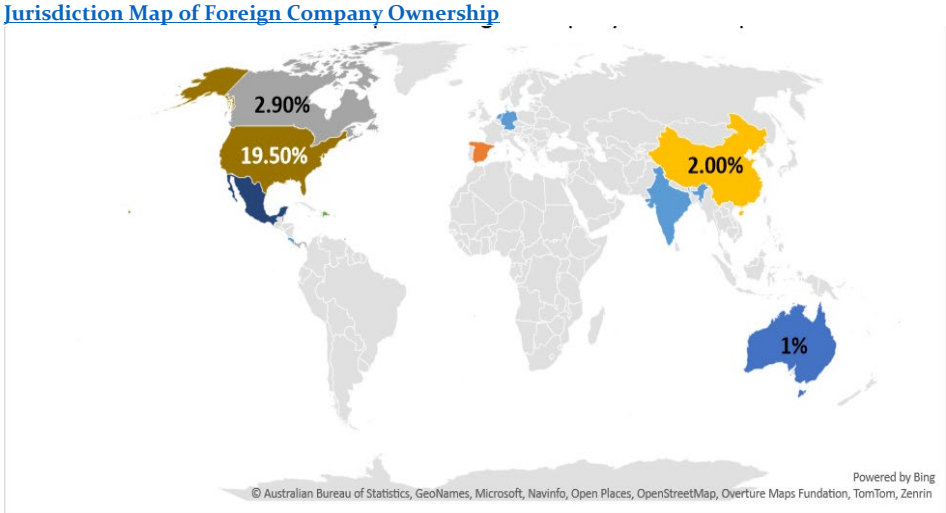
MSME Policy Classification of Legal Persons (Financial Flows), 2020 - 2024



Legal Persons by Sector

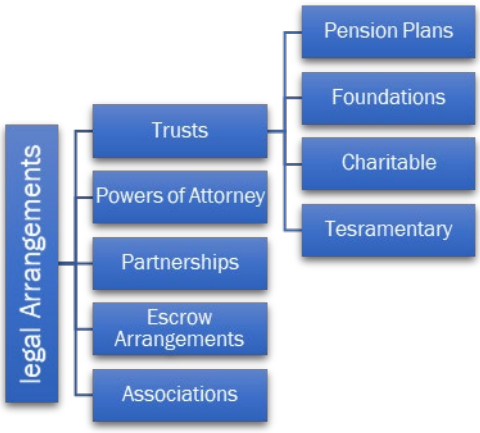


Jurisdiction Map of Foreign Company Ownership



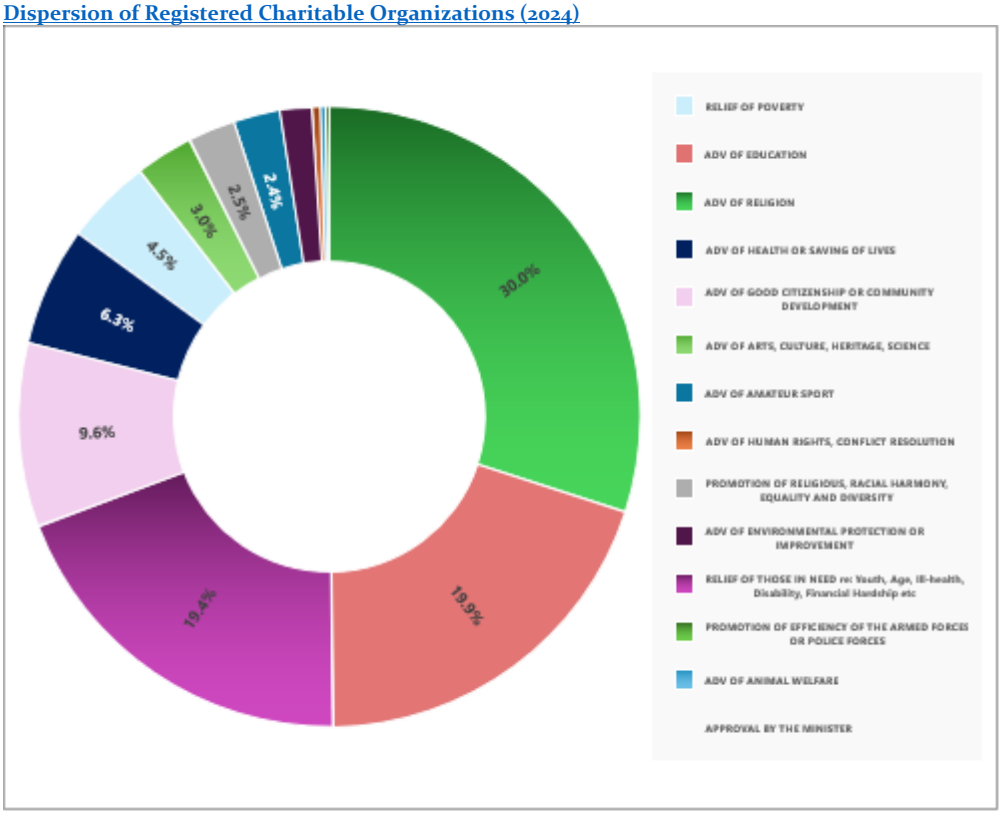
Legal Arrangements

Legal Arrangements in Jamaica (Baseline)



