



## INTRODUCTION

Aruba has a solid and reputable financial system. This, together with its political and economic stability, may also attract criminals who want to launder their money or finance terrorism. To avoid your business getting caught up unwillingly or unknowingly in such criminal entanglements, you must protect yourself sufficiently!

Don't become a victim of money laundering or terrorist financing schemes. By protecting yourself, you are not only standing up for your business, but also doing your part for Aruba: ensuring a safe and sound financial system and a fair society that complies with international standards.

DNFBPs are required to register their business with the Central Bank of Aruba (CBA) because they fall under the scope of the State Ordinance for the Prevention and Combating of Money Laundering and Terrorist Financing or "AML/CFT State Ordinance (LWTF)". For more information on how to register, please check the CBA's website: [www.cbaruba.org](http://www.cbaruba.org).

The CBA supervises compliance with the AML/CFT State Ordinance. The CBA can visit businesses' premises, announced or unannounced, and require businesses to provide information, e.g., via a questionnaire or during an interview. In case of noncompliance, the CBA may take enforcement actions, for example, by imposing a fine or bringing violations to the attention of the Public Prosecutors Office.

To help DNFBPs act in accordance with the AML/CFT State Ordinance, the CBA has developed this brochure titled "How to protect your Business against Money Laundering and Terrorist Financing in 5 Steps".

*Note that this brochure is for information purposes only. It presents ways of complying with the AML/CFT State Ordinance and always must be read in conjunction with the AML/CFT State Ordinance. In case of doubt, you are strongly advised to hire a consultant or legal advisor to guide and support you.*

*(AML/CFT = Anti-Money Laundering/Combating Financing of Terrorism)*



## STEP 1 HOW TO BUILD AN AML/ CFT FRAMEWORK

### Conduct a risk assessment

- Conduct and document a money laundering and terrorist financing risk assessment (or "BRA ML/TF"). On the basis of this assessment, a DNFBP can determine how vulnerable its activities are to the threats of money laundering and terrorist financing.

### Build your policies, procedures, and measures

- All DNFBPs should have documented policies and procedures regarding anti-money laundering and anti-terrorist financing tailored to their business and based on the abovementioned risk assessment. The policies and procedures should, for example, determine how to conduct Customer Due Diligence and how to report unusual transactions to the Financial Intelligence Unit Aruba (FIU-Aruba).

### Appoint a Money Laundering Compliance Officer and Money Laundering Reporting Officer

- The law requires appointment of a Money Laundering Compliance Officer (MLCO) and a Money Laundering Reporting Officer (MLRO). The MLCO may be outsourced to a professional third party (e.g., a consultant or legal advisor). However, the MLRO must be appointed internally.

### Training

- Management and staff should participate in regular AML/CFT training programs. Management and staff members should be fully aware of the AML/CFT requirements in Aruba and understand their roles and responsibilities.



## STEP 2 WHEN TO REPORT UNUSUAL TRANSACTIONS

Detect and report unusual transactions to the FIU-Aruba.

### Transactions are considered 'unusual' in case of:

- A non-cash transaction (i.e., bank transfer) of Afl. 500,000 or more;
- A cash transaction of Afl. 25,000 or more. In the case of casinos, the amount is Afl. 5,000 or more;
- A transaction that may relate to money laundering;
- A transaction that may relate to terrorist financing;
- A transaction that has been reported to the police or the judicial authorities;
- A transaction made by or on behalf of a natural person, legal entity, group, or entity established in countries or territories indicated by the Sanctions Ordinance 2006.

The abovementioned applies not only to transactions that have been carried out, but equally to intended transactions.



## STEP 3 WHEN TO CONDUCT CUSTOMER DUE DILIGENCE

The AML/CFT State Ordinance determines when a DNFBP should conduct "Customer Due Diligence" on a client (section 6).

### That is the case if:

- A business relationship is established in or from Aruba with the client;
- If there are indications that the client is involved in money laundering or terrorist financing;
- If doubts exist regarding the soundness or reliability of data obtained previously from the client;
- If the risk of involvement of an existing client in money laundering or terrorist financing gives reason to do so.

