



# Anti-money laundering and counter-terrorist financing measures

# Suriname

1<sup>st</sup> Enhanced Follow-up Report &  
Technical Compliance Re-Rating

October 2023

Follow-up Report





The Caribbean Financial Action Task Force (CFATF) is an inter-governmental body consisting of twenty-four member states and territories of the Caribbean Basin, Central and South America which have agreed to implement common countermeasures to address money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction. For more information about the CFATF, please visit the website: [www.cfatf.org](http://www.cfatf.org)

**This report was adopted via written process by the CFATF in accordance with paragraph 92 of the CFATF Procedures for the Fourth Round of AML/CFT Evaluations, 2014 as amended, and paragraph 20 of the CFATF ICRG Procedures for the 4th Round of AML/CFT Evaluations, 2018, as amended.**

Citing reference:

CFATF (2023) - *Anti-money laundering and counter-terrorist financing measures – Suriname, Mutual Evaluation Report.*

<https://cfatf-gafic.org/documents/4th-round-meval-reports/19770-suriname-4th-round-mer/file>

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## Suriname First Enhanced Follow-Up Report – October 2023

### 1. INTRODUCTION

1. The mutual evaluation report (MER) of Suriname was adopted in December 2022 during the 55<sup>th</sup> Caribbean Financial Action Task Force (CFATF) Plenary held in the Cayman Islands and published on January 24<sup>th</sup>, 2023. Since it met the thresholds of having eight or more NC/PC ratings for technical compliance and a low or moderate level of effectiveness for seven or more of the 11 effectiveness outcomes, Suriname was placed under the enhanced follow-up process<sup>1</sup>.
2. This FUR analyses the progress of Suriname in addressing the technical compliance requirements of the recommendations being re-rated. Technical compliance re-ratings are given where sufficient progress has been demonstrated. There have been no changes to the requirements relating to the FATF Recommendations.
3. This report does not analyse any progress Suriname has made to improve its effectiveness.
4. The assessment of Suriname's request for technical compliance re-ratings and the preparation of this report was undertaken by the Group of Experts consisting of, Mr. Abubakar Nyanzi (Financial Expert), Deputy Head in the AML/CFT Division, Cayman Islands Monetary Authority, Cayman Islands and Mr. Anthony McKenzie, Director, AML/CFT Department Bank of Jamaica, Jamaica, with the support from Mr. Jefferson Clarke of the CFATF Secretariat.
5. Section 4 of this report summarises the progress made to improve technical compliance. Section 5 contains the conclusion and a table illustrating Suriname's current technical compliance ratings.

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<sup>1</sup> Regular follow-up is the default monitoring mechanism for all countries. Enhanced follow-up is based on the CFATF's policy that deals with members with significant deficiencies (for technical compliance and/or effectiveness) in their AML/CFT systems and involves a more intensive process of follow-up.

## 2. FINDINGS OF THE MUTUAL EVALUATION REPORT & FOLLOW-UP

6. Suriname's MER ratings<sup>2,3</sup> are as follows:

R.	Rating	R.	Rating
1	PC (MER 2023)	21	PC (MER 2023)
2	PC (MER 2023)	22	PC (MER 2023)
3	PC (MER 2023)	23	PC (MER 2023)
4	LC (MER 2023)	24	NC (MER 2023)
5	PC (MER 2023)	25	NC (MER 2023)
6	NC (MER 2023)	26	PC (MER 2023)
7	NC (MER 2023)	27	PC (MER 2023)
8	NC (MER 2023)	28	PC (MER 2023)
9	LC (MER 2023)	29	PC (MER 2023)
10	PC (MER 2023)	30	PC (MER 2023)
11	LC (MER 2023)	31	PC (MER 2023)
12	PC (MER 2023)	32	PC (MER 2023)
13	PC (MER 2023)	33	LC (MER 2023)
14	LC (MER 2023)	34	C (MER 2023)
15	NC (MER 2023)	35	PC (MER 2023)
16	LC (MER 2023)	36	PC (MER 2023)
17	LC (MER 2023)	37	PC (MER 2023)
18	LC (MER 2023)	38	NC (MER 2023)
19	PC (MER 2023)	39	PC (MER 2023)
20	LC (MER 2023)	40	PC (MER 2023)

<sup>2</sup> There four possible levels of technical compliance are: compliant (C), largely compliant (LC), partially compliant (PC), and non-compliant (NC). Effectiveness ratings for the 11 Immediate Outcomes are: Low, Moderate (Mod), Substantial or High.