Annex K — Non-Profit Organizations

Dispersion of Registered Charitable Organizations (2024)



Annex L – List of Participants

Name of Participant	Organization
Maurene Simms	Prime Contact and Chair of the NAMLC
Dr. Jide Lewis	BOJ Deputy Governor and Co-Chair NAMLC Risk Committee
Dennis Chung	FID Chief Technical Director and Co-Chair NAMLC Risk Committee
Andre Coore	MFAFT and Co-Chair NAMLC TFS for TF and PF Working Group
Loxly Ricketts	Bank of Jamaica and Co-Chair NAMLC TFS for TF and PF Working Group
Andre McLean	Bank of Jamaica
Anthony McKenzie	Bank of Jamaica
Celeste McCalla	Bank of Jamaica
Dr Novelette Panton	Bank of Jamaica
Esmond McLean	Bank of Jamaica
Genel Archer	Bank of Jamaica
Gerron Thomas	Bank of Jamaica
Jacqueline Shaw	Bank of Jamaica
Janice Smith	Bank of Jamaica
Jenness Mohan	Bank of Jamaica
Joel Jackson	Bank of Jamaica
Kay-Ann Taylor-Callum	Bank of Jamaica
Kemar Beckford	Bank of Jamaica
Kimar Findlater	Bank of Jamaica
Larene Samuels	Bank of Jamaica
Laveta Mead Barrow	Bank of Jamaica
Mario Griffiths	Bank of Jamaica
Millicia Henry	Bank of Jamaica
Natalie Haynes	Bank of Jamaica
Roxan Edmondson Munroe	Bank of Jamaica
Shannique Houghton	Bank of Jamaica
Shantoya Scott	Bank of Jamaica
Sherene Myers-Robinson	Bank of Jamaica
Yanique Gardener Brown	Bank of Jamaica
Laurie Wiggan	Betting Gaming & Lotteries Commission
Stephen Fenton	Betting Gaming & Lotteries Commission
Raleshia Riley	Cannabis Licensing Authority
Rasheal Grant	Cannabis Licensing Authority
Shandel Hannam	Cannabis Licensing Authority
Simoy Brown	Cannabis Licensing Authority
Anna Harry	Casino Gaming Commission
Cleveland Allen	Casino Gaming Commission
Inger Hainsley Bennett	Companies Office of Jamaica
Kristen Stone	Companies Office of Jamaica
Ovain Johnson	Companies Office of Jamaica
Shellie Leon	Companies Office of Jamaica
Stanecia Davis	Companies Office of Jamaica
Wilford Morrison	Companies Office of Jamaica
Tanisha Webster-Stevens	Counter Terrorism Forum – Ministry of National Security
Amoy Bernard Morrison	Department of Cooperative and Friendly Societies
Dwight Forbes	Department of Cooperative and Friendly Societies
Errol Gallimore	Department of Cooperative and Friendly Societies
Francine White	Department of Cooperative and Friendly Societies
Tanesha Facey	Department of Cooperative and Friendly Societies

Tasheika Howell Palmer	Department of Cooperative and Friendly Societies
Astrid Frith	Financial Investigation Division
Berdie Dixon-Daley	Financial Investigation Division
Courtney Smith	Financial Investigation Division
Karlene Barnaby	Financial Investigation Division
Keith Darien	Financial Investigation Division
Rae-Ann Robinson	Financial Investigation Division
Sashana Ramsay Drysdale	Financial Investigation Division
Sydonie Greenwood	Financial Investigation Division
Tenesia Ramkisson	Financial Investigation Division
Andre Buckley	Financial Services Commission
Asha James	Financial Services Commission
Jeneve Jackson	Financial Services Commission
Kourtneigh-Michelle Nicholson	Financial Services Commission
Nicheta Smith	Financial Services Commission
Paul McAllister	Financial Services Commission
Paulette Gilfillian	Financial Services Commission
Phillip Chin-See	Financial Services Commission
Stacian Bennett	Financial Services Commission
Akeil Pladley	General Legal Council
Symone Mayhew	General Legal Council
Alexander Blackwood	Integrity Commission
Joeth Jones	Integrity Commission
Kevon Stephenson	Integrity Commission
Roneiph Lawrence	Integrity Commission
Ryan Evans	Integrity Commission
Deputy Superintendent Brenton Williams	Jamaica Constabulary Force
Detective Inspector Jermaine Folkes	Jamaica Constabulary Force
Detective Sergeant Delroy Hamm	Jamaica Constabulary Force
Detective Sergeant Oniel Salmon	Jamaica Constabulary Force
Cassel Dunkley	Jamaica Customs Agency
Dr. Velma Ricketts-Walker	Jamaica Customs Agency
Francois Knight	Jamaica Customs Agency
Hazel Edwards	Jamaica Customs Agency
Krystal Corbett	Jamaica Customs Agency
Shornalee Jackson	Jamaica Customs Agency
Rickie Davis	Jamaica International Financial Services Authority
Col. Desmond Edwards	Major Organized Crime and Anti-Corruption Agency
Nigel Parke	Major Organized Crime and Anti-Corruption Agency
Abbigayle Bryan	Maritime Authority of Jamaica
Claudia Grant	Maritime Authority of Jamaica
Seymour Harley	Maritime Authority of Jamaica
Christina Thompson	Ministry of Foreign Affairs & Foreign Trade
Kenny Whyte	Ministry of Health and Wellness (Standards and Regulation Division)
Ashtelle Steele	Office of the Director of Public Prosecution
Britney Graham	Office of the Director of Public Prosecution
Janek Forbes	Office of the Director of Public Prosecution
Mollie Plummer	Passport Immigration and Citizenship Agency
Nafeesa Thompson	Passport Immigration and Citizenship Agency
Hope Wint	Prime Contact Secretariat
Monefia Jobson-Cummings	Prime Contact Secretariat
Susan Watson Bonner	Prime Contact Secretariat

