



Anti-money laundering and counter-terrorist financing measures

Curaçao

Mutual Evaluation Report

July 2025





The Caribbean Financial Action Task Force (CFATF) is an inter-governmental body consisting of twenty-five 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

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Executive Summary

1. This report summarises the AML/CFT measures in place in the Country of Curaçao (*Land Curaçao* in Dutch and *Pais Kòrsou* in Papiamentu), a constituent country within the Kingdom of the Netherlands, at the moment of the on-site visit conducted from June 17–28, 2024. It analyses the level of compliance with the FATF 40 Recommendations and the level of effectiveness of Curaçao’s AML/CFT system and provides recommendations on how the system could be strengthened.

Key Findings

- a) Curaçao has a foundational understanding of its money laundering (ML) risks based on the findings of the 2023 NRA, but sector-specific assessments and a comprehensive analysis of the risks associated with legal persons, virtual assets, and virtual asset service providers (VASPs) are lacking. Additionally, the terrorist financing (TF) and Non-profit Organisation (NPO) risk assessments lacked a comprehensive analysis of TF threats and vulnerabilities to inform TF risk understanding.
- b) Curaçao demonstrates strong coordination at the policy level; however, operational inefficiencies delay policy implementation, particularly in international cooperation and asset-freezing processes.
- c) Curaçao engages in international cooperation through formal and informal channels but lacks comprehensive feedback mechanisms and statistics to assess and improve the effectiveness of its efforts.
- d) Curaçao has a good AML/CFT supervisory framework for financial institutions, but the supervisory approach for VASPs and online casinos has yet to be implemented. Resource constraints hinder the effectiveness of the Financial Intelligence Unit’s (FIU) supervisory functions.
- e) Human resources constraints hinder the capacity of the FIU, law enforcement agencies and prosecution bodies to investigate and prosecute ML and TF cases, affecting both ML and TF investigations.
- f) Curaçao prioritises asset confiscation but shows gaps in recovering foreign proceeds and managing confiscated assets. Some assets are sold below market value, indicating deficiencies in asset management.
- g) Although Curaçao has frameworks for implementing targeted financial sanctions (TFS), there are inefficiencies in freezing assets under international sanctions, and the NPO sector lacks tailored, risk-based measures to prevent TF misuse.

Risks and General Situation

2. Curaçao possesses a small open economy primarily driven by financial services, real estate, and tourism, with a legal system that adheres to civil law. The nation faces domestic and international ML/TF risks, with ML presenting a medium-high risk. Given its strategic location, Curaçao is particularly susceptible to ML activities related to drug trafficking, notably from the United States, Venezuela, and the Netherlands. Moreover, domestic sources of illicit funds stem from illegal gambling, tax evasion, and fraud. Sectors facing the highest ML risk in Curaçao include financial institutions, real estate, online gambling, and e-zones. Securities intermediaries, asset managers, and trust and company service providers (TCSPs) are at a high risk for ML. Notably, the informal economy, illegal lotteries, and underground banking networks have been exploited for laundering crime proceeds in prominent cases.

3. Curaçao's initiatives to enhance its AML/CFT framework focus on bolstering supervision, mitigating risks in high-exposure sectors, and enhancing international cooperation, especially in addressing cross-border financial crimes. However, ongoing efforts should focus on refining the assessment of TF risks, as there is not enough evidence that this area has been subject to a comprehensive risk analysis. Evaluating ML/TF vulnerabilities associated with legal entities and their potential misuse in ML/TF schemes is another area that needs more attention from the competent authorities, considering that they have not been subject to a targeted assessment.

Overall Level of Compliance and Effectiveness

Assessment of risk, coordination and policy setting (Chapter 2; IO.1, R.1, 2, 33 & 34)

4. Curaçao has taken significant steps in understanding and addressing ML risks, mainly through its 2023 ML NRA. The country's AML/CFT policies broadly align with its ML risks and are bolstered by the AML/CFT/CFP Committee, which ensures continuous adaptation to emerging threats. Strong coordination exists at the policy level; however, greater coordination is necessary at the operational levels. The private sector exhibits a varied understanding of ML risks, proactively updating internal policies and procedures.

5. Despite these strengths, some challenges require the competent authorities' attention. There is a need for further sector-specific assessments and broader stakeholder involvement, particularly concerning TF risks. Limitations in staffing and resources within key organisations combating ML/TF hinder the effective implementation of policies. Deficiencies in operational coordination and delays in translating policy into action limit the full potential of the AML/CFT framework. The FIU Supervisory Department and the Gaming Control Board (GCB) must enhance their oversight, especially in high-risk sectors such as real estate and online gaming providers, where compliance with AML/CFT obligations requires further development. Additionally, ongoing outreach is necessary to maintain and deepen private-sector engagement.

6. While the ML NRAs address ML risks, there are scope and data availability gaps (R.1). The country has effective national AML/CFT cooperation mechanisms; however, it lacks regular policy reviews and coordination on data protection issues (R.2). Although statistics on suspicious transactions and international cooperation are maintained, there are gaps in tracking predicate offences and the outcomes of cooperative efforts (R.33). Curaçao fully complies with feedback and guidance mechanisms, providing comprehensive guidelines for financial institutions and designated non-financial businesses (DNFBPs) (R.34).

7. To enhance its risk understanding, coordination, and policy setting, Curaçao should focus on expanding risk assessments on specific sectors, enhancing stakeholder involvement, increasing resource allocation to key organisations and addressing data sources and timelines.

Financial intelligence, ML investigations, prosecutions and confiscation (Chapter 3; IO.6, 7, 8; R.1, 3, 4, 29–32)

8. Curaçao's FIU effectively fulfils its role in financial intelligence, although staffing shortages limit its capacity. It has established strong relationships with reporting entities and law enforcement agencies (LEAs), receiving valuable information from Unusual Transaction Reports (UTRs) submitted primarily from high-risk sectors. Key strengths include the quality of analysis provided and innovative information sharing through the Platform to Combat Activities Undermining Curaçao (ACOC). However, challenges persist, notably in the number of investigations relative to the volume of Suspicious Transaction Reports (STRs). Curaçao can strengthen the effectiveness of its financial intelligence with staffing enhancements and improved training for reporting entities.

9. Curaçao has a generally effective process for the identification and investigation of ML cases, particularly related to drug trafficking and fraud. However, significant issues include many STRs not being used for investigations and understaffing within LEAs. While there are successful convictions, particularly in self-laundering and habitual ML, the absence of investigations in high-risk sectors like e-zones and online gambling is concerning. Overall, improvements are needed to enhance the effectiveness of ML prosecution.

10. Curaçao demonstrates a broadly sound confiscation framework, targeting proceeds from high-risk offences such as drug trafficking and fraud. Although the country has taken action concerning criminal investigations and asset recovery, challenges include declining confiscation outcomes due to staffing shortages, for example, the innovative Afpakteam was discontinued in 2022, which affects outcomes in this area. Despite strong legal structures and some successes, there is a need for enhanced operational and prosecutorial capacity.

11. Curaçao largely meets the requirements to criminalise ML according to international conventions with comprehensive laws and appropriate penalties (R.3) and has a comprehensive framework that enables competent authorities to confiscate, identify, and manage illicit property, ensuring the protection of third parties rights, and implementing measures to prevent obstruction of asset recovery (R.4). Curaçao largely complies with FIU technical requirements; however, this agency does not have full operational independence (R.29). LEAs are empowered to investigate ML/TF effectively (Rs. 30 and 31). At the same time, some gaps hinder effective control over cross-border cash movements (R.32).

