



FINANCIAL INTELLIGENCE UNIT



## PRESS RELEASE –

### Joint Statement by the Relevant Authorities in St. Vincent and the Grenadines on Allegations of ‘Money Laundering’

The relevant authorities in St. Vincent and the Grenadines, namely, the National Anti-Money Laundering Committee (NAMLC), the Financial Services Authority (FSA) and the Financial Intelligence Unit (FIU) hereby issue a joint statement strongly denouncing the description of St. Vincent and the Grenadines as being ‘*notorious for money laundering*’ and a ‘*prime money laundering destination.*’ Such descriptions appeared in the international media on October 29<sup>th</sup> 2017, in articles on the present FBI investigation into Paul Manafort, the former campaign manager of US President, Donald Trump and the alleged Trump/Manafort links with Russia. St. Vincent and the Grenadines is alleged to be one of the countries whose offshore structures were utilized to move funds allegedly controlled by Manafort.

The stated authorities consider such descriptions linking St. Vincent and the Grenadines with money laundering to be **uninformed, outdated, erroneous and inaccurate**. The authorities further underscore that there is **no basis** for such descriptions, particularly as this country is not on any international sanction list as a money laundering haven, nor on any other international sanction list. The authorities emphatically refute that St. Vincent and the Grenadines is a ‘money laundering’ jurisdiction, and on the contrary, wish to point out that this country has for several years been effectively addressing money laundering and financial crimes, as well as responsibly participating in international initiatives aimed at combating money laundering, the financing of terrorism, tax offences and financial crime.

St. Vincent and the Grenadines is an active member of the Caribbean Financial Action Task Force, the Caribbean arm of the international anti money laundering standard setter, and the OECD Global Forum, the international tax transparency standard setter. St. Vincent and the Grenadines has been assessed as being Largely Compliant in relation to its legal and administrative tax transparency framework and this denotes a responsible and transparent tax jurisdiction. This country is also ‘US FATCA’ compliant, i.e. compliant with the US initiative to ensure tax reporting by its US citizens holding assets outside of the US. St. Vincent and the Grenadines continues to be extremely cooperative on the global front, in the investigation and prosecution of money laundering, tax offences and criminal matters.

Commencing in 2001 and 2002, close to two decades ago, this jurisdiction made significant legislative and administrative changes to implement a sound AML/CFT compliance regime, to the extent that its FIU has for several years, been well recognized by the Caribbean Financial Action Task Force and major countries, as one of a leading FIUs in the Caribbean region. The country’s regulatory laws are up to date, modern

and effective as is its regulatory administrative framework which has been put in place to supervise the various regulated sectors, through the FSA.

St. Vincent and the Grenadines has to date implemented appropriate laws and regulations that require banks and other financial institutions to maintain robust, effective anti-money laundering and other compliance programmes. This country has also made considerable progress in ensuring a properly regulated and supervised offshore and financial industry. The work of St. Vincent and the Grenadines in relation to financial regulation has been positively recognized by the International Monetary Fund (IMF) in its last Article IV Consultation Press Release and Staff Report (2016), where St. Vincent and the Grenadines was described as leading the region with respect to non-bank supervision and its work acknowledged in relation to the offshore banking sector, which was subject to frequent banking inspections.

The relevant authorities consider the aforementioned descriptions in the international media to be particularly damaging to the reputation of St. Vincent and the Grenadines. It appears that reliance may have been placed on historical information about this country's 'blacklisted' status in the year **2000**, as well as merely by reason of the operation of an offshore industry, which is popularly perceived as having negative connotations. The global stigma attached to offshore industries should not be broad brushed to this country, as St. Vincent and the Grenadines has substantively reformed its offshore industry since the early 2000s and presently operates a very small, well- regulated industry, governed by effective sector specific and general regulatory laws specifically covering anti- money laundering compliance.

At all material times, appropriate customer due diligence and customer verification procedures were undertaken in relation to the company formed in St. Vincent and the Grenadines referenced in the international media. The authorities note that even the most effective systems around the world sometimes may not prevent a criminal intention to commit fraudulent or money laundering activities, especially where legitimate names and business are utilized to incorporate a company or establish a business relation. The authorities recognize that this is so notwithstanding that satisfactory customer due diligence and customer verification procedures are obtained. Thus, having effective systems of sharing of information and cooperation in the investigation of money laundering and criminal matters have also been at the forefront of this jurisdiction's efforts over the past years. **Since 2013- 2014 and more recently in 2017, the relevant authorities and institutions in St. Vincent and the Grenadines have been cooperating with the US authorities in the investigation of the matter at hand and will continue to lend their assistance. The authorities in St. Vincent and the Grenadines have thus acted properly in every respect in relation to this matter.**

St. Vincent and the Grenadines remains committed to ensuring effective systems to detect, investigate and deter money laundering and also to provide assistance internationally in the investigation and prosecution of money laundering cases. St. Vincent and the Grenadines takes very seriously the threats posed by money laundering. As a small developing country, St. Vincent and the Grenadines strives to address this transnational crime as a collaborative effort with the help of our international law enforcement partners and regulatory communities, to prevent, identify, punish and detect financial crime.

Issued by:

**NAMLC, FIU and the FSA**

October 30<sup>th</sup> 2017.