<sup>3</sup> This is Suriname's first request for re-ratings, so the current ratings are indicated based on the original MER.

7. Given these results and the effectiveness ratings in the MER, Suriname was placed in enhanced follow-up.

### 3. OVERVIEW OF PROGRESS TO IMPROVE TECHNICAL COMPLIANCE

8. In keeping with the CFATF Mutual Evaluation Procedures, this FUR considers progress made up until May 26<sup>th</sup>, 2023. In line with the ME Procedures and FATF Methodology, the Group of Experts' analysis has considered progress to address the deficiencies identified in the MER and the entirety (all criteria) of each Recommendation under review, noting that this is cursory where the legal, institutional or operational framework is unchanged since the MER or previous FUR.
9. This section summarises the progress made by Suriname to improve its technical compliance by addressing the technical compliance deficiencies identified in the MER.

### 4. PROGRESS TO ADDRESS TECHNICAL COMPLIANCE DEFICIENCIES IDENTIFIED IN THE MER

#### 4.1.1 Recommendation 10 (originally rated PC)

10. In its 4<sup>th</sup> round MER, Suriname was rated PC with R.10. The technical deficiencies included: (i) no provision that specify the threshold of USD/EUR 15,000 for carrying out occasional transactions by FIs; (ii) In the insurance context, Suriname had no CDD measures for beneficiaries of life insurance policies; (iii) there is no legislation that requires the FIs to include the beneficiary of a life insurance policy as a relevant risk factor in determining whether enhanced CDD measures are applicable; (iv) no measures with respect to: (1) identification and verification requirements for legal arrangements (including their beneficial owners); (2) understanding and, as appropriate, obtaining information on, the purpose and intended nature of the business relationship; (3) understanding the nature of a customer's business and its ownership and control structure for legal persons or legal arrangements; and (4) obtaining information on the powers that regulate and bind legal persons or arrangements; in terms of timing of verification, appropriate risk management procedures are not included; (v) with respect to applying a RBA, there were no SDD measures in place; (vi) there were no measures for a situation where performing CDD will tip off the customer
11. **Criterion 10.1: (Met)** No deficiency cited in the MER. FIs were and continue to be prohibited from keeping anonymous accounts or accounts in fictitious names. Since the MER, Suriname made amendments to its AML/CFT framework by establishing the Act on Preventing and Combating Money Laundering and Terrorist Financing ("WMTF Act") in November 2022. The WMTF repealed the WID Act which was applicable at the time of the MER. Service providers are required to do everything necessary to obtain information to establish the identity of those for whom services are provided (art.10 paragraph 1 of the WMTF Act). FIs are required to record information on the first names, address and place of residence or place of business of the client and of the person in whose name an account or a deposit is made (art.20 paragraph 1 of the WMTF Act).
12. **Criterion 10.2(a) (c) (d) & (e) (Met)** No deficiency cited in the MER. The requirement for FIs to undertake CDD measures is established at art.7 of the WMTF Act. There are no changes to the AML/CFT framework in this regard.