Terrorist and proliferation financing (Chapter 4; IO.9, 10, 11; R. 1, 4, 5–8, 30, 31 & 39)

12. Curaçao conducted a TF and NPO risk assessment, which concluded that it has a low level of TF risk. However, information made available to the assessors was insufficient to determine the reasonableness of this conclusion and whether the lack of TF cases prosecuted from 2019 to 2023 is consistent with the country's risk and context. The country lacks specialised resources, with only one TF prosecutor and no specialised judges. The FIU faces challenges in identifying TF-related subjective UTRs, since there is an absence of TF indicators separate from ML indicators that financial institutions and DNFBPs can apply under the reporting framework. Cooperation between agencies exists, but no formal counterterrorism strategy is in place. Curaçao must enhance its resources, training, and strategic framework to improve its preparedness and effectiveness against TF.

13. The country has gaps in implementing freezing mechanisms based on UNSCRs 1267 and 1373, including delayed asset freezing. Communication between supervisors and entities regarding sanctions is inadequate, and risk-based measures for NPOs are underdeveloped. The country also lacks mechanisms for swiftly depriving terrorists and terrorist financiers of assets and instrumentalities related to TF. Consequently, Curaçao requires better coordination and improved processes for freezing terrorist assets.

14. Regarding TFS related to proliferation financing (PF), Curaçao faces significant challenges. While larger financial institutions demonstrate strong compliance, smaller entities and certain DNFBPs show inconsistent application. Moreover, the country has obstacles with timely sanction list updates. Nonetheless, coordination between supervisory bodies is strong, and outreach efforts are ongoing. Curaçao can improve this component of its system by increasing awareness about PF obligations and ensuring screening consistency among financial institutions and DNFBPs, among other actions.

15. Curaçao criminalises TF in line with the TF Convention. The legal framework is mostly compliant, though issues remain, such as financing foreign terrorist fighters and disproportionate sanctions for legal persons (R.5). Moreover, the country has mechanisms for TFS but lacks certain evidentiary standards and guidance for delisting and unfreezing (R.6). Curaçao also implements TFS against proliferation. Still, the

framework does not prevent delays in applying TFS and lacks mechanisms for timely delisting. Deficiencies in oversight and communication with financial institutions also exist. Rating (R.7). Curaçao's NPO sector lacks comprehensive risk assessments, outreach, and supervision for terrorist financing risks. Some efforts have been made, but no targeted or effective monitoring of NPOs has been established (R.8).

Preventive measures (Chapter 5; IO.4; R.9–23)

16. Financial Institutions, TCSPs, and casinos in Curaçao have a good understanding of their ML risks and AML/CFT obligations and conduct risk assessments as part of their institutional AML/CFT framework. Compliance officers are appointed to oversee the implementation of internal policies and procedures to comply with legal AML/CFT requirements. Mitigating measures include customer identification and verification, record-keeping, sanctions screening, UTR reporting processes, ongoing training and independent testing. Real estate agents, jewellers, notaries, lawyers and accountants demonstrated varying understanding of their ML risks, but all had a good understanding of their ML/CFT obligations. However, there is a need for outreach sessions for VASPs to ensure they understand their ML/TF risks and AML/CFT obligations. Financial institutions and DNFBPs would also benefit from targeted outreach engagement to promote a deeper understanding of risks, including their understanding of evolving risks.

17. Financial institutions and DNFBPs generally conduct CDD on new customers and business relationships, and ongoing monitoring is conducted based on risk. Financial institutions, TCSPs, and casinos demonstrated a good understanding of high-risk scenarios associated with their respective sectors and applied enhanced due diligence (EDD) commensurate with these risks. As gatekeepers, lawyers, accountants, and notaries perform EDD in line with their nature of business and services offered.

18. The highest UTR submissions were from banks, money transfer companies (MTCs), and casinos (land-based and online), in line with the high ML risk identified in the NRA. Real estate agents, TCSPs, notaries, lawyers, and accountants submitted fewer UTRs. The FIU did not record any TF-related UTRs, and no TFS were implemented during the period.

Supervision (Chapter 6; IO.3; R.14, R.26–28, 34, 35)

19. Supervisors (the Central Bank of Curaçao and Sint Maarten (CBCS), the Gaming Control Board (GCB) and the Financial Intelligence Unit Curaçao (FIU) have registration/licensing measures in place for their respective supervised sectors. The CBCS and the GCB have integrity and fitness tests to prevent criminals and their associates from being beneficial owners, holding significant or controlling interests, or holding management functions in financial institutions, TCSPs, or casinos. Similar measures were not implemented for DNFBPs supervised by the FIU or VASPs.

20. Supervisors have different levels of understanding of the risks associated with their respective supervised sectors, which the NRA and ongoing risk monitoring, in the case of the GCB, inform. The GCB receives entity risk assessments from land-based casinos and conducts risk assessments on land-based casinos, which contribute to identifying and understanding risks in the sector. The CBCS developed a risk-based supervisory framework. However, a small number of onsite inspections were conducted. The GCB also developed an inspection policy and conducted on-site inspections at all land-based casinos; however, it is still developing a supervisory framework for online gaming providers. The FIU Supervision Department has no documented risk-based supervisory framework; however, few compliance inspections were conducted. Greater supervisory activities, specifically inspections, should be conducted to ensure supervisory efforts align with national and sector risks.

21. There are sanctions for failure to meet ML/CFT obligations. However, there has been limited use of the measures available. Supervisors have adopted a collaborative approach to secure compliance by financial

institutions and DNFBPs. Ongoing communication between supervised entities and their respective supervisors has allowed breaches to be rectified within stipulated time frames. Supervisors have generally applied a tiered approach to sanctions by issuing instruction letters, warning letters, and revoking licenses. In one case, there was a criminal fine from action taken by the CBCS, and there were no instances of administrative fines.

Transparency and beneficial ownership (Chapter 7; IO.5; R.24, 25)

22. Curaçao faces significant challenges in understanding and mitigating the ML/TF risks associated with legal persons. A limited assessment in the 2023 ML NRA and the lack of a comprehensive TF risk assessment hinders full risk comprehension. While basic information is publicly accessible, mechanisms to ensure its accuracy are weak, and the Ultimate Beneficial Ownership (UBO) register is still in its early stages, which creates a challenge in assessing effectiveness.

23. The country prohibited bearer shares, which enhances transparency. Innovative steps include plans for an online UBO portal and cross-verification with the Commercial Register and Tax Office, though these are yet to be fully implemented. Significant areas for improvement include data accuracy, sanctions enforcement, and gaps in beneficial ownership information for trusts.

24. Curaçao's technical measures on transparency and beneficial ownership of legal person include mechanisms to identify legal entities and their beneficial owners. At the same time, issuing the National Decree on UBO Registration in 2024 is an important step forward. However, deficiencies remain, including limited sanctions for non-compliance and gaps in director registration for certain entities (R.24). Moreover, trustees in Curaçao must carry out CDD measures and maintain customer and beneficial ownership information; however, there is an inadequate alignment with FATF definitions, lack of timely updates, among other requirements not covered (R.25).

25. Curaçao should assess ML/TF vulnerabilities of all legal persons and improve understanding across authorities. It must ensure accurate, up-to-date beneficial ownership information, expedite the UBO portal's development, and use cross-verification mechanisms. Effective sanctions should be applied more consistently to deter non-compliance. Addressing gaps in trust-related beneficial ownership information and increasing the use of sanctions will further enhance the system's ability to prevent the misuse of legal persons for ML/TF (see Section 2.2.2).

International cooperation (Chapter 8; IO.2; R.36–40)

26. Curaçao effectively processes mutual legal assistance MLA and extradition requests through the International Legal Assistance Centre (IRC Carib); however, timeliness and the absence of feedback mechanisms for international cooperation are shortcomings in the system. Curaçao received 391 MLA requests from 2019 to 2023, with varying processing times, depending on the complexity of the request.

