

CFATF Mutual Evaluation Process and Timelines

Prepared by the AMLU
CICA Breakfast Session

Grand Cayman Marriott Beach Resort
21st March 2018

Pre On-Site Visit

CFATF Assessment Team

- 4 Jan 2017 – Technical Compliance Questionnaire (TCQ) Sent
- 16 May 2017 – Presentation of Assessors
- 28-29 Jun 2017 – Pre-Assessment Training
- 4 Aug 2017 – Draft TC Annex Sent
- 18 Sep 2017 – Draft Scoping Note sent

Cayman Islands

- 5 Jun 2017 – Submitted the completed TCQ to CFATF
- 4 Aug 2017 – Submitted the Immediate Outcomes (IOs) for Effectiveness
- 2 Oct 2017 – Replied to the TC Annex

On-Site Visit

- 4th to 15th December 2017
- Opportunity for the assessment team to meet
 - Competent Authorities
 - Industry Associations
 - Representatives of Financial Institutions and DNFBPs
- Focused on Effectiveness - 11 Immediate Outcomes

Pre CFATF Plenary

CFATF Assessment Team

- 26 Jan 2018 – 1st draft of Mutual Evaluation Report (MER) sent
- 23 Apr 2018 – Send 2nd draft MER to Cayman Islands and reviewers
- 28 May 2018 – Conduct face-to-face or conference call
- 18 Jun 2018 – Send 3rd draft MER (with reviewers' comments and assessors' responses)
- 9 Jul 2018 – Assessors and jurisdiction engage to 1) review delegation comments and 2) list of priority issues

Cayman Islands

- 26 Feb 2018 – Responded to the 1st draft of MER sent
- 14 May 2018 – Provide comments on the 2nd draft MER
- 9 Jul 2018 - Work with Assessors on priority issues and comments received

CFATF Plenary

- 25 – 29 Nov 2018 – Bridgetown (Barbados)
- MER and Executive Summary (particularly the list of priority issues) discussed
- The Working Group on FATF Issues (WGFI) discuss the list of 5 to 7 priority issues to present to Plenary
- Plenary discusses the priority issues, the MER and Executive Summary - and adopts the MER

Post Plenary

- MER published 6 weeks after being adopted at CFATF Plenary (by 7th January 2019)
- Ex-Post Quality and Consistency Review
 - MER sent to FATF Secretariat for circulation to FATF Members, FSRBs, IFIs
 - Where the same specific concern(s) are raised by two delegates, FATF's Evaluation and Compliance Group (ECG) will discuss action (possible referral to FATF Plenary)

CFATF Follow-up Process

- Jurisdictions are placed on Enhanced follow-up if
 - it has 8 or more NC/PC ratings for technical compliance, or
 - it is rated NC/PC on any one or more of R.3, 5, 10, 11 and 20, or
 - it has a low or moderate level of effectiveness for 7 or more of the 11 Immediate Outcomes (IOs), or
 - it has a low level of effectiveness for 4 or more of the 11 IOs.
- Regular follow-up reports – progress made within the three years following the MER
- Enhanced follow-up reports - first follow-up report should at least contain an outline of the country's strategy for addressing the issues identified in their MER
 - Focus for subsequent follow-up report: re-ratings for technical compliance and/or demonstrating progress
- Follow-up Assessment in Year 5: 2-3 days, 1-3 experts

Important for FIs and DNFBPs in 2018

- Keep your risk assessment up-to-date (ML, TF)
- Take measures to mitigate risks (ML, TF)
- Pay attention to CTF and CPF, especially Industry Guidance for Targeted Financial Sanctions.
- Ensure beneficial ownership information is kept up-to-date
- AML/CFT Audits

End

- Questions?