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YEAR IN REVIEW

AML/CFT/CPF Newsletter
Issue 15

Our Vision

Advancing the good of the people of the Currency Union by maintaining monetary and financial stability and promoting growth and development.

Our Mission

To be a model institution delivering exceptional service and influential policy advice to support the development of a thriving Currency Union.

Our Core Values

- Service Excellence
- Team Work and Truth Telling
- Accountability
- Results

Declarations

- Competent yet Caring
- Prudent yet Proactive
- Imaginative and Industrious



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The background of the entire page is an abstract, vibrant painting with splashes of yellow, orange, red, and blue. In the foreground, a woman with dark, curly hair is smiling. She is wearing a dark blue blazer over a blue and white floral patterned top, a pearl necklace, and a small circular pin on her lapel. A semi-transparent orange rectangle is positioned in the upper right, containing the title text.

MESSAGE FROM THE HEAD OF AML SUPERVISORY UNIT

Remarks

I am honoured to provide a summary of the work that the Eastern Caribbean Central Bank (ECCB) has done in advancing the Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation (AML/CFT/CPF) landscape within the Eastern Caribbean Currency Union (ECCU), reinforcing our unwavering commitment to enhancing financial stability across the region. Our continued focus on improving these measures underscores the importance of maintaining a robust and compliant financial system, which is essential in safeguarding the integrity of the financial sector and ensuring the prosperity of our economies.

We would like to take this opportunity to acknowledge and recognise the contributions of various stakeholders who have been instrumental in our efforts. These include the Licensed Financial Institutions (LFIs) we serve, the national AML/CFT/CPF authorities throughout the ECCU, relevant government agencies, and our international partners and organisations. Their collaboration in the fight against financial crime has been invaluable, and we remain committed to working alongside them to tackle these global challenges.

Overview of the Year's Activities

In 2024, our key objectives in the realm of AML/CFT/CPF supervision were focused on several critical areas: enhancing the ECCU regulatory frameworks to combat money laundering (ML), terrorism financing (TF), and proliferation financing (PF); improving compliance within LFIs to combat financial crime; addressing emerging risks; enhancing training systems within the banking sector to prevent financial crime; and improving institutional capacity within the ECCB and other national authorities to support compliance efforts and reduce risks in member states.

Throughout the year, the ECCB took various actions to ensure progress towards these objectives. Notably, we continued with the conduct of quarterly risk assessments of LFIs based on the ECCB's offsite surveillance, and undertook risk-based examinations as part of our ongoing supervision of LFIs. We are pleased to report that, as a result of targeted examinations and full-scope inspections based on individual LFI risk profiles, compliance rates have improved across the sector. Financial institutions have made significant strides in addressing deficiencies and mitigating areas of heightened risk identified in their compliance programmes.

A key achievement was the implementation of our 2024 training programme. This included hosting workshops to raise awareness of the national risk assessments for ML/TF in Saint Lucia and Montserrat, as well as a Counter Proliferation Financing webinar facilitated by the Caribbean Financial Action Task Force (CFATF). The webinar, which attracted over 200 participants, was an important step in strengthening the collective knowledge of LFIs and national authorities across the ECCU. Additionally, the ECBB launched a two-part digital series via its ECCB-Connects platform on Enhancing Beneficial Ownership Transparency, in collaboration with the Caribbean Financial Action Task Force (CFATF) and International Monetary Fund (IMF), which continues to serve as a valuable resource.

The ECCB also issued a number of advisories on countries with strategic AML/CFT/CPF deficiencies and regularly published quarterly newsletters that featured information on emerging ML techniques, applicable typologies, updates on revisions to the Financial Action Task Force (FATF) recommendations, and the use of artificial intelligence in finance. One of our significant regulatory steps was the drafting and circulation of a Standard on Simplified Customer Due Diligence (SDD) measures. This standard aims to help LFIs implement simplified due diligence procedures when low-risk factors are identified.

A notable challenge that emerged in 2024 was the rise in job search scams, which posed a new and evolving threat within the financial system. Through our continued collaboration with Financial Intelligence Units

(FIUs) in the region, we were made aware of this trend and responded promptly by issuing an advisory to LFIs. This advisory outlined how to detect these scams and recommended controls to mitigate the associated risks.

In 2023, the ECCB also issued a directive to LFIs to strengthen their systems and procedures to prevent financial cybercrime, in line with the *Prudential Standard for Technology Risk Management under the Banking Act, 2015*. The directive focused on preventing fraudulent activities like Email Account Compromise and Business Email Compromise. In 2024, the ECCB reiterated its concerns, urging LFIs to continue implementing preventive measures to address the ongoing risks of financial cybercrime.