27. Notable successes include joint investigations, such as the Themis and Crow cases, which involved international cooperation and resulted in key prosecutions and asset seizures. However, the absence of asset recovery-related MLA requests highlights an area needing improvement, especially given that the country's territory is used as a transit point for drug trafficking.

28. Curaçao is a party to and fully implements the Vienna, Palermo, Terrorist Financing and Merida Conventions (R.36). The country also provides extensive mutual legal assistance (MLA). However, rapid MLA provision and dual criminality issues need improvement (R.37). It also has a strong legal framework for asset seizure, but there are gaps in managing and sharing confiscated assets (R.38). Curaçao complies with most extradition requirements. However, the timeliness of the execution processes can be improved.

Finally, Curaçao has important international cooperation deficiencies other than MLA-related to secure information sharing, timely feedback mechanisms, and confidentiality (R.40).

29. Curaçao has an MLA management system in place, but it requires better feedback and statistical mechanisms to improve its ability to track and maintain the quality of assistance provided, improve response times, and broaden the usage of international cooperation mechanisms beyond MLA requests.

Priority Actions

- a) Curaçao should conduct a thorough TF risk assessment, share the outcomes with competent authorities and the private sector, and implement appropriate measures to mitigate potential TF risks. Curaçao should identify the subset of NPOs at high risk for TF and apply a risk-based approach to those NPOs, ensuring that the measures applied are aligned with the risks identified to prevent the exploitation of NPOs for TF purposes, ensuring that sector vulnerabilities are thoroughly addressed.
- b) Curaçao should implement its National Strategy and Action Plan, ensuring a risk-based approach to appropriately allocating resources to the relevant competent authorities. The country should also increase stakeholder involvement and broaden sector-specific risk assessments, such as VASPs, to improve public and private sector risk understanding.
- c) Curaçao should ensure that outgoing MLA and extradition requests reflect the country's ML risk profile. Particular attention should be paid to cases involving high-risk sectors, ML and the most relevant predicate offences. To further enhance the system Curaçao should also establish feedback mechanisms to evaluate the quality of international cooperation provided, particularly regarding MLA and extradition requests, to ensure consistent improvement.
- d) Curaçao should establish clear timelines and enhance feedback mechanisms to improve coordination between policy and operational levels.
- e) Curaçao should allocate additional resources to the FIU to strengthen its capacity for supervising DNFBPs and ensure that financial institutions and DNFBPs are continuously educated about their TF risks through updated guidance.
- f) Curaçao should perform a detailed assessment of the ML/TF vulnerabilities related to legal persons and arrangements and implement appropriate mitigatory measures. Curaçao should also expedite the implementation of the online UBO register and integrate cross-verification mechanisms with the Commercial Register and Tax Office to improve data accuracy.
- g) To address the shortage and enhance operational efficiency, the FIU should increase its staff, particularly analysts. Competent authorities should provide more detailed and frequent feedback to the FIU to help improve the quality of financial intelligence.
- h) Conduct a review to assess the feasibility of increasing the frequency of parallel financial investigations related to ML.
- i) LEAs, particularly the financial crime units, should receive additional staff and resources to improve their capacity to investigate and prosecute money laundering cases. Curaçao should also strengthen the capacity of law enforcement and prosecution bodies by providing targeted training and increasing resources to handle TF investigations.
- j) Curaçao should improve coordination with foreign jurisdictions to facilitate the confiscation of proceeds from foreign predicate offences and review and improve the management and preservation of confiscated assets to ensure they are sold at their proper market value.
- k) Curaçao should establish clear procedures for delisting and unfreezing assets under UNSCR 1718 and its successor resolutions, to ensure compliance with international standards, strengthen mechanisms to ensure the timely and effective freezing of assets under TFS

measures, and enhance communication between supervisors and regulated entities regarding updates on sanctions.

- l) Provide targeted outreach and training for smaller financial institutions and DNFBPs to ensure consistent screening and application of PF-related obligations.

Effectiveness & Technical Compliance Ratings

Table 1. Effectiveness Ratings

| IO.1 | IO.2 | IO.3 | IO.4 | IO.5 | IO.6 | IO.7 | IO.8 | IO.9 | IO.10 | IO.11 |
|------|------|------|------|------|------|------|------|------|-------|-------|
| ME | SE | LE | ME | LE | ME | ME | ME | ME | LE | LE |

Note: Effectiveness ratings can be either a High (HE), Substantial (SE), Moderate (ME), or Low (LE) level of effectiveness.

Table 2. Technical Compliance Ratings

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

Note: Technical compliance ratings can be either a Compliant (C), Largely Compliant (LC), Partially Compliant (PC) or Non-Compliant (NC).

MUTUAL EVALUATION REPORT

Preface

This report provides a summary of the AML/CFT measures in place in the Country of Curaçao (*Land Curaçao* in Dutch and *Pais Kòrsou* in Papiamentu), a constituent country within the Kingdom of the Netherlands, as at the time of the on-site visit. It analyses the level of compliance with the FATF 40 Recommendations and the effectiveness level of its AML/CFT system while presenting recommendations to strengthen the system.

This evaluation followed the 2012 FATF Recommendations and the 2013 FATF Methodology. It was based on information provided by Curaçao and information obtained by the assessment team during its on-site visit to the country from June 17–28, 2024.

The evaluation was carried out by:

1. Mr. Paul Inniss, Head of Compliance at the General Registry of the Ministry of Financial Services and Commerce of the Cayman Islands (Financial Expert).
2. Mr Elvin Mings, Legal Officer, Financial Investigations Branch, Trinidad and Tobago Police Service (Law Enforcement Expert).
3. Mrs Diana O'Brien, Assistant Director of Public Prosecutions at the Office of the Director of Public Prosecutions of Guyana (Legal Expert).
4. Mr. Istvan Terlaan, Financial Examiner at the Central Bank of Suriname (Financial Expert).

The assessment team received support from Mr Hector Sevilla, Deputy Executive Director (Mission Leader), Ms Allison Mc Intyre, Financial Advisor (Co-Mission Leader) and the advisory staff from the CFATF Secretariat.

The report was reviewed by Mr Patrick George, Senior Financial Investigator/Analyst at the Financial Intelligence Unit of Dominica; Ms Hazel Stevens, Head of Emerging Risks at HM Treasury in the United Kingdom; and Ms Frida Estefanía Villalpando German, Head of the Department of International Affairs at the FIU-Mexico, along with the FATF Secretariat. Ms. Sheena Xavier, former Regulator of the AML/CFT/CPF Supervision Unit at the Financial Intelligence Authority of St. Lucia, contributed to the review of the Scoping Note.

Curaçao underwent a CFATF Mutual Evaluation in 2012, which was conducted following the 2004 FATF Methodology. The [2012 Mutual Evaluation Report](#) and its last [2016 Follow-Up Report](#) are published and are accessible on the CFATF website. The 2012 Mutual Evaluation concluded that the country was compliant with eight Recommendations, largely compliant with 17, partially compliant with 20, and non-compliant with four. Curaçao was rated compliant or largely compliant, with seven of the 16 recommendations considered Core and Key in the previous round of mutual evaluations. At the time of adoption, the Plenary determined that Curaçao would report to the Plenary in November 2012 and then in November 2013 on regular Follow-Up. Curaçao exited the follow-up process in 2016 after the CFATF concluded that Curaçao addressed the deficiencies noted in the Core and Key Recommendations with a PC rating to a level of LC.