13. **Criterion 10.2 (b) (Not met)** As set out in the MER, the SDUIT does not specify the threshold of USD/EUR 15,000 for carrying out occasional transactions as required by the FATF Recommendations. A service provider is required to undertake CDD measures if it carries out an incidental transaction in or from Suriname for the benefit of the client or if two or more transactions have any connection with a joint value, which is determined by *state decree* (art.7 paragraph 3b of the WMTF Act). The WMTF Act does not specify which is the applicable state decree, whilst the thresholds set out in the SDUIT are in relation to objective indicators for the purpose of reporting transactions to the FIU (MER paragraph 191). Criterion 10.2(b) remains **Not Met**.
14. **Criterion 10.3 (Met)** Suriname did not fully meet this criterion at the time of the MER because there was no specification as to whether the customer includes legal arrangements. Since the MER, Suriname amended its AML/CFT framework and now defines the client as the person being a natural person, a legal entity or any other business arrangement that is not a legal person (art.1 paragraph g of the WMTF Act). This amendment in the definition of the client takes into account legal arrangements.
15. **Criterion 10.4 (Met)** No deficiency cited in the MER. FIs were and are required to determine whether the natural person representing the client is authorized to do so and to establish and verify the identity of any third party who is a natural person acting on behalf of the client (art.7 2(e), 2(f) and 2(g) of the WMTF Act).
16. **Criterion 10.5 (Met)** Suriname did not fully meet this criterion at the time of the MER because, the requirement for FIs to identify the beneficial owner and take reasonable measures to verify their identity did not include the usage of relevant information or data obtained from a reliable source. Changes made through art.7 2b of the WMTF Act now fully address this deficiency.
17. **Criterion 10.6 (Met)** Suriname did not fully meet this criterion because, at the time of the MER, there were no provisions for FIs to understand the purpose and intended nature of the business relationship. Changes made through art.7 2c of the WMTF Act now fully address this deficiency.
18. **Criterion 10.7 (a) (Met)** No deficiency cited in the MER. FIs were and are required to continuously monitor the business relationship and the transactions carried out during the term of this relationship, in order to ensure that they correspond to the knowledge that the service provider has of the customer and his risk profile, including, if necessary, an investigation into the origin of the resources used in the business relationship or transaction (art.2d of the WMTF Act).
19. **Criterion 10.7 (b) (Met)** Suriname did not fully meet this criterion because, at the time of the MER, there was no provision to undertake a review of existing records when ensuring CDD information is kept up-to-date and relevant. Art.19 2 of the WMTF Act now fully addresses this FATF requirement.
20. **Criterion 10.8 (Mostly met)** For customers that are legal persons and arrangements, the requirement for FIs to understand the nature of the customer's business and its ownership and control structure has been addressed (art.7 paragraph 2b of the WMTF Act). However, there is no explicit direct obligation to understand the nature of the customer's business.
21. **Criterion 10.9 (a) (b)& (c) (Partly met)** The deficiency with respect to the exclusion of legal arrangements under criterion 10.9 was addressed with the amendment of art.11 paragraph 1 sub sections a, b, c, and d of the WMTF Act to cover a legal entity or any other

- form of business arrangement that is not a legal entity. However, in the absence of the definition of the term “business arrangement”, it remains unclear whether trust-like arrangements are included and covered. Also, there are no provisions for requiring the identification and verification through obtaining information on the powers that regulate and bind the legal person or arrangement as required under c.10.9(b).
22. **Criterion 10.10 (a) (Met)** The WMTF Act requires the service provider to identify the ultimate beneficial owners of the client and take adequate measures to verify his identity using relevant information or data obtained from a reliable source, such that the service provider is convinced of the identity of the ultimate beneficial owner (art.7 2b).
  23. **Criterion 10.10 (b) (Met)** The WMTF Act at art.7 2e, f & g provides for: CDD to determine whether the natural person representing the client is authorised to do so; (f) adequate measures to verify whether the client is acting on his behalf or on behalf of a third party; and (g) where applicable, the identification of the natural person referred to under e and any third party referred to under f and the verification of their identity.
  24. **Criterion 10.10 (c) (Met)** The WMTF Act at art 11 1d requires that if the client is a legal entity or any other form of business arrangement that is not a legal entity, the identity is established using a certified extract from the Trade Register of the Chamber of Commerce and Industry or using a deed drawn up by a notary established in Suriname. In any case, this extract or deed contains the following information. (b) the decision-makers of the legal person or any other form of business arrangement that is not a legal person, as well as the names of the relevant persons with an administrative and management position within the legal person or any other form of business arrangement that is not a legal person.
  25. **Criterion 10.11 (Not met)** As noted in the MER, Suriname did not meet the requirements of this criterion as there were no measures for FIs to take identification and reasonable measures to verify the identity of beneficial owners through the following information:
    - a) For trust, the identity of the settlor, the trustee (s), the protector (if any), the beneficiaries or class boundaries and any other natural person exercising the ultimate effective control over the trust;
    - b) For other types of legal arrangements, the identity of persons in equivalent or similar positions for other types of legal arrangements.
  26. Suriname enacted the WMTF Act and advanced arts.10 & 11 as providing adequate measures to satisfy this requirement. It is noted that the obligations prescribed do not provide the specificity relating to the identification of beneficial owners.
  27. **Criterion 10.12 (a) (b) & (c) (Met)** As noted in the MER, the provisions did not include the requirements for this criterion. Suriname enacted the WMTF Act to correct this by requiring CDD information to be established in the event of concluding, surrendering and paying out, as well as providing intermediary services in the conclusion, surrendering and paying out of a life insurance contract, and of other investment-related insurance products, including: the insured amount and the relevant policy number.
  28. **Criterion 10.13 (Not met)** As noted in the MER, there are no measures for FIs to include the beneficiary of a life insurance policy as a relevant risk factor in determining whether enhanced CDD measures are applicable.