Regional and International Cooperation

Our regional and international collaborations in 2024 further strengthened our AML/CFT/CPF efforts. In partnership with the IMF and the Caribbean Development Bank (CDB), the ECCB hosted a hybrid seminar on Beneficial Ownership in October 2024. The seminar, which attracted over 100 participants, was especially timely as ECCU member countries are working to implement legislative and supervisory measures to ensure compliance with the revised FATF Recommendations 24 and 25.

The ECCB also continued its ongoing collaboration with the Regional Securities System (RSS). In November 2024, the ECCB presented at RSS's virtual seminar titled *Building a Robust AML/CFT/Proliferation of Weapons of Mass Destruction Framework: Demonstrable Effectiveness within the Designated Non-Financial Businesses and Professions Sector*. The seminar provided the ECCB with the opportunity to share best practices and lessons learnt in implementing effective AML/CFT/CPF supervisory programmes, which can be applicable to the supervision of Designated Non-Financial Businesses and Professions (DNFBPs).

Focus for the Coming Year

Looking ahead to 2025, the ECCB remains committed to further enhancing its AML/CFT/CPF supervisory framework. Our strategic priorities will include the issuance of guidance and standards in several key areas such as Institutional ML/TF/PF Risk Assessments, Ongoing Monitoring, and Beneficial Ownership. We will also continue to offer industry training on critical AML/CFT/CPF areas such as risk assessments, simplified due diligence, and ongoing monitoring. Additionally, the ECCB aims to launch an AML/CFT Conference to gather stakeholders for comprehensive discussions and the sharing of insights on emerging trends and regulatory updates. Increased stakeholder engagement and collaboration will continue to be a focus, as we strive to create a cohesive approach in the fight against financial crime. Moreover, our risk-based supervision of LFIs will remain a cornerstone of our efforts to ensure that the region's financial institutions are effectively managing AML/CFT/CPF risks.

Conclusion

In conclusion, the ECCB reaffirms its commitment to maintaining a robust AML/CFT/CPF supervisory framework that will protect the financial system from abuse and prevent financial crimes. We call upon all stakeholders to continue working collaboratively with us to ensure that we stay ahead of evolving risks and continue to build resilience within the region's financial system. I would like to extend my heartfelt gratitude to all those involved in the ongoing fight against financial crime. Your dedication, cooperation, and shared commitment have been essential to the progress we have made in 2024. With optimism and determination, we look forward to continuing our efforts in the years to come, further strengthening the financial integrity of the ECCU.

Livia Bertin-Mark

Deputy Director &
Head of AML Supervisory Unit
Financial Sector Supervision Department
Eastern Caribbean Central Bank



AML/CFT/CPF SUPERVISORY PROGRAMME HIGHLIGHTS

OFFSITE MONITORING AND ONSITE EXAMINATIONS OF LFIs

As at 31 December 2024, the ECCB served as the designated AML/CFT/CPF supervisory authority for LFIs under the Banking Act, 2015 in six (6) member countries within the ECCU: Antigua and Barbuda, Commonwealth of Dominica, Grenada, Montserrat, Saint Lucia and Saint Vincent and the Grenadines.¹

The ECCB maintains a comprehensive understanding of the ML/TF/PF risks within the banking sector and individual institutions through both offsite and onsite supervisory activities. This is supplemented by information derived from ML/TF National Risk Assessments (NRAs) and CFATF Mutual Evaluation Reports. The ECCB utilises a risk matrix to prioritise institutions for inspections, based on their risk profiles. This methodology is outlined in the ECCB's risk-based AML/CFT/CPF Supervision Framework, which incorporates the review of both qualitative and quantitative data from LFIs.

Quarterly offsite monitoring reports are compiled for all LFIs, taking into account data from the quarterly AML/CFT Prudential Return, risk-focused information, updates on remedial actions, and emerging ML/TF/PF risks as identified through country and regional surveillance. LFIs are assigned risk ratings of low, moderate, above average, or high, based on these reports. These ratings determine the frequency and scope of onsite examinations.

As part of the ECCB's ongoing assessment of ML/TF/PF risks within LFIs, a relationship manager is assigned to each territory. For supervised entities with a composite risk rating of low, onsite examinations are conducted every thirty-six (36) months; moderate risk, every twenty-four (24) months; above average risk, every eighteen (18) months; and high risk, every twelve (12) months.

In 2024, the ECCB conducted six (6) AML/CFT/CPF onsite examinations, in line with its risk-based supervisory approach. Of these, five (5) were targeted examinations, while one (1) was a full-scope examination. The targeted examinations focused on evaluating the LFI's implementation of controls to address remedial actions from previous assessments.