Chapter 1. ML/TF RISKS AND CONTEXT

30. Curaçao is a self-governing country within the Kingdom of the Netherlands, comprising four countries: the Netherlands, Aruba, Curaçao, and Sint Maarten. King Willem-Alexander is the monarch of all four countries in the Kingdom, and his representative in Curaçao is the Governor of Curaçao. The country is located in the Southern Caribbean, approximately 60 km off the coast of Venezuela, and spans an area of 444 km². It is 60 km long and 11 km wide at its widest point and 2-3 km wide at its narrowest point. The southern coast has numerous small and large bays, including an inner harbour, the Schottegat, surrounded by the capital city, Willemstad. Curaçao's population was 148,925 individuals as of 2023. Its history and geographic location foster a multicultural society with influences from Indigenous, Dutch, African, Portuguese and Sephardic Jewish communities and influences from neighbouring islands. The official languages of Curaçao are Dutch, Papiamentu and English. Spanish is widely spoken.

31. Curaçao exercises internal self-government while the Kingdom controls foreign relations, defence, citizenship, flag and coat of arms regulation, ship nationality, navigation, admission and expulsion of nationals and foreign nationals, and extradition. Under the Kingdom's constitutional arrangement, Curaçao regulates civil, commercial, and criminal law, among others, domestically. The legal system in Curaçao is based on civil law, and laws are codified. The state's power in Curaçao is divided into executive, legislative, and judicial branches. The executive power is formed by the Prime Minister, who leads the Government together with the Council of Ministers. The Government and the Parliament share the legislative power. The court system consists of a court of first instance, a court of appeal, and a supreme court, the country's highest court.

32. During the period under review, the official currency was the florin, pegged to the United States dollar (USD) at USD 1.00 to Florin (NAf) 1.79. As of March 31, 2025, the Caribbean Guilder is the official legal tender of the Monetary Union of Curaçao and Sint Maarten. Like the Netherlands Antillean Guilder, which it replaced, the Caribbean Guilder is pegged to the US dollar at a fixed rate of USD 1.00 = Cg. 1.79.

33. In 2022, GDP was USD 3.08 billion. Financial and insurance services accounted for the largest share of GDP, at 20.6%, followed by real estate services at 9.5%, and accommodation and food services at 6.7%. From 2019 to 2022, Curaçao traded with 197 countries, with 16 accounting for aggregated trade values above USD 10 million each, mostly including countries from the Caribbean and Latin America.

1.1 ML/TF Risks and Scoping of Higher Risk Issues

1.1.1. Overview of ML/TF Risks

34. Curaçao's crime rate is relatively low compared to other Caribbean and neighbouring Latin American countries. The highest ML threats are linked to international drug trafficking and originate from the United States, Venezuela, and the Netherlands, with medium-high threats originating from Sint Maarten, the Dominican Republic, and Colombia. Illegal gambling, tax evasion, and fraud also pose high ML threats. Subsequently, human trafficking and smuggling, illicit gold trade, corruption and bribery pose a medium-high ML threat. Curaçao's overall national money laundering risk is medium-high.

35. Curaçao's NRA identified the ML threat from drug trafficking as high due to the jurisdiction's geographical location, which contributes to it being a transit point, the number of criminal investigations and the value of proceeds generated by this activity. Illegal gambling activity, predominantly illegal lotteries, also poses a high ML threat. Licensed and unlicensed operators offer these illicit activities. Annual proceeds from illegal lotteries amount to approximately NAf 200 million (USD111,731,843.58) compared to approximately NAf 50 million (USD27,932,960.89) generated from legal lottery sales. Domestic tax evasion is a major proceeds-generating crime, added to which non-nationals evade taxes in their home

countries and use Curaçao's financial system to launder the proceeds. Fraud is also a predicate offence with a high ML threat. Various types of fraud are committed; however, skimming and harvesting fraud are the most prevalent. The proceeds generated from fraud-related crimes totalled approximately NAf 11.7 million (USD 6.54 million).

36. The sectors most vulnerable to ML are securities intermediaries and asset managers, real estate, lottery, online gambling and Economic Free Zones (E-zones). The main factors contributing to the vulnerabilities of these sectors are the quality of internal AML/CFT controls, the nascency of supervisory frameworks, and the inadequacy of existing frameworks and oversight¹.

1.1.2. Country's Risk Assessment & Scoping of Higher Risk Issues

37. Curaçao's first National ML Risk Assessment (NRA) was initiated in 2018 by a national decree that established a National Working Group responsible for presenting the NRA's findings and recommendations. A National Steering Group, comprising the Head of the FIU, the Chairman, and Secretary of the AML/CFT/CPF Committee, was also established to supervise the NRA process and coordinate activities. Competent authorities and private sector stakeholders were actively involved in the NRA process, which worked in five sub-working groups using the World Bank's National Risk Assessment Tool. Multiple data collection methods were used, including questionnaires, group discussions, public sector meetings and literature reviews. The report was completed and published in May 2023. A sixth sub-working group was established to update the risk associated with financial inclusion. The financial inclusion risk assessment was originally conducted in September 2019 and updated in February 2022. The NRA noted challenges related to data availability but still determines ML risks and identifies and assesses ML threats and vulnerabilities across various sectors. Curaçao's first NRA provides a notable basis for understanding the country's ML risk and a significant foundation to build on future risk assessments.

38. Curaçao completed a TF and NPO and Risk Assessment in 2024, concluding that the TF risk was low, and no TF cases were identified, investigated or prosecuted in the jurisdiction. These risk assessments were not published. The assessment of the NPO sector was conducted by an NPO working group consisting of key stakeholders from the banking and NPO sectors and representatives from competent authorities such as the Tax Authority, FIU, Public Prosecutor's Office (PPO) and the Central Bureau of Statistics. According to the risk assessment briefings, in-depth interviews with the sector provided valuable perspectives on governance, financial practices and risk mitigation strategies. Curaçao used the NPO sector assessment module within the World Bank Group's National ML/TF Risk Assessment Tool to assess the sector, determining that the main categories of NPOs in the country are those conducting religious, cultural, educational, sporting, charitable and social activities. All NPOs registered with the Chamber of Commerce are rated high-risk by banks, which manage these risks through their customer relationships with NPOs.

39. Curaçao provided only summarised material on the 2024 TF and NPO NRA completed in 2024, which concluded that the overall TF risk in the country is low. However, these materials lacked a detailed breakdown of the process and analysis, limiting the assessors' ability to fully evaluate the basis for Curaçao's conclusions (see Section 2.1.1 of Chapter 2). Despite this, the assessors concluded that TF risk in the country is low, based on sources indicating no concrete threats, vulnerabilities, or risks related to TF between 2019 and 2023.² Moreover, the country's protective factors—such as security measures and participation in the Kingdom of the Netherlands' Security Strategy—help mitigate TF vulnerabilities. However, continued monitoring of transit risks remains advisable. Consequently, the assessment team regarded TF as an area of decreased focus, concentrating on examining the competent authorities' capacity to investigate and prosecute TF.

¹ [National Risk Assessment Curaçao \(On\) Money Laundering](#)

² [Thematic report on risk analysis - Caribbean Part of the Kingdom 2022](#) and [Global Terrorism Index 2024](#).