Compton Rodney	Public Accountancy Board
Lisa Cousins	Public Accountancy Board
Claudia Allen	Real Estate Board
Cresfroid Brown	Real Estate Board
Dr. Tina Beale	Real Estate Board
Michelle Roberts	Real Estate Board
Alan Johnstone	Serious Organised Crime and Anti-Corruption (Consultant)
Judith Romeo	Serious Organised Crime and Anti-Corruption (Consultant)
Gary Dickson	Serious Organised Crime and Anti-Corruption (Senior Consultant)
Anastacia Satchell	Tax Administration Jamaica
David Smalling	Tax Administration Jamaica
Denisha Armstrong	Tax Administration Jamaica
Easton Thomas	Tax Administration Jamaica
James Glanville	Tax Administration Jamaica
Janet Scotland	Tax Administration Jamaica
Michael Williams	Tax Administration Jamaica
Novelette Wellington Reid	Tax Administration Jamaica
Rhommell Beckford	Tax Administration Jamaica
Ricardo Campbell	Tax Administration Jamaica
Roy Evans	Tax Administration Jamaica
Althea Matthews	The Trade Board

Abbreviations & Glossary

ACCA	Association of Chartered Certified Accountants
ASYCUDA	Automated System for Customs Data
AML	Anti-Money Laundering
BGLC	Betting, Gaming & Lotteries Commission
BO	Beneficial Ownership
BOJ	Bank of Jamaica
BSA	Banking Services Act
CARTAC	Caribbean Regional Technical Assistance Centre
CDD	Customer Due Diligence
C-FATF	Caribbean Financial Action Task Force
CFT	Countering the Financing of Terrorism
CLASP	Clarendon Association of Street People
COJ	Companies Office of Jamaica
COVID 19	Corona Virus Disease
CPF	Countering Proliferation Financing
CSA	Co-operative Societies Act
DBJ	Development Bank of Jamaica
DCFS	Department of Co-operatives and Friendly Societies
DNFBP	Designated Non-Financial Businesses and Professions
DNFI	Designated Non-Financial Institution
DPRK	Democratic People's Republic of Korea
DTI	Deposit-Taking Institution
FATF	Financial Action Task Force
FHC	Financial Holding Company
FID	Financial Investigation Division
FIU	Financial Investigation Unit
FSC	Financial Services Commission
GDP	Gross Domestic Product
GLC	General Legal Council
IAIS	International Association of Insurance Supervisors
ICPs	Insurance Core Principles
IMF	International Monetary Fund
IOSCO	International Organization of Securities Commissions
JaMFA	Jamaica Microfinancing Association

JBA	Jamaica Bar Association
JCCUL	Jamaica Co-operative Credit Union League
KYC	Know Your Customer
LPA	Legal Persons and Arrangements
MCI	Microcredit Institution
MER	Mutual Evaluation Report
ML	Money Laundering
MSBs	Money Service Businesses
MSMEs	Micro, Small and Medium Enterprises
NAMLC	National Anti-Money Laundering Committee
NPO	Non-Profit Organization
NRA	National Risk Assessment
PAB	Public Accountancy Board
PEPs	Politically Exposed Persons
PF	Proliferation Financing
POC(MLP)	Proceeds of Crime (Money Laundering Prevention) Regulations
POCA	Proceeds of Crime Act
REB	Real Estate Board
RGD	Registrar General's Department
SAR	Suspicious Activity Reports
SDNs	Specially Designated Nationals
SOP	Standard Operating Procedures
SPR	Senior Practice Reviewer
STR	Suspicious Transaction Reporting
TFS	Targeted Financial Sanctions
TCS Act	International Corporate and Trust Providers Act
TCSPs	Trust or Company Service Providers
TF	Terrorism Financing
TPA	Terrorism Prevention Act
TSPs	Technical Service Providers
TTR	Threshold Transaction Report
UNODC	United Nations Office on Drugs and Crime
UNSC	United Nations Security Council
UNSCRIA	United Nations Security Council Resolutions Implementation Act
US OFAC	United States Office of Foreign Assets Control