TRAINING AND SENSITISATION

ML/TF National Risk Assessment Workshops:

- **Saint Lucia:** On 28 February 2024, the ECCB hosted a virtual workshop to raise awareness among LFIs in Saint Lucia on the findings from the 2022 ML/TF National Risk Assessment.
- **Montserrat:** In preparation for Montserrat's 4th round mutual evaluation assessment, the ECCB facilitated training with LFIs, covering the 2023 ML/TF National Risk Assessment and the mutual evaluation process.

Counter Proliferation Financing Webinar: On 2 July 2024, the ECCB, in collaboration with the CFATF, conducted a virtual seminar on CPF. Topics included FATF's Fourth and Fifth Round CPF requirements, conducting PF risk assessments, and enhancing CPF effectiveness. The event was attended by over 220 participants, including regulators, compliance professionals, and financial sector managers across the ECCU.

1. Within the space, there were twenty-three (23) LFIs being supervised for AML/CFT/CPF compliance.

ECCB Connects – Episodes on Beneficial Ownership: In 2024, the ECCB hosted a series of two-part programmes on its online platform, ECCB Connects, focusing on the topic of Beneficial Ownership. In May and July, the first series featured the Deputy Executive Director of the CFATF, who discussed updates to the FATF Recommendations and emphasized a multi-faceted approach to managing beneficial ownership. The CFATF highlighted the importance of collecting beneficial ownership information and outlined steps for financial institutions and supervisors to identify and verify such details. While acknowledging that customers may perceive these procedures as burdensome, the CFATF stressed the importance for maintaining a legitimate and secure financial system.

In October and November, the ECCB hosted a second series focused on enhancing beneficial ownership transparency frameworks in the ECCU. The first episode featured a Senior Legal Counsel, IMF who outlined the goals of the seminar, marking the first collaboration between the IMF and ECCB. The second episode featured ECCU country representatives sharing insights and strategies to strengthen financial monitoring and compliance frameworks.

ECCB AML Virtual Learning Campus: ECCB issued to ACAMS Enterprise Membership members compulsory webinars for the year, covering topics such as suspicious activity reporting trends, enterprise wide risk assessment methodology, AML screening, preventing fraud, trends in PF, building governance frameworks, management reporting, and assessing politically exposed persons. Optional seminars included topics like mastering client lifecycle management and risk management approaches.

ECCB AML/CFT Newsletter: The 12th and 13th issues of the AML/CFT Newsletter were distributed, covering regulatory updates, emerging trends (such as Pig Butchering), the misuse of internet and mobile payment systems for ML/TF and revisions to FATF recommendations 24 and 25. These newsletters were made available on the ECCB's website.

Regional Securities System (RSS) Meeting: On 11 November 2024, the ECCB presented on its AML/CFT/CPF Supervisory Programme at the RSS virtual seminar. The presentation focused on the lessons learnt from implementing an effective supervisory framework, with insights applicable to Designated Non-Financial Businesses and Professions. The seminar was attended by the Directors of the FIUs from the eight (8) RSS Member States.

ECCU Bankers Association Meeting: During a meeting on 20 November 2024, the ECCB shared its supervisory expectations and best practices regarding risk management frameworks for Citizenship by Investment (CBI) services. The session aimed to harmonise policies across LFI offering CBI related services.

Advisories Issued by ECCB:

1. **Job Search Scams** (5 September 2024): ECCB alerted LFIs about rising job search scams and urged entities to conduct assessments, provide staff training, and comply with reporting obligations.
2. **AML/CFT/CPF Deficiencies** (6 November 2024): ECCB notified LFIs of jurisdictions with AML/CFT/CPF deficiencies, as identified by the FATF. LFIs were advised to incorporate this information into their risk assessments and apply enhanced due diligence measures where applicable.
3. **Typology Boat 360** (14 November 2024): ECCB issued a typology alert detailing criminal activities involving small fishing vessels used for ML. LFIs were instructed to look for red flags and file suspicious activity reports where necessary.

STRENGTHENING THE AML/CFT/CPF REGIMES OF MEMBER COUNTRIES

Beneficial Ownership Seminar - The ECCB in collaboration with the IMF and CDB, hosted a hybrid seminar on Beneficial Ownership during the period 21-25 October 2024. The seminar was targeted at national AML/CFT/CPF regulators, representatives from the various FIUs, Financial Regulatory Authorities, representatives from the Attorney General's Office, Registrars, Inland Revenue and representatives from the Customs and Excise Department. The seminar was focused on the revisions to FATF Recommendations 24 and 25.

With over 100 participants attending both in person and virtually, the seminar was considered particularly timely as the ECCU member countries seek to undertake legislative and supervisory measures to ensure full compliance with recommendations.

Simplified Due Diligence Guidelines – On 5 November and 19 November 2024, the ECCB circulated the Standard on Simplified Customer Due Diligence Measures to LFI and regulatory agencies, respectively for feedback.