40. In identifying priority areas for increased focus during the on-site visit, the assessment team (AT) reviewed information submitted by Curaçao on their national ML risks and information from credible open sources. The AT focused on the following areas based on the NRA findings:

- a. *Money Laundering through the financial system and the informal economy:* The financial services sector is an important pillar of Curaçao's economy, accounting for 21% (approx.) of GDP in 2022 (USD 632 million/NAf 1,131.4 million)³. The NRA found that the banking and money transfer service providers sectors faced high ML risk, and documented cases indicate that these types of financial institutions have been abused for ML, including an underground credit and remittance service. Assessors focused on the effectiveness of the AML/CFT supervisory regime and preventive measures applied by the banking and remittance sectors. The team also explored the extent to which ML involving the use of these financial institutions is investigated and prosecuted, including the level of international cooperation involved in such cases. The team also looked at the measures in place to address ML through the informal economy with scrutiny on supervisory and law enforcement actions, financial inclusion policies, and mechanisms to prevent unlicensed financial activities.
- b. *Money laundering through designated non-financial businesses and professions:* The assessment team focused on the DNFBPs that face the highest ML risk, the land-based and online casinos and real estate sectors, as well as TCSPs, which faced medium ML risk, and their implementation of preventive measures to mitigate these risks effectively. The NRA determined these risks based on ML cases, UTRs, misuse of TCSPs to set up legal persons for ML schemes and the abuse of escrow accounts. The team also examined the effectiveness of supervision for DNFBPs and ML investigations and prosecutions involving DNFBPs. This was based on the risk associated with the misuse of legal persons, abuse of escrow accounts and the illegal gold trade.
- c. *Money laundering through e-zones and cross-border movements:* The NRA indicated that geographical risks exposed Curaçao to cross-border threats, including the movement of contraband and money, that exploited its financial infrastructure, rating the threat as medium-high. Between 2018 and 2022, the total value of goods entering and leaving the e-zones averaged approximately USD 315 million (NAf 567 million) annually⁴. The NRA also identified five ML investigations involving e-zone companies that were used to launder money as part of an underground banking network to facilitate debt repayment and co-mingling. The assessors examined how well competent authorities identify, investigate, and prosecute ML cases related to e-zones, such as trade-based money laundering (TBML) and illegal cross-border movements of cash and goods. The team also evaluated how effectively criminals' proceeds are confiscated through domestic coordination and cooperation mechanisms and international cooperation.
- d. *Money laundering through legal persons and arrangements:* Curaçao's NRA identified schemes where company networks and front companies were used for ML, and legal persons were used to provide underground financial services. The TCSP sector was involved in four ML cases, with two major cases also involving notaries who were misused to set up private foundations to conceal illegal proceeds and beneficiaries. The team focused on actions to prevent the misuse of legal persons and arrangements, including obtaining mechanisms and the availability of basic and beneficial ownership information. Additionally, the team explored the investigation and prosecution of ML cases involving legal persons and the extent of international cooperation involved in such cases.

³ [Gross Domestic Product \(GDP\) values by industry Curaçao \(mln NAf\) 2011-2023](#) (Curaçao Central Bureau of Statistics)

⁴ In 2018, the total turnover was USD 685 million (NAf 1.25 billion), but this figure dropped significantly in 2019 to 301 million USD (547 million NAf) and continued to decline to USD 192 million (NAf 350 million) in 2020. There was a slight recovery in subsequent years, with totals reaching USD 176 million (NAf 321 million) in 2021 and USD 220 million (NAf 401 million) in 2022.

41. By the time of the on-site visit, Curaçao was still in the process of understanding its VASP sector through a sectoral risk assessment. Despite a relatively small number of five active VASPs, critical details such as the customer base, transaction values, transaction volumes, and the sector's overall assets or activity remained unknown. Before 2024, the sector was largely self-regulated, with compliance standards primarily adopted through partnerships with foreign financial institutions. Given the emergent nature of the sector in Curaçao, the need for complete regulation, and these informational gaps, the assessment team prioritised evaluating the country's efforts to establish a comprehensive regulatory framework and implement risk-based supervision.

42. *Credit unions* comprise seven service providers, and no licensed *factoring companies* exist in the country. Additionally, the 2023 ML NRA provides a complete overview of their service types and customer base that sufficiently supports the finding that the ML threat level is low. Consequently, the team considered these sectors to be areas of low focus.

1.2. Materiality

43. Curaçao has a small open economy that is driven mainly by the financial services sector (20.6% of GDP), real estate sector (9.5% of GDP) and tourism and hospitality sector (6.7% of GDP). Curaçao heavily depends on imports, particularly oil imports for energy trading, mainly with the USA and the Netherlands, followed by Latin American and Caribbean countries.⁵

44. The financial sector mostly comprises banks and money transfer companies, with domestic banking activity contributing 5.7% of the GDP. There are no specific statistics about the contribution of money transfer activity to the GDP. On the other hand, 53.3% of money transfer inflows to Curaçao mainly come from the Netherlands, and 39.4% of outflows are primarily to Colombia. International financial services are offered in Curaçao but only account for an average of 6.6% of GDP (NAf 430 million/USD240.22 million) between 2019 and 2023. The other contributors to the financial sector are specialised credit institutions, insurance companies and brokers, securities intermediaries and asset managers, microfinance companies and pawn shops, investment institutions, credit unions, and fund administrators. Five VASPs operate in Curaçao, conducting activities that include exchanges, advisors, and token issuers. The customer base, value, and volume of transactions are unknown (see Section 1.4.3 for more details).

45. The DNFBP sector includes notaries and TCSPs, whose services are critical for company formation in Curaçao. There are no specific statistics about their contribution to the GDP. Real estate agents provide various services, including residential sales, commercial sales, and property development. Land-based and online casinos are high-risk sectors due to their cash-intensive nature and potential for large transactions, while they also offer limited currency exchange services. The sector contributed an average of 1.6% to the GDP annually between 2019 and 2023, approximately USD 40,508,490 (NAf 72,915,281). The country also has a small sector of dealers in precious metals and stones (DPMS) (see Section 1.4.3 for more details).

1.3. Structural Elements

46. Curaçao has the structural elements necessary for an effective AML/CFT system, including political and institutional stability, high-level government commitment to address AML/CFT issues, the rule of law, and a professional and independent judiciary. The President of the Central Bank of Curaçao and Sint Maarten is the chairman of the AML/CFT Committee, which has committed to coordinating competent authorities and other resources as well as advising the government to continuously make policy and legislative changes to improve the national AML/CFT regime.

⁵ [Economic Bulletin “Winds of Change: Adapting to Climate Change. December 2023” by the CBCS](#)

1.4. Background and Other Contextual Factors

47. This section illustrates the approach taken by Curaçao to tackle financial crimes, encompassing legislative measures, active law enforcement, and an awareness of the economic factors that can facilitate such crimes.

48. Curaçao has a long-standing legislative AML/CFT regime. The “National Ordinance When Rendering Financial Services”, N.G. 1996, no. 23, was the first law focused on combating ML, which was succeeded by the “National Ordinance on the Identification when Rendering Services” (NOIS) in 2001. Curaçao's National Ordinance on the Reporting of Unusual Transactions (NORUT) is another key legislation establishing a framework for detecting ML and TF, initially enacted in 1996, which has undergone several amendments.

49. Corruption in Curaçao is a concern, and authorities are actively implementing measures to combat it. The 2023 ML NRA examined high-profile corruption cases between 2012 and 2017. There were at least eleven cases brought to trial, with one being dismissed. These included bribery for confidential information or permits, misuse of public funds, and wilful ignorance. The illicit proceeds associated with these crimes ranged from approximately USD 203,304 to 944,220 (NAf 366,000 to NAf 1.7 million). National experts believe that bribery and corruption may be much higher. As an example of a high-profile case, a former Prime Minister of Curaçao was convicted of accepting large sums of money from an Italian businessman in November 2017. Additionally, the National Investigation Department Curaçao (“Landsrecherche Curaçao” or LrC) is an agency established more than ten years ago to investigate public officials and Politically Exposed Persons (PEPs) suspected of fraud, corruption, and power abuse under the PPO direction. Between 2019 and 2020, the LrC and other agencies requested information from the FIU to investigate corruption cases, resulting in two cases being prosecuted and convicted, while other cases were investigated between 2021 and 2023, demonstrating ongoing efforts to tackle corruption.