29. **Criterion 10.14 (Met)** No deficiency cited in the MER. The timing of verification for customers and beneficial owners is established at art.8 2a of the WMTF ACT. There are no changes to the AML/CFT framework in this regard.
30. **Criterion 10.15 (Met)** Pursuant to art.8 2a of the WMTF, a service provider is permitted to enter into a business relationship prior to verification. However, verification must occur before any transactions are carried out. Further, according to art. 8 2c of the WMTF, a service provider that is a bank opens an account before the verification of the customer's identity has taken place, if it guarantees that this account cannot be used before the verification has taken place. The above requirements under the WMTF, that prohibit the utilisation of the business relationship prior to verification, negate the need for the adoption of the risk management procedures under C.10.15.
31. **Criterion 10.16 (Met)** No deficiency cited in the MER. The requirement to apply CDD measures to existing customers is established at art.7 2d of the WMTF Act. There are no changes to the AML/CFT framework in this regard.
32. **Criterion 10.17 (Met)** No deficiency cited in the MER. A service provider is required to perform enhanced CDD where the ML/TF risks are higher (art.14 of the WMTF Act). There are no changes to the AML/CFT framework in this regard.
33. **Criterion 10.18 (Met)** FIs are only permitted to apply simplified CDD measures where lower risks have been identified, through an adequate analysis of risks by the financial institution (art.13 of the WMTF Act). The permitted simplified CDD measures do not apply if the client, business relationship or transaction entails a higher risk of money laundering or terrorist financing or if there are indications that the client is involved in money laundering or terrorist financing (art.13 4 of the WMTF).
34. **Criterion 10.19 (a) (Met)** No deficiency cited in the MER. There is an obligation to not open the account, commence the business relationship or perform the transaction or terminate the business relationship, where the FI is unable to comply with relevant CDD measures (art.9 of the WMTF Act). There are no changes to the AML/CFT framework in this regard.
35. **Criterion 10.19 (b) (Not met)** As noted in the MER, the requirement for making a disclosure to the FIU was limited to when the service provider (FIs) cannot perform CDD after the business relationship has commenced. Art.9 2 of the WMTF Act provides for the immediate termination of the business relationship and filing of an STR after entering the business relationship. However, there exists no obligation for FIs to consider filing an STR in relation to the customer for failing to provide the relevant CDD information.
36. **Criterion 10.20 (Met)** No deficiency cited in the MER. Where a service provider forms a reasonable suspicion of a client's involvement in ML or TF, and they believe that performing the CD could tip-off the client, the service provider is permitted to not pursue the CDD process and is obligated to file a report to the FIU (art.8 3 of the WMTF Act). There are no changes to the AML/CFT framework in this regard.