The Simplified Due Diligence (SDD) Standard aims to ensure that LFIs licensed to conduct banking business under the Banking Act, 2015 (as amended), adopt measures to implement simplified customer due diligence procedures when low-risk factors are identified. Specifically, the Standard seeks to:

- Provide detailed guidance on the SDD measures to be applied by LFIs; and
- Establish the framework for the implementation of a risk-based approach by LFIs in their customer on-boarding, updating, and monitoring processes.

The Standard is intended to streamline the process for institutions while ensuring adequate risk mitigation in line with the overall regulatory framework.

Montserrat's Fourth Round CFATF Mutual Evaluation

– Following amendments to the Proceeds of Crime Act in 2023, the ECCB was appointed as the AML/CFT Supervisory Authority for LFIs in Montserrat, effective 27 December 2023. As the competent authority for both prudential and AML/CFT compliance, the ECCB contributed towards the completion of the Technical Compliance and Effectiveness Questionnaires as part of the country's mutual evaluation. In April 2024, the ECCB participated in interviews with CFATF assessors, providing information on its supervisory and oversight functions within Montserrat's domestic banking sector. Additionally, the ECCB was part of the Montserrat delegation at the CFATF Plenary in November 2024, where the final report was presented for discussion and adoption.



Establishment of a Basic Bank Account Circular – on 14 November 2024, the ECCB issued a circular to all LFIs regarding the establishment of a Basic Bank Account. This initiative aims to support the unbanked and underserved citizens in the ECCU, as part of the ECCB’s broader strategy to foster financial inclusion and measures to uphold the soundness and integrity of the financial system. The circular which forms part of the Ease of Account Opening Strategy, encourages LFIs to offer Basic Bank Accounts, as defined in the proposed amendment to the Banking Act, 2015. The Basic Bank Account is defined as follows:

- a) is free to open;
- b) does not attract charges for the making of deposits or withdrawals;
- c) accrues interest;
- d) is not subject to a minimum balance;
- e) may be subject to a maximum balance; and
- f) does not have an associated chequing or overdraft facility.

These provisions took effect 1 December 2024, and provided guidance on the due diligence measures to be considered for opening a Basic Bank Account.

United Nations Capital Development Fund (UNCDF) Webinar on the proposed changes to FATF Recommendation I - On 27 November 2024, the ECCB participated in a webinar in collaboration with the UNCDF on changes to Recommendation I. The webinar focused on the potential implications for financial inclusion, and the impact this may have for ongoing efforts towards promoting financial inclusion. As part of its strategic priorities, the ECCB has identified the need for implementing mechanisms to facilitate financial inclusion in the ECCU.



HIGHLIGHTS FROM KEY PUBLICATIONS

REGULATORY UPDATES

Summary of February and June 2024 FATF Plenary Outcomes

- **Beneficial Ownership Transparency:** New risk-based guidance was adopted for implementing Recommendation 25 to enhance the transparency of beneficial ownership, preventing misuse of complex structures like trusts.
- **Wire Transfers:** FATF members released options for potential revisions to Recommendation 16, focusing on wire transfers, for public consultation.
- **Non-Profit Organizations (NPOs):** The FATF finalised changes to its assessment methodology to better protect NPOs from abuse in TF.
- **Virtual Assets:** The FATF identified jurisdictions with significant virtual asset activity to help them meet issued standards on Virtual Asset Service Providers (VASPs).
- **Country Prioritization:** The criteria for prioritising countries under the International Cooperation Review Group (ICRG) was revised incorporating considerations for least-developed countries.
- **Jamaica's Progress:** Jamaica was removed from increased monitoring after meeting the action plan requirements.
- **Asset Recovery and Cooperation:** Revisions to the FATF Standards were agreed upon to improve frameworks for asset recovery and international cooperation.
- **Cross-Border Payments:** Revision of FATF Standards were initiated to address evolving cross-border payment systems, with further dialogue needed before finalising changes.

Grey List Updates

Effective 28 June 2024, the FATF added Monaco and Venezuela to its list of jurisdictions under increased monitoring (formally referred to as the “grey list”). Jamaica, a CFATF member, and Türkiye were removed from the list.

Saint Vincent and the Grenadines Mutual Evaluation Report Published

The Saint Vincent and the Grenadines (SVG) Mutual Evaluation Report was published in January 2024. The evaluation was based on information provided by the country, and information obtained by the evaluation team during the on-site visit to SVG during the period 20 to 31 March 2023. The report presents the assessors' analysis of the level of compliance with the FATF 40 recommendations and the level of effectiveness of the SVG's AML/CFT systems, and provides recommendations for strengthening the country's AML/CFT systems.