50. The 2023 ML NRA indicates that, due to the country's economic recession, the informal sector in Curaçao grew from 32.5% in 2014 to 39.8% in 2017. More recent data is unavailable, but a 2023 International Monetary Fund (IMF) report suggests a possible expansion of the informal economy.⁶ There is no specific data on the size of the unbanked population. Additionally, the 2023 ML NRA identifies informal car importers as an informal sector and documents at least one case where underground credit and remittance services were used to launder proceeds.

51. Payment methods in Curaçao have undergone important changes from 2016 to 2022.⁷ Card payments have emerged as the leading retail payment method, with debit card transactions increasing significantly from 10.85 million in 2016 to 20.28 million in 2022, reflecting a strong consumer shift toward cashless transactions. Throughout this period, the total number of debit cards issued consistently surpassed credit cards, reaching 293,736 in 2022 compared to 130,212 credit cards. Meanwhile, e-money transactions remained a minor payment method despite slight growth, with transaction volumes rising from 400,000 in 2016 to 498,928 in 2022.⁸ In contrast, the use of cheques sharply declined, with volumes dropping from 713,000 transactions in 2016 to a mere 192 transactions in 2022.

52. The number of point of sale (POS) terminals in Curaçao increased from 5,845 in 2016 to 8,025 in 2022, enhancing access to card-based payments. Simultaneously, ATM usage remained stable, primarily for cash withdrawals, which grew from 9.21 million withdrawals in 2016 to 17.10 million in 2022, indicating that cash retains its role. Cross-border transactions, especially those involving cards issued outside Curaçao,

⁶ Please see the IMF's [Kingdom of the Netherlands-Curaçao and Sint Maarten: 2023 Article IV Consultation Discussions-Press Release and Staff Report](#)

⁷ [Detailed retail payments Curacao 2016 – 2021](#) and [Detailed retail payments Curacao 2017 – 2022](#).

also displayed a significant volume, with POS transactions rising from 2.81 million in 2016 to 9.44 million in 2022. Overall, these trends underscore a shift toward electronic payments.

1.4.1. AML/CFT strategy

53. Curaçao's Government is focused on combating ML and TF by implementing the “National Strategy and Action Plan Curaçao 2024”. The plan addresses the findings of the ML and TF national risk assessments and aims to continually improve Curaçao’s understanding of its ML/TF risks, strengthen Curaçao’s AML/CFT/CFP framework, develop policies and strategies to effectively mitigate risks identified and enhance compliance with the FATF standards. The main policies and objectives include conducting risk assessments in various areas such as legal persons, VASPs, securities intermediaries and asset managers, applying a Risk-Based Approach (RBA), combating predicate offences effectively, and strengthening border controls to combat ML. National strategies are designed to address policies and objectives dedicated to promoting financial inclusion to increase access to financial services, enhance financial literacy to support better access and usage of financial products, examine transactions that could indicate gaps in financial inclusion (e.g., use of unregulated services), and protecting the country from abuse to finance the proliferation of weapons of mass destruction.

1.4.2. Legal & institutional framework

Legal framework

54. Since the last mutual evaluation, Curaçao has made several changes to its institutional framework for AML/CFT. Key updates include:

- a. *Related to preventive measures in general:*
 - i. The NOIS has been amended on several occasions up to 2024⁸ to update and refine customer due diligence regulations and other preventive measures applicable to financial institutions and DNFBPs, and to include virtual assets service providers (VASPs) in the AML/CFT regime.
 - ii. In 2019, Curaçao adopted the “National Decree Supervisor Identification when Rendering Services Gambling Sector”⁹ and the “National Decree Supervisor Unusual Transactions Gambling Sector”¹⁰ to introduce supervision requirements for the gambling sector.
 - iii. In 2023, Curaçao issued the National Decrees on penalties and administrative fines for insurance brokers, banking and credit Institutions, money transfer companies (MTCs), and the insurance industry to enhance enforcement mechanisms.¹¹
 - iv. The CBCS issued “AML/CFT/CFP Provisions and Guidelines for Factoring Companies” in 2023, and the FIU published “Provisions and Guidelines for DNFBPs” to ensure compliance with AML/CFT regulations.
 - v. The Regulations for the Combating of Money Laundering, the Financing of Terrorism, and the Proliferation of Weapons of Mass Destruction (Regulations) apply to Curaçao casinos (both land-based and online) to ensure compliance with AML/CFT/CFP regulations.
- b. *Related to reporting obligations:*
 - i. The NORUT has also been amended since the last MER.¹² The most recent amendment, dated 2024, expands the range of entities obligated to report unusual transactions and improves the mechanisms

⁸ The most recent updates are set out in N.G. 2015 no. 69, N.G. 2017 no. 92, and N.G. 2024, no. 41.

⁹ Published in N.G. 2019 no. 282.

¹⁰ Published in N.G. 2019 no. 283.

¹¹ Published in N.G. 2023 no. 87 through 90, respectively.

¹² The amendments are set out in N.G. 2015 no. 68, N.G. 2017 no. 99 and N.G. 2024, no. 41.

- for cooperation and information sharing between reporting entities and the Financial Intelligence Unit (FIU).
- ii. The National Decree on Penalties and Fines on Reporting Unusual Transactions was updated in 2021¹³ and amended in 2023¹⁴ to introduce penalties for non-compliance.
 - iii. In 2015, the Ministry of Finance issued the “Regulation on Unusual Transactions Indicators”¹⁵ to establish indicators for identifying unusual transactions.
- c. *Related to Targeted Financial Sanctions:* In 2016, the Kingdom of the Netherlands adopted the “Kingdom Sanction Act” to adhere to sanctions imposed by the United Nations, the European Union, and other international bodies. The Kingdom Sanction Act entered into force on January 1, 2017. In 2018, it was extended by national ordinance that, among others, the Sanctions Decree DPRK and the *Sanctions Decree Al Qaida c.s., the Taliban of Afghanistan c.s., ISIL c.s., ANF c.s.*, and locally designated persons and organisations remain valid. In 2024, Curaçao issued the Omnibus Sanctions Regulation (P.B. 2024, no. 22) to ensure compliance with the Kingdom Act.
- d. *Related to the transparency of legal persons and arrangements:*
- i. Under the last amendment to Book 2 of the Civil Code¹⁶ of 2020, bearer shares are no longer allowed in the country.
 - ii. Curaçao adopted the National Decree UBO Registration in June 2024¹⁷ to strengthen the mechanisms to ensure adequate, accurate, and timely information on the Ultimate Beneficial Owners of legal persons and arrangements.
- e. *Related to cash couriers:* In 2014, Curaçao amended the “National Ordinance on the Obligation to report Cross-border Money Transportation”¹⁸ (NOOCMT) to improve reporting, monitoring, enforcement, transparency, and international cooperation concerning cross-border money transportation activities.

Institutional framework

55. In the formulation and implementation of the government’s policies on ML/TF/PF, the following ministries, agencies, and authorities play key roles:

- a. *Ministries:*
- i. The **Minister of Finance** and the **Minister of Justice** are responsible for AML/CFT/CFP legislation. The Minister of Finance oversees financial supervision and tax legislation. The Ministry conducts assessments on the budgetary implications of newly proposed AML/CFT/CFP legislation and provides advice, which is then included in the explanatory memorandum to the proposed legislation. The Minister of Finance is responsible for granting licenses to securities exchanges, with advice from the Central Bank. Additionally, the FIU operates under the Minister of Finance. The Minister of Justice is primarily responsible for policymaking regarding judicial matters and legislation related to criminal law, and legal persons and arrangements.
 - ii. The **Ministry of General Affairs** has two directorates relevant to the AML/CFT system. The *Directorate of Legislation and Legal Affairs* is responsible for drafting and reviewing draft legislation, including AML/CFT legislation, and ensuring that the quality of this legislation is

¹³ Published in N.G. 2021 no. 69.