**Weighting and conclusion:**

37. Since the MER, Suriname has taken steps to rectify some of the identified gaps. Whilst most of the CDD measures are in place in Suriname, deficiencies still exist in the current AML/CFT legislative framework. Suriname has no provision that specifies the threshold of USD/EUR 15,000 for carrying out occasional transactions by FIs which is considered a minor deficiency. In the insurance context, there is no legislation that requires the FIs to

include the beneficiary of a life insurance policy as a relevant risk factor in determining whether enhanced CDD measures are applicable. These deficiencies are not weighted heavily based on Suriname's risk and context and the size of the insurance sector. With respect to CDD measures, there are no measures regarding: (1) identification and verification requirements for legal arrangements (including their beneficial owners); (2) understanding the nature of the client's business when performing identification and verification procedures for a legal entity or any other form of business which is not a legal entity; (3) obtaining information on the powers that regulate and bind legal persons or arrangements; (4) regarding a legal entity governed by public law and religious organisation, in addition to the same deficiency as local or foreign entities there is no requirement for obtaining proof of existence; (5) there exists no obligation for FIs to consider filing an STR in relation to the customer for failing to provide the relevant CDD. These deficiencies are weighted heavily as some relate to higher-risk areas such as identification and verification of beneficial ownership and proof of existence.

**38. Suriname is re-rated Partially Compliant for R.10.**

**4.1.2 Recommendation 12 (originally rated PC)**

39. **Criterion 12.1 (Met)** No deficiency cited in the MER. The requirement to: put risk management systems in place, to determine whether a client a potential client or the ultimate beneficial owner is a PEP; obtain senior management approval for the establishment (or continuation for existing customers) of those business relationships; take reasonable steps to establish the source of funds and the source wealth; and to exercise stricter supervision on the business relationship on an ongoing basis, is established at art.16 of the WMTF Act. There are no changes to the AML/CFT framework in this regard.
40. **Criterion 12.2 (a) & (b) (Met)** The MER noted that Suriname's legislation did not define or make any reference to the domestic PEPs and there were no defined CDD measures for domestic PEPs or persons who have been entrusted with a prominent function by an international organisation. PEP is now appropriately defined in the WMTF Act (art.1 x). Art.16 1 of the WMTF Act appropriately addresses the requirement for taking reasonable measures to determine whether a client or an ultimate beneficial owner is a PEP. Art.16 3 a, b, c and d provides for cases of higher risk business relationships to be managed in accordance with c.12.2 (b).
41. **Criterion 12.3 (Met)** FIs are required to apply the relevant PEP requirements of art.16 mutatis mutandis to family members and close relatives of PEPs (art.16 4 of the WMTF Act). The application of this obligation is clarified in the Explanatory Memorandum for art.16 whereby the PEP requirements extend to close associates of the PEP.
42. **Criterion 12.4 (Mostly met)** The MER noted that there was no requirement in Suriname's legislation that requires FIs to determine whether the beneficiaries and/or where required, the beneficial owner of a beneficiary of a life insurance policy is a PEP. Art.8 2b of the WMTF Act requires a service provider that is a life insurer to identify the beneficiary of a policy and verify the identity after the business relationship has been established. In such cases, the identification and verification of identity will take place on or before the time of payment or on or before the time at which the beneficiary wishes to exercise his rights under the policy. There is no requirement for senior management involvement before paying out in cases where the beneficiaries have been identified as PEP and no obligation to consider making a STR.

**Weighting and conclusion:**

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43. The deficiencies noted in the 4<sup>th</sup> round MER have been largely addressed with the amendments made within the WMTF Act. There is, however, no requirement for senior management involvement before paying out in cases where the beneficiaries have been identified as PEPs. Due to the limited risks, the issues relating to life insurance are given minimal weight. The deficiencies outlined in the 4<sup>th</sup> Round MER have now been largely addressed with minor shortcomings remaining,

44. **Suriname is re-rated as Largely Compliant for R.12.**

#### **4.1.3 Recommendation 13 (originally rated PC)**

45. **Criterion 13.1 (a) (Met)** A service provider who intends to enter into a correspondent bank or similar relationship shall ensure that it collects sufficient information about the respondent institution to obtain a full picture of the nature of its business activities and to establish the reputation of the respondent institution and the quality of supervision exercised over that institution, including information about any investigations into ML and TF or measures taken as part of supervision (art.17 1a of the WMTF Act).