Antigua and Barbuda's MLFTG Update (May 2024)

In May 2024, Antigua and Barbuda issued an update to its Money Laundering and the Financing of Terrorism Guidelines for Financial Institutions (MLFTG). The updates inserted a prescribed time frame for updating customer due diligence information based on the risk posed by the customer. It also provided updated guidance on the identification and verification of beneficial ownership of legal persons, legal arrangements and other structures capable of exercising beneficial control.

FATF Concerns Over Gatekeepers (July 2024)

In July 2024 the FATF warned about gaps in AML/CFT measures for gatekeeper professions (example attorneys and real estate agents). Countries were urged to implement necessary FATF standards.

European Union (EU) Terrorist List (July 2024)

The EU added “The Base” (a white supremacist group) to the EU Terrorist List, with sanctions including asset freezes. The list of sanctioned individuals, groups, and entities was updated.

THE MISUSE OF INTERNET AND MOBILE PAYMENT SYSTEMS FOR MONEY LAUNDERING AND TERRORIST FINANCING

The CFATF Research Desk explored the risks associated with the misuse of internet and mobile payment systems ML and TF in the final installment of its “*Emerging Trends*” series. The publication provides a detailed analysis of the key payment systems and the associated risks, as well as the necessary measures to mitigate these risks.

Internet payment systems, which allow customers to access pre-funded accounts for electronic transfers, include mechanisms like electronic payment cards, e-wallets, virtual credit cards, and stored-value cards. Mobile payment systems, on the other hand, enable payments through wireless devices such as mobile phones, facilitating person-to-business (P2B), person-to-person (P2P), and government-to-person (G2P) transactions. Additionally, VASPs utilise online platforms and mobile apps to facilitate global fund transfers, including those involving cryptocurrencies and digital currencies.

The rapid growth of these payment systems has introduced several challenges in combating ML and TF. One significant risk is increased anonymity, as these systems allow for non-face-to-face transactions, making it easier for criminals to engage in identity fraud and hide illicit activities. Virtual assets, such as cryptocurrencies, further enhance anonymity and allow for quick cross-border transactions that fall outside traditional regulatory oversight. Another risk is the use of complex transaction structures that obscure the origins of illicit funds through multiple transfers and accounts. Criminals may also use “*smurf*” accounts, making small, discrete transactions to avoid detection and reporting thresholds. Additionally, advancements in digital trade can facilitate trade-based ML, where criminals manipulate invoices and trade values to move illicit funds across borders. Peer-to-peer transactions, enabled by internet and mobile payment systems, also present risks, as they allow criminals to move illicit funds without traditional banking channels, which are subject to customer due diligence measures.

To mitigate these risks, various stakeholders, including the private sector, regulatory bodies, and financial institutions, must implement and enforce robust AML/CFT measures. Key measures include thorough customer due diligence to verify identities, especially in non-face-to-face situations, and transaction monitoring to detect suspicious activities. Enforcing restrictions on anonymous or unregulated funding sources is essential to prevent illicit access to payment systems. Additionally, maintaining transaction records and ensuring that proper reporting procedures are followed supports law enforcement investigations. Regulatory bodies must also allocate appropriate supervisory resources to higher-risk areas, such as VASPs, to ensure compliance with AML/CFT requirements.

In conclusion, while internet and mobile payment systems provide convenience and efficiency, they also present significant challenges in preventing money laundering and terrorist financing. By implementing stringent regulatory measures, conducting thorough due diligence, and enhancing international cooperation, stakeholders can mitigate these risks and protect the integrity of the global financial system.

THE USE OF ARTIFICIAL INTELLIGENCE IN FINANCIAL SERVICES

Artificial Intelligence (AI) adoption in financial services is growing due to advancements in big data, cloud computing, and machine learning. Key applications include enhancing AML/CFT compliance, fraud detection, regulatory reporting, and risk management. AI helps automate data analysis, flag suspicious activities, manage liquidity and credit risk, and conduct stress testing to meet regulatory requirements.

Despite its benefits, AI presents several ethical concerns. One issue is the quality of data used to train AI systems, as inaccurate or biased data can lead to unfair outcomes. AI may also unintentionally reinforce social biases, potentially excluding certain groups. Cybersecurity threats, such as AI-driven phishing or data breaches, are another risk. Financial institutions may also become overly dependent on third-party providers for AI development, increasing operational risks.

To mitigate these challenges, financial institutions should establish strong AI governance frameworks with clear guidelines and policies, ensuring ethical AI use. Effective data management is crucial, along with ongoing staff training on AI ethics and risk management. Institutions should also ensure human oversight of AI decisions, conduct regular audits, and monitor AI systems for potential biases or irregularities.