¹⁴ Published in N.G. 2023 no. 6.

¹⁵ Published in N.G. 2015 no. 73.

¹⁶ Published in N.G. 2020, no. 163.

¹⁷ Published in N.G. 2024, no 58.

¹⁸ Published in N.G. 2002, no. 74. Its amendments are published in N.G. 2014, no. 90.

maintained at the national level. The *Directorate of Foreign Relations* coordinates the foreign policy of Curaçao in cooperation with the Ministry of Foreign Affairs in The Hague. The directorate coordinates the ratification process of AML/CFT treaties and participates in regional and international organisations for Curaçao.

b. *Supervisors and FIU:*

- i. The **CBCS** supervises compliance with AML/CFT obligations by financial institutions and TCSPs, issues and enforces AML/CFT provisions and guidelines and can impose penalties, fines, and other sanctions for non-compliance.
- ii. The **FIU's** supervision department supervises six DNFBP sectors as defined by FATF and two additional sectors (car dealers and construction and building materials) for compliance with AML/CFT/CFP obligations, issues and enforces AML/CFT/CFP provisions and guidelines and can impose penalties, fines, and other sanctions for non-compliance. The Analysis Department is administrative and serves as the central national agency responsible for, among other things, receiving, processing, and analysing UTRs and other data obtained and for transmitting disclosures on suspicious transactions regarding ML, associate predicate offences and TF to competent authorities. The FIU is a longstanding member of the Egmont Group of FIUs.
- iii. The **Curaçao Gaming Control Board (GCB)**¹⁹ supervises the gaming sector, including land-based and online casinos, and ensures compliance with AML/CFT regulations. It conducts fit-and-proper tests for individuals and entities involved in the gaming industry and can impose sanctions for non-compliance and revoke licenses.

c. *Law enforcement agencies:*

- i. The **PPO** coordinates criminal investigations and prosecutes offences, including ML and TF cases. It seeks seizure and confiscation of assets derived from or used in criminal activities. The Curaçao Police Corps investigates criminal offences under the direction of the PPO. The PPO obtains intelligence on ML and TF suspicions from the FIU, which supports initiating investigations and prosecutions. The PPO also cooperates internationally with foreign LEAs and judicial authorities.
- ii. The **Curaçao Police Corps (KPC)** investigates criminal offences, including those related to ML and TF, handles disseminated suspicious transaction reports from the FIU, and utilises specialised teams like the Financial Investigation Team (TFO) and the Division of Organised Crimes to combat cross-border and organised crimes. The KPC also investigates complex cases involving drug trafficking, human trafficking, and other forms of organised crime. It works closely with other LEAs, locally and internationally and engages in joint operations and information sharing with agencies like the RST, Customs, and the Tax Office.
- iii. The **Criminal Investigations Cooperation Team (RST)** is a specialised unit in the Kingdom of the Netherlands. The RST is responsible for tackling serious and organised crime in the Caribbean territories of the Kingdom, including Curaçao. The RST collaborates closely with local LEAs. Its key functions include investigating complex criminal cases such as drug trafficking, human trafficking, ML, and other forms of organised crime. The RST aims to enhance regional security through its specialised expertise and resources, facilitating the coordination and execution of high-profile investigations.
- iv. The **LrC** investigates civil servants and PEPs suspected of fraud, corruption, and serious offences involving abuse of power and office. It carries out investigations under the direction of the PPO.
- v. **Customs** ensures that prohibited goods, such as weapons and drugs, are not imported, monitors cross-border movements of goods and money, conducts criminal investigations through the Customs Investigation Service (PIOD) and collaborates with other LEAs.
- vi. The **Tax Office**, the **Receivers Office**, and the **Government Foundation for Tax Audits (SBAB)** are the entities assigned to levying, controlling, and collecting taxes in Curaçao. A criminal

¹⁹ As of December 24, 2024, the Curaçao Gaming Control Board was designated as the Curaçao Gaming Authority

investigation may be necessary based on the information collected by the Tax Office or the SBAB. The Fiscal Information and Investigation Team (TIO), part of the SBAB, conducts criminal investigations.

- d. *Others:*
- i. The **AML/CFT/CFP Committee** is the designated authority responsible for national AML/CFT/CFP policies and regulations. The Committee advises the Government on the implementation of the FATF Recommendations. The Committee drafts proposals to the Minister of Finance, which may include regulations, to implement the FATF recommendations. The Committee consults the private sector in drafting legislation, policies, and procedures. It is the main contact and coordinates the work-related activities on behalf of Curaçao with the CFATF and other international organisations and countries in this area.
 - ii. The **Registry of Companies**, managed by the **Chamber of Commerce (CoC)**, registers all businesses in Curaçao, including financial institutions and DNFBPs. Legal persons and arrangements must also register with the Register of Companies.
 - iii. The **Security Service of Curaçao (VDC)** protects national interests by identifying and mitigating risks, including those related to ML, TF, and PF. It collects information on individuals and organisations posing threats to national security.
 - iv. The **Government Foundation for Tax Audits (SBAB)** is an independent administrative entity responsible for conducting tax audits and ensuring compliance with tax regulations. The SBAB supports the tax authority by auditing the financial records of individuals and businesses to ensure compliance with tax laws and regulations and by offering expertise in auditing and accounting. Its auditing processes can uncover discrepancies, false reporting, and other fraudulent tax-related activities and reveal corrupt practices. Suspicious financial transactions that are detected during tax audits may be indicative of ML or other illicit activities.
 - v. The **Royal Netherlands Marechaussee (KMar)** is a branch of the Dutch Armed Forces that monitors the safety of the Netherlands and the Caribbean part of the Kingdom of the Netherlands, including Curaçao. The KMar has three main tasks: border police control, guarding and securing, and international and military police tasks.

1.4.3. Financial sector, DNFBPs and VASPs

The relative importance of different types of financial institutions, VASPs and DNFBPs

56. This sub-section notes the relative importance of different financial institutions and activity types, DNFBPs and VASPs used in Curaçao. The quantitative data belongs to 2023 unless stated otherwise:

High importance

- a. The **banking sector** comprises eight *local banks* with approximately USD 4.5 billion (NAf 8.18 billion) and twenty-five *international banks*²⁰ with combined assets of approximately USD 61.32 billion (NAf 109.4 billion). Local banks provide financial services to residents and non-resident customers, while international banks can only have non-residents as customers. The banking sector also includes five *specialised credit institutions*, i.e., credit institutions that mainly extend one type of loan (e.g. mortgages or consumer credit), with assets of approximately USD 751.56 million (NAf 1.34 billion). Based on the above, the banking sector's total assets are approximately USD 66.65 billion (NAf 119.02 billion). Due to their ease of access, transaction volume and frequency, transaction speed, and diversity, personal banking services are particularly vulnerable to ML. Corporate banking services, primarily wire transfers, constitute a significant portion of banking activities and typically involve large sums, making

²⁰ Two international banks were in the process of liquidation in 2023.

it easier to disguise illicit funds. Private banking, while a smaller segment, poses an ML risk due to the complexity of structures and the use of intermediaries and advisors. The increasing use of mortgages for ML poses another risk for the sector. The banking sector is, therefore, highly important for this evaluation based on its scale and the ML risks to which its products and services are exposed.