46. **Criterion 13.1 (b) (Met)** A service provider who intends to enter into a correspondent bank or similar relationship shall ensure that it assesses the respondent institution's procedures and measures to prevent money laundering and terrorist financing and ascertains that these are adequate and effective (art.17 1b of the WMTF Act).

47. **Criterion 13.1 (c) (Met)** No deficiency cited in the MER. There is an obligation for a service provider to obtain senior management approval before establishing new corresponding banking relationships (art.17 2 of the WMTF Act). There are no changes to the AML/CFT framework in this regard.

48. **Criterion 13.1(d) (Met)** No deficiency cited in the MER. There is an obligation for a service provider to clearly understand the AML/CFT responsibilities of each institution (art.17 1c of the WMTF Act). There are no changes to the AML/CFT framework in this regard.

49. **Criterion 13.2 (a) & (b) (Met)** No deficiency cited in the MER. There are requirements with respect to “payable-through accounts” (art.17 3 of the WMTF Act). There are no changes to the AML/CFT framework in this regard.

50. **Criterion 13.3 (Met)** No deficiency cited in the MER. FIs are prohibited from entering into or continuing a correspondent banking relation with a shell bank and must satisfy themselves that a respondent service provider does not allow their accounts to be used by shell banks (WMTF Act, art.17 4 and art.17 5 respectively). There are no changes to the AML/CFT framework in this regard.

#### **Weighting and conclusion:**

51. The deficiencies outlined under Criteria 13.1(a) and 13.1(b) of the 4<sup>th</sup> Round MER have now been addressed with the enactment of the WMTF Act.

52. **Suriname is re-rated as Compliant with R.13.**

#### **4.1.4 Recommendation 21 (originally rated PC)**

53. **Criterion 21.1 (Met)** There are provisions that protect service providers, their directors, and their employees, from both criminal and civil liability for breach of any restriction on disclosure of information imposed by contract or by statutory provisions when they report suspicions of ML or related designated criminal offences or TF, insider trading and market

manipulation, in good faith to the FIU Suriname (art.36 and art. 37 of the recently enacted WMTF Act).

54. **Criterion 21.2 (Met)** No deficiency cited in the MER. Tipping-off and confidentiality obligations with regard to data and information provided or received pursuant to the WMTF Act, including in relation to the filing of STRs, are established at art.45 1 of the WMTF Act. There are no changes to the AML/CFT framework in this regard.

**Weighting and conclusion:**

55. Suriname has taken significant steps through the passage of the WMTF Act, which include provisions aimed at safeguarding service providers, their directors and their employees, from both criminal and civil liability for breach of any restriction on disclosure of information (including those related to TF) imposed by contract or by statutory provisions. Additionally, the WMTF Act designates information shared under the Act as confidential.