In conclusion, while AI offers significant improvements in efficiency and regulatory compliance, its ethical and operational risks must be carefully managed through a structured governance framework, robust risk assessments, and continuous monitoring.

REVERSE MONEY LAUNDERING

Reverse Money Laundering (RML) is the process of funneling clean, legally acquired funds into criminal enterprises, operating in the opposite direction of traditional ML. Unlike ML, which hides the illicit origin of funds, RML diverts legitimate money towards illegal activities. Common methods of RML include cash couriers, hawala systems, payment service providers, false invoices, and purchasing precious metals.

RML typically involves four (4) stages: raising clean money legally, securely storing it, moving it discreetly, and finally using it for criminal purposes. To combat RML, a multifaceted approach is required, including stakeholder awareness, strong AML systems, advanced technology, and global collaboration.

NEW AND EMERGING ML TECHNIQUES

Social Media and Influencer Marketing

Criminals are exploiting social media influencers to promote overvalued products or services, facilitating ML. Influencers, with their large followings, create a false sense of demand by endorsing luxury items priced above market value. Followers, eager to emulate influencers, buy overpriced products, allowing money launderers to “clean” illicit funds by integrating them into legitimate sales. The process can be repeated across various influencers and products. This poses challenges for financial institutions, especially where cryptocurrency or online payment platforms are involved.

Non-Fungible Tokens (NFTs)

NFTs, unique digital assets verified on a blockchain, are increasingly used for ML due to their characteristics. They offer pseudonymous trading, open access, high mobility, and subjective pricing. These traits make NFTs appealing for ML, as their value is often artificially inflated, similar to the art market. Financial institutions must monitor NFT transactions carefully, be aware of these risks, and ensure proper training to detect suspicious activity.

NON-TRADITIONAL PREDICATE CRIMES TO MONEY LAUNDERING

Environmental Crimes

Environmental crimes, such as illegal logging, pollution, and wildlife trafficking, are highly profitable, generating around USD\$110.0-\$182.0 (EC\$297.0-\$491.1) billion annually. These crimes often involve low risk and high reward, making them attractive for criminals.

The proceeds from such crimes are frequently laundered using fraud, shell companies, and front businesses. Financial institutions must recognise environmental crime proceeds as a global threat and work closely with national agencies to detect and report suspicious activities.

Counterfeiting and Piracy-Related Crimes

Intellectual Property infringement has become a major method for laundering criminal proceeds. Counterfeit goods now include not only fashion items but also everyday products like food, pharmaceuticals, and electronics, which can pose significant health risks.

The global trade in counterfeit products has grown significantly, reaching USD\$464.0b (EC\$1252.8b) in 2019. This illicit trade deprives governments of taxes and exposes consumers to harmful goods. Increased public awareness and stronger regulation are critical in combating these crimes.

Addressing the threat for LFIs:

- Stay updated on emerging ML risks and trends.
- Monitor FATF updates and adjust monitoring systems with advanced analytics and data.
- Enhance staff awareness and collaborate with local authorities to strengthen legal frameworks.



ANNOUNCEMENT OF
WINNERS –
ENTERPRISE MEMBER
CONSISTENCY AWARD

As part of its mandate to safeguard the financial system and maintain financial stability, the ECCB has introduced several initiatives to support continuous learning and development in the area of AML/CFT/CPF. One of the standout initiatives is the ACAMS Enterprise Membership, designed to provide members with a robust learning platform that promotes ongoing capacity building related to AML/CFT/CPF matters. The Enterprise Membership includes compliance personnel from LFIs, competent authorities from the ECCU, and ECCB staff, all of whom benefit from a comprehensive and evolving learning environment aimed at improving financial system integrity across the region.

In line with its ongoing commitment to raising awareness and enhancing the skills of stakeholders, the ECCB launched its AML/CFT Virtual Campus in September 2023. The virtual campus builds upon the materials provided through the Enterprise Membership Programme, with targeted training areas focusing on emerging risks and new developments in the field of AML/CFT/CPF. This initiative aims to ensure a high level of effectiveness in tackling financial crime and building resilience in the region's financial sector.

In an effort to further motivate and celebrate those making exceptional strides in this important area, the ECCB is proud to introduce the Enterprise Member Excellence Award.



The Enterprise Member Excellence Award

The Enterprise Member Excellence Award is designed to honor individuals who have shown exceptional and consistent dedication to their professional development in AML/CFT/CPF matters. Award recipients are recognized for consistently completing the highest number of courses within the virtual campus platform throughout 2024. This consistent participation highlights their commitment to staying informed and responsive to the latest trends and risks in the ever-evolving financial landscape. By celebrating these achievers, the ECCB aims to inspire others to follow their example and increase their participation in training programs aimed at strengthening the region's financial systems.