Furthermore, for some categories of DNFBPs, specific circumstances exist that require also performing Customer Due Diligence. These circumstances are determined in section 6, paragraph 2, of the AML/CFT State Ordinance:

### Accountant, lawyer, notary, and tax advisor:

1. The purchase and sale of register objects, as well as the rights to which these objects can be subjected;
2. The management of money, securities, or other asset components;
3. The management of bank, savings, or securities accounts;
4. The organization of contributions for the creation, operation, or management of companies;
5. The creation, operation, or management of legal persons or similar legal entities, and the purchase and sale of businesses.

### Casino:

The performance of cash transactions with a value of Afl. 5,000 or more.

### Car dealer and jeweler:

The performance of cash transactions with a value of Afl. 25,000 or more.

### Real estate company:

The purchase and sale in or from Aruba of register objects, as well as the rights to which these objects can be subjected.

### Trust service provider:

The performance in or from Aruba of the following activities:

1. To act as a founder of legal persons;
2. The provision of a domicile, business address, or accommodation, postal, or administrative address to a company, corporation, or partnership, or another legal person of arrangement;
3. To act or have someone else act as manager or representative of a trust;
4. To act or have someone else act in the name of a shareholder.





For more information and for consulting the AML/CFT State Ordinance, the CBA refers you to the following websites:

- <https://www.cbaruba.org>
- <https://www.cbaruba.org/AMLCFT>
- <https://www.cbaruba.org/Sanctions>
- <http://www.fiu-aruba.com/fiu/>



## STEP 4 HOW TO CONDUCT CUSTOMER DUE DILIGENCE

Customer Due Diligence should always be conducted before rendering services, as well as throughout the rendering of the services. In any case, no business relationship may be entered into or an incidental transaction be carried out before conducting proper Customer Due Diligence. The Customer Due Diligence needs to be documented.

### Identification and verification

- Identify and verify the identity of the client (e.g., by passport);
- In case the client is a legal entity (e.g., a company), the ultimate beneficial owner(s) of the legal entity must also be identified.

### Purpose and nature of the business relationship

- Determine the purpose and intended nature of the business relationship. Stay alert at all times and critically ask yourself: Does it make sense for the client to use my business? Is the client's request reasonable and understandable? Does the client cooperate by answering questions regarding the background of the relationship or the incidental transaction?

### Screen your client

- Check data from reliable, independent sources regarding your client and use this information to establish a risk profile of your customer (for example, low/medium/high);
- Check if the client is a politically exposed person ("PEP");
- Check if the client's name is on any Sanctions list;
- Conduct ongoing monitoring of the business relationship and transactions. Keep a close eye on changes in the business relationship or unusual behavior of the client, such as business requests that do not fit the customer's regular behavior;
- In case of high risk, conduct Enhanced Due Diligence by performing additional background checks, for example, by determining the client's source of wealth and source of income.

Do you consider the risks too big or is your (potential) client unwilling or reluctant to cooperate? Then you should not proceed in doing business with the (potential) client.



## STEP 5 HOW TO KEEP RECORDS AND EVALUATE THE AML/CFT FRAMEWORK

### Keep records

Document and keep all Customer Due Diligence and transaction information for at least 10 years after:

- The date of termination of the business relationship;
- The date of carrying out the transaction.

Certain authorities (such as the police and prosecutor's office) may ask you for these data. You are required by law to have these data available at all times.

### Evaluate

- Conduct a periodic independent assessment of your AML/CFT- framework;
- If you detect any gaps or deficiencies, remediate them as soon as possible.

HOW TO PROTECT YOUR BUSINESS AGAINST

# MONEY LAUNDERING AND TERRORIST FINANCING

IN FIVE STEPS



This brochure is relevant to you if your business falls into the category of Designated Non-Financial Businesses and Professions (DNFBPs).

DNFBPs include the following businesses and professions:

- |               |                           |
|---------------|---------------------------|
| • Accountants | • Jewelers                |
| • Car dealers | • Real Estate Companies   |
| • Casinos     | • Tax Advisors            |
| • Law Firms   | • Trust Service Providers |
| • Notaries    |                           |