56. **Suriname is re-rated as Compliant with R.21.**

**4.1.5 Recommendation 22 (originally rated PC)**

57. **Criterion 22.1 (a) to (e) (Partly met)** In Suriname DNFBPs fall within the meaning of service provider (art.1a of the WMTF Act) and are required to comply with the CDD requirements set out in R.10. The CDD requirements do not outline any de minimis thresholds. The deficiency identified in the 4<sup>th</sup> Round MER is related to the use of a de minimis threshold of US\$5,000 by game of chance providers when implementing CDD measures. This threshold exceeds the recommended limit of USD/EUR 3,000 (see Category H of the SDIUT). However, it is important to note that although the SDIUT remains in effect, this deficiency has been considered addressed because the WMTF, which does not prescribe a de minimis threshold, supersedes the SDUIT.
58. The deficiencies noted in R.10 have a cascading effect on this criterion. R.10 remains partially compliant, which impacts the rating for C22.1. Not all the measures outlined in R.10 would apply to DNFBPS (eg.C.10.12 and C.10.13). For a detailed review of the deficiencies in R.10, please refer to the re-rating assessment for R.10. The applicable identified deficiencies in R.10 were deemed substantial and had an impact on the rating for C.22.1.
59. **Criterion 22.2 (Met)** In the MER, Suriname was rated as being largely compliant with the record keeping requirements of R.11. Since the MER, Suriname enacted the WMTF and the record keeping requirements, which are now detailed in arts.19-21 are in accordance with the requirements of R.11. The record keeping requirements apply to all DNFBPs.
60. **Criterion 22.3 (Met)** Under the WMTF Act, DNFBPs have the same PEP requirements as FIs. The deficiencies identified in C12.2, C.12.3 and C.12.4 of the MER have now been addressed. These deficiencies had a cascading effect on the criterion. On this basis, the deficiencies identified in C.22.3 have now been addressed. Please see the re-rating of R.12 (PEPs) for a full analysis.
61. **Criterion 22.4 (Met)** Under the recently enacted WMTF Act, DNFBPs are obligated to adhere to new technology requirements outlined in R.15.

- a) **C15.1 (Met):** Service providers are mandated to take adequate measures to identify and assess the risks of ML and TF that may arise from the development and use of new technologies, products and commercial practices, including new service delivery mechanisms. A risk assessment will also be performed prior to the

introduction or use of such technologies, products and commercial practices (art.3 3 of the WMTF Act).

b) **C1.15.2 (Met):**

**Sub C.15.2 (a) (Met):** As noted in c.15.1, art. 3 3 of the WMTF Act requires that a service provider must undertake risk assessment prior to the introduction or use of new technologies, products and commercial practices.

**Sub C.15.2 (b) (Met):** There is a general requirement for a service provider to take measures to periodically identify and assess its risks of ML and TF, whereby the measures are proportionate to the nature and size of the service provider (art.3 1 of the WMTF Act)

62. **Criterion 22.5 (Met)** Art.12 1 of the WMTF Act stipulates that a service provider is permitted to rely on the due diligence conducted by an intermediary or third party on behalf of a customer. The WID Act, which was in force at the time, did not indicate if DNFBPs are allowed to rely on CDD measures conducted by third parties based overseas. Art.1 1a – e of the WMTF Act outlines the criteria that a service provider must fulfill in order to rely on CDD conducted by a third party.

**Weighting and conclusion:**

63. Suriname has made significant progress in addressing the deficiencies outlined under c.22.2, c.22.3, c.22.4 and c.22.5 of the 4<sup>th</sup> Round MER. The provisions established in the WMTF Act have resolved the issues related to these criteria. However, there are still remaining deficiencies related to C22.1 concerning CDD measures outlined in R.10, which have a cascading effect on this criterion. R.10 remains partially compliant. These deficiencies should be addressed.
64. **Suriname is re-rated as Largely Compliant with R.22.**

## 5. CONCLUSION

65. Overall, Suriname has made significant progress in addressing most of the technical deficiencies identified in its MER and has been upgraded to C on R.13 and R.21; upgraded to LC on R.12 and R.22. R.10 is maintained at PC.
66. A summary table setting out the underlying deficiencies for the Recommendations assessed in this report is included at *Annex A*.
67. Overall, in light of the progress made by Suriname since its MER was adopted, its technical compliance with the FATF Recommendations is as follows as of December 2023:

R.	Rating
1	PC (MER 2023)
2	PC (MER 2023)
3	PC (MER 2023)
4	LC (MER 2023)
5	PC (MER 2023)
6	NC (MER 2023)
7	NC (MER 2023)
8	NC (MER 2023)
9	LC (MER 2023)
10	PC (MER 2023) <b>PC (FUR 2023)</b>
11	LC (MER 2023)
12	PC (MER 2023) <b>↑ LC (FUR 2023)</b>
13	PC (MER 2023) <b>↑ C (FUR 2023)</b>
14	LC (MER 2023)
15	NC (MER 2023)
16	LC (MER 2023)
17	LC (MER 2023)
18	LC (MER 2023)
19	PC (MER 2023)
20	LC (MER 2023)