The ECCB is proud to announce the recipients of the **2024 Enterprise Member Excellence Award**:

- **Ms Wendy Theophilus**
Financial Investment and Consultancy Services Ltd, Saint Lucia
- **Mrs Debra Williams**
Eastern Caribbean Amalgamated Bank
- **Mrs Carol Pemberton and Ms Donnette Dowers**
Eastern Caribbean Central Bank



These individuals have exhibited an outstanding level of consistency and dedication in their pursuit of AML/CFT/CPF knowledge, and their achievements reflect their proactive approach to addressing emerging financial risks. We commend their hard work and dedication and look forward to seeing them continue to inspire and lead in the ongoing efforts to protect the financial system in the ECCU.

Congratulations to all the recipients for their commitment to excellence! We encourage all members to aim high as we continue our collective journey towards greater financial integrity and stability in the region.



ENHANCING SUPERVISION:
NEW SUPERVISORS
ONBOARD

The ECCB is pleased to announce the addition of new members to its Financial Sector Supervision Department, who will play a pivotal role in enhancing the AML/CFT/CPF framework across the ECCU. These new members bring a wealth of expertise and commitment to fortifying the region's efforts in safeguarding the integrity of the financial system. Through collaborative efforts and strategic initiatives, their contributions will help ensure continued progress in the fight against financial crime, ensuring a secure and resilient financial environment for all. The ECCB looks forward to working alongside these partners to further advance the region's AML/CFT/CPF landscape.



JOVARNI BROWNE

Jovarni Browne is an Examiner I in the AML Supervisory Unit. With over 12 years of experience in law enforcement, the majority of his career has been focused on AML/CFT/CPF. Mr Browne has received specialized training from renowned regional and international organizations, covering areas such as virtual assets, financial analysis, and fraud prevention and detection. In addition to being a Certified Anti-Money Laundering Specialist, he holds a Bachelor of Science in Accounting. Mr Browne is also a certified assessor with the Caribbean Financial Action Task Force (CFATF) and has served as the law enforcement expert for Fourth Round Mutual Evaluation of Belize.



JOEL DARROUX

Joel Darroux is an Examiner I in the AML Supervisory Unit. With over 10 years of diverse experience in the financial services sector, his expertise spans banking and citizenship by investment. Mr Darroux holds a Bachelor of Science in Banking and Finance with a minor in Compliance and Corporate Governance from the University of the West Indies. Mr Darroux also has a Master of Science in Development Finance from the University of Manchester, where his research focused on institutional quality and financial development. He is a Certified Anti-Money Laundering Specialist. Passionate about regulation, finance, and financial development, with particular interest in their intersections with financial inclusion, poverty alleviation, and migration.



BRENDALINE DESCARTES

Brendaline Descartes is an Examiner I in the AML Supervisory Unit. She has acquired over 30 years of experience in the financial services industry serving in various roles including AML/CFT/CPF compliance. Ms Descartes holds a Bachelor of Commerce in Financial Services and a Master of Business Administration. She is a Certified Anti-Money Laundering Specialist, Financial Intelligence Specialist, and Certified Crypto Investigator.



PETRA PHILLIP-PELCHAT

Petra Phillip-Pelchat is an Examiner I in the AML Supervisory Unit. Prior to joining the unit, she served as an administrative professional with over 13 years in the financial services sector. She culminated her administrative career in the Financial Sector Supervision Department at the ECCB where she developed a deeper understanding of AML principles. She holds a Bachelor of Arts in Business and is a Certified Anti-Money Laundering Specialist.



SHEM WALKER

Shem Walker is an Examiner I in the AML Supervisory Unit. He has over 18 years of experience in law enforcement and AML/CFT/CPF supervision. He holds a Bachelor's degree in Management and a Master's in International Security and Risk Management. Mr Walker has received comprehensive training in AML/CFT/CPF locally, regionally and internationally from reputable organisations. He is a Certified Anti-Money Laundering Specialist, an Associate Member of the Association of Certified Fraud Examiners and an Expert Analyst on the Eastern Caribbean Dollar bank notes.

THANK YOU

On behalf of the ECCB, we would like to express our sincere gratitude for taking the time to read our AML/CFT/CPF Newsletter. Your engagement with the Central Bank plays a crucial role in strengthening our collective efforts in promoting financial integrity and safeguarding the stability of our region.

We encourage you to continue reading our newsletters as we aim to provide valuable insights, updates on regulatory expectations, and the latest trends and developments in the AML/CFT/CPF landscape. Your feedback is important to us, and we invite you to share any thoughts or suggestions you may have, so we can continue to improve and better serve your informational needs.

We look forward to keeping you informed and up-to-date as we work together to foster a secure financial environment for all. Thank you for your ongoing support.



