

**ANTI-MONEY LAUNDERING/COUNTER FINANCING OF TERRORISM /COUNTER
PROLIFERATION FINANCING IN FOCUS**

Part Three:

**An In-depth Look at the Financial Action Task Force (FATF) Forty Recommendations-
Recommendation One- Assessing Risk and Applying a Risk-Based Approach**

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The Financial Action Task Force (FATF) developed Forty Recommendations which are the guidelines that countries follow in combating money laundering, terrorist financing and financing of the proliferation of weapons of mass destruction. Each Recommendation covers one specific area. Recommendation One requires countries to '*Assess Risk and Apply a Risk Based Approach*' in its fight these three scourges.

It is therefore incumbent upon Saint Lucia to take the appropriate measures to identify, assess and understand the risks that money laundering, terrorist financing and proliferation financing pose to her shores. On a macro level this can be achieved by conducting a National Risk Assessment (NRA). This assessment sees data being gathered and analyzed from both the public and private sectors and a report being produced. In this report areas of weakness, vulnerability and strength will be identified. As a result on a micro level institutions such as banks, insurance agencies, remittances and designated non-financial businesses and professions (Realtors, Jewelers, and Accountants etc.) are encouraged to carry out internal assessments to identify and mitigate any areas of exploitation for money laundering, terrorist financing and financing of the proliferation of weapons of mass destruction within their organizations. The extent and nature of the assessment carried out by individual organizations will be directly dependent upon the nature of the business and the size of the organization.

Having highlighted areas of vulnerabilities and weaknesses, a risk based approach is adopted. This approach calls for greater resources to be allotted to areas of higher risks and lower resource allocation in areas of lower risk. Through the information provided in the National Risk Assessment the Government is able to make informed policy decisions on security and other related issues. In the same vein, businesses in determining their overall risks, have a better understanding of the level of mitigation measures to be applied, for example enhanced customer due diligence can be conducted.

In September 2019 Saint Lucia will have its onsite visit by a team assessors from the Caribbean Financial Action Task Force (CFATF) as we undergo the 4th Round Mutual Evaluation. An examination of Saint Lucia's compliance with the Forty Recommendation will be conducted. Consequently, Recommendation One touches and concerns all the other FATF Forty Recommendations as it aids in determining the work ascribed to each. The National Anti-Money Laundering Oversight Committee (NAMLOC) continues its work to prepare for this evaluation, with the assistance of six teams.

Organizations which will be assessed, are encouraged to evaluate their risks and apply a risk-based approach to fight money laundering, terrorist financing and financing the proliferation of weapons of mass destruction.