R.	Rating
21	PC (MER 2023) <b>↑ C (FUR 2023)</b>
22	PC (MER 2023) <b>↑ LC (FUR 2023)</b>
23	PC (MER 2023)
24	NC (MER 2023)
25	NC (MER 2023)
26	PC (MER 2023)
27	PC (MER 2023)
28	PC (MER 2023)
29	PC (MER 2023)
30	PC (MER 2023)
31	PC (MER 2023)
32	PC (MER 2023)
33	LC (MER 2023)
34	C (MER 2023)
35	PC (MER 2023)
36	PC (MER 2023)
37	PC (MER 2023)
38	NC (MER 2023)
39	PC (MER 2023)
40	PC (MER 2023)

68. Suriname has 26 Recommendations rated NC/PC. Suriname will remain in enhanced follow-up based on effectiveness ratings. Suriname's next enhanced follow-up report is due November 2024.

## 5.1 Annex A: Summary of Technical Compliance – Deficiencies underlying the ratings<sup>4</sup>

Compliance with FATF Recommendations		
Recommendation	Rating	Factor(s) underlying the rating <sup>6</sup>
R10	PC (MER) PC (FUR 2023)	<ul style="list-style-type: none"> <li>Suriname has no provision that specify the threshold of USD/EUR 15,000 for carrying out occasional transactions by FIs.</li> <li>In the insurance context, there is no legislation that requires the FIs to include the beneficiary of a life insurance policy as a relevant risk factor in determining whether enhanced CDD measures are applicable.</li> <li>With respect to CDD measures, there are no measures with respect to: (1) identification and verification requirements for legal arrangements (including their beneficial owners); (2) understanding the nature of the client’s business when performing identification and verification procedures for a legal entity or any other form of business which is not a legal entity; (3) obtaining information on the powers that regulate and bind legal persons or arrangements; (4) regarding a legal entity governed by public law and religious organisation, in addition to the same deficiency as local or foreign entities there is no requirement for obtaining proof of existence; (5) there exists no obligation for FIs to consider filing an STR in relation to the customer for failing to provide the relevant CDD.</li> <li>In terms of timing of verification, whilst there are measures for the timing of verification, they do not include appropriate risk management procedures.</li> </ul>
R.12	PC (MER) LC (FUR 2023)	<ul style="list-style-type: none"> <li>There is no requirement for senior management involvement before paying out in cases where the beneficiaries have been identified as PEPs</li> <li>No obligation to consider making a STR.</li> </ul>
R.13	PC (MER) C (FUR 2023)	<ul style="list-style-type: none"> <li>All criteria are met.</li> </ul>
R.21	PC (MER) C (FUR 2023)	<ul style="list-style-type: none"> <li>All criteria are met.</li> </ul>
R.22	PC (MER) LC (FUR 2023)	<ul style="list-style-type: none"> <li>The deficiencies identified in R.10 (Customer Due Diligence) have a cascading effect on this criterion. R.10 remains partially compliant, which impacts the rating for C22.1.</li> <li>Suriname has not provided indications that the country has identified and assessed the risks of ML/TF that may arise in connection with the development of new products and new business practices.</li> </ul>

<sup>4</sup> Ratings and factors underlying the ratings are only include for those recommendations under review in this FUR.



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October 2023

## Anti-money laundering and counter-terrorist financing measures in Suriname

### 1<sup>st</sup> Follow-up Report & Technical Compliance Re-Rating

This report analyses Suriname's progress in addressing the technical compliance deficiencies identified in the CFATF assessment of their measures to combat money laundering and terrorist financing of December 2022.

The report also looks at whether Suriname has implemented new measures to meet the requirements of the FATF Recommendations that have changed since its 4th Round Mutual Evaluation assessment.

First Enhanced Follow- Up Report and Technical Compliance re-rating of Suriname © 2023 CFATF

Caribbean Financial Action Task Force

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