AML/CFT/CPF NEWSLETTER
ISSUE 14 SEPTEMBER 2024

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THE USE OF ARTIFICIAL INTELLIGENCE IN FINANCIAL SERVICES
Applications, considerations, and mitigation strategies

Advances in big data, cloud computing, machine learning and the increasing demand for digital products has set the stage for the adoption of Artificial Intelligence (AI) in the financial sector. To date, various forms of AI technologies have been integrated into the global financial system. This article examines the role of AI in the financial sector, discusses the associated ethical considerations, and outlines strategies for ethical deployment of AI.

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THE MISUSE OF INTERNET AND MOBILE PAYMENT SYSTEMS FOR MONEY LAUNDERING AND TERRORIST FINANCING
A summary of the Caribbean Financial Action Task Force Research Desk Publication

In its final instalment of the "Emerging Trends" series, the Caribbean Financial Action Task Force (CFATF) Research Desk explored the misuse of internet and mobile payment systems for money laundering (ML) and terrorist financing (TF) purposes. This article delves into the key definitions, associated risks, and measures to mitigate these risks in the realm of financial transactions.

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NAVIGATING THE WAVES
CHALLENGES AND OPPORTUNITIES IN FORTIFYING THE AML/CFT/CPF FRAMEWORK IN THE EASTERN CARIBBEAN CURRENCY UNION
By Mr Ron Loon - Senior Manager Corporate Services, Republic Bank (RC) Limited

The Eastern Caribbean Currency Union (ECCU), renowned for its picturesque landscapes and rich cultural heritage, grapples with a formidable challenge - labelled a high-risk region for money laundering. Despite commendable efforts by the competent authorities, financial regulators, and governments, the region faces unique challenges in meeting obligations established within the international Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation (AML/CFT/CPF) framework as follows:

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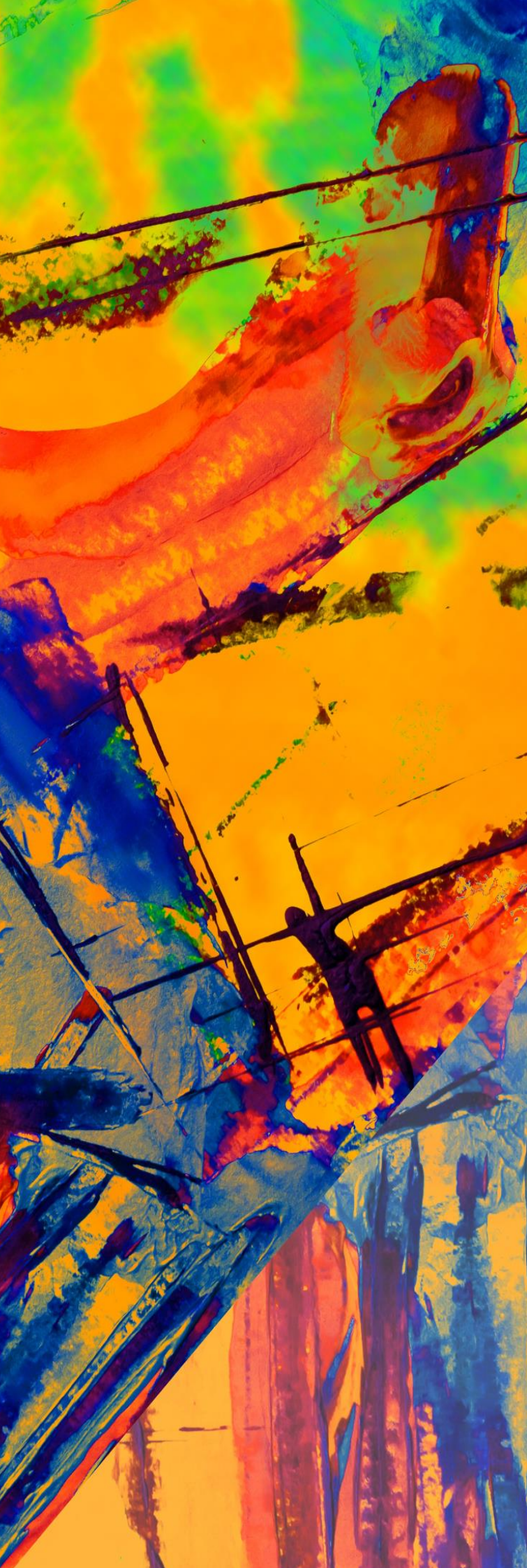
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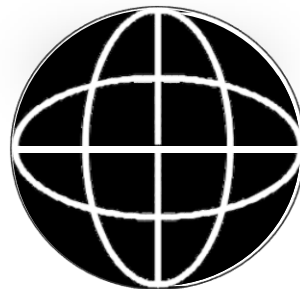
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