- b. Casinos, real estate agents, lawyers, notaries, accountants and TCSPs are also highly important:
- i. The country has nine **land-based casinos** with approximately USD 47.66 million in assets (NAf 85.11 million), representing a high risk for ML due to their cash-intensive nature and the high volume of transactions they process. The five online casinos have an unknown total asset figure. **Online gambling** platforms' anonymity and global reach make them attractive for money launderers looking to move funds across borders with minimal detection.
 - ii. **Real estate agents** in Curaçao play a crucial role in handling high-value transactions, making this sector particularly vulnerable to ML activities. With 159 agents operating in the market and an average of USD 78.4 million²¹ (NAf 140.396 million) between 2012 and 2017, illicit funds could potentially be integrated into the legitimate financial system.
 - iii. The **lawyer's** sector in Curaçao comprises sixty-two professionals with assets ranging from 112 thousand to 9.52 million.²² Their work often involves handling significant amounts of client money and advising on trusts and company formation, which can be exploited to obscure the origin of illicit funds. Ten **notaries** have combined assets ranging from USD 28 thousand to 2.24 million.²³ Their role in authenticating and processing high-value legal transactions, such as property transfers and establishing legal entities, makes them a potential target for ML activities. The **accountant's** sector, which includes thirteen registered accountants, plays a crucial role in financial reporting, tax planning, and advisory services, which can be exploited to disguise illicit financial activities. There is no information about the accountant's sector's assets.
 - iv. **TCSPs** in Curaçao, which include 140 entities with combined assets of approximately USD 58.52 million (NAf 104.5 million), manage and administer various corporate entities and legal arrangements that can be exploited to facilitate ML activities.

Moderate importance

- c. Curaçao's **insurance sector** includes ten *insurance companies* with a balance sheet of USD 991.17 million (NAf 1.77 billion) and thirty-six *insurance brokers* with approximately USD 40.98 million in assets (NAf 71.4 million). The sector provides life, indemnity, captive, and reinsurance products. Beyond vulnerabilities relative to past non-compliance with AML/CFT legislation, no specific characteristics in the sector indicate an increased risk of ML. Due to the size of the insurance sector and its consequent relevance for Curaçao's financial stability, it is considered to have moderate importance for this evaluation.
- d. **VASPs** are moderately important in Curaçao due to the inherent ML/TF risks they face. Before 2024, the sector was largely self-regulated, with entities adopting compliance standards through partnerships with foreign financial institutions. The sector has yet to be fully regulated with a framework that completes and clarifies the AML/CFT obligations they have been subject to since 2024. The country has a relatively small number of five active VASPs in Curaçao, comprising exchanges, advisors, and token issuers. The country does not have an estimate of the sector's assets or activity.

²¹ According to the 2023 ML NRA, the real estate sector's total turnover was approximately USD 78.4 million (NAf 140 million) annually between 2012 and 2017.

²² According to the 2023 ML NRA, the gross turnover of attorney offices varies significantly yearly, depending on the business size, the number of partners, and the number of employees.

²³ According to the 2023 ML NRA, the gross turnover for notary offices varies significantly depending on the business size.

- e. Curaçao has two types of alternative finance services companies. Twenty-six **microfinance companies** are established in the country with approximately USD 62 million in assets (NAf 110.71 million). Microfinance companies in Curaçao play a crucial role in providing essential financial services to lower-income segments of the population. These institutions, though relatively small in scale, are significant in promoting financial inclusion. However, due to their cash-based transactions and the diverse customer profiles they serve, microfinance companies face a moderate level of ML risks. Four **pawn shops** with combined assets of approximately USD 1.97 million (NAf 3.52 million) provide short-term loans against personal assets. Pawn shops are moderately exposed to money laundering risks despite their smaller operational scale. The primary concern lies in their potential involvement in fictitious agreements, taking stolen goods as collateral, and smurfing transactions. These sectors are moderately important, considering their size and risk exposure.
- f. The financial services sector in Curaçao also includes ten licensed **securities intermediaries** that execute securities trades based on customer instructions and have assets of approximately USD 244,009,566.00 (NAf 436,777,123.00). In addition, by 2021, eleven licensed **asset managers** focused on ongoing fiduciary relationships with their customers to manage their assets according to long-term goals. This last sub-sector has assets of approximately USD 23,734,702 (NAf 45,095,933). The NRA assessed the ML threat for the entire securities sector as medium-low, noting no money laundering cases related to the sector. However, the ML vulnerability was rated as medium-high, highlighting the need for improved implementation of AML/CFT policies and procedures. This sector is regarded as having moderate importance.
- g. The country has three **Money Transfer Companies (MTCs)** with a combined balance sheet asset value of approximately USD 11.36 million (NAf 20.3 million). As their name indicates, they are solely authorised to transfer money. The sector is moderately important in this evaluation due to its size and makeup. MTCs conduct cash-based transactions, including executing transactions involving jurisdictions at high risk for drug trafficking. However, there are daily limits to the amount of NAf 250-500 (USD140.00 -240.00) that can be sent by the MTC and per customer.
- h. Three **precious metals and stones dealers** operating as jewellers engage in high-value transactions, which makes them vulnerable to ML to some extent. This vulnerability arises from the cash purchase of high-value and highly portable commodities, which can be traded and transported across borders, often with minimal documentation. However, these jewellers mainly purchase finished items for resale within limited value ranges. There is no information about this sector's assets.

Low importance

- i. There are six **investment institutions**, which can be self-administered or administered by one of the nine fund administrators. The investment institutions can gather funds from investors and allocate them to different investment types. The fund administrators' assets are approximately USD 11.03 million (NAf 19.69 million). Despite the complex nature of the investment products, investment institutions can engage in them, and the potential for these products to be exploited for illicit activities is small; hence, the sector's scale is considered of low importance in this evaluation.
- j. Curaçao has one **securities exchange** facilitating trading and investment activities, with total assets of approximately USD 428,111 (NAf 764,485). Although investment schemes and the use of intermediaries are generally seen as potential avenues for ML, the size and makeup of the sector suggest that this is a sector of low importance.

No relevance to the evaluation

- k. While Curaçaoan legislation provides for **currency exchanges** and **factoring companies**, no such businesses operate in the country.

The international role of Curaçao's financial sector

57. Curaçao, while not positioned as a regional or international financial centre, boasts a well-developed financial sector with significant local and foreign banking connections. Curaçao's historical context, such as the termination of the US Foreign Withholding Tax and the end of the tax treaty with the Netherlands Antilles, indicates a shift from traditional offshore activities towards a more regulated financial environment. The role of Curaçao as a financial centre, though diminished over the past decade, still supports international business activities, contributing around 5.5% to the GDP as of recent years.

58. The country's financial services sector predominantly caters to international clients, as highlighted by international banks' focus on non-resident clients. International banks, including those from Venezuela, Argentina, and other jurisdictions, are significantly involved, serving mainly corporate clients. Financial and insurance services accounted for 20.6% of GDP in 2022, demonstrating the sector's significance to the economy, while the country hosts a variety of financial institutions, including international and local banks, specialised credit institutions, insurance companies, investment institutions and money transfer companies.

59. Local banks hold USD 8.44 billion (NAf 15.1 billion) from domestic and foreign customers. In contrast, international banks hold USD 21.4 billion (NAf 38.3 billion) from foreign customers. Of the funds international banks hold, USD 20.9 billion (NAf 37.5 billion) comes from foreign corporate customers, while local banks hold USD 5.6 billion (NAf 10.1 billion) from domestic and foreign corporate customers. This indicates a significant presence of foreign corporate customers in the assets held by local and international banks.

60. Curaçao's financial system does not provide moderate or light financial regulation, banking secrecy, or anonymity. On the contrary, the country has a generally sound regulatory environment that limits its attractiveness as an offshore financial centre. Additionally, Curaçao offers some tax benefits, including a 2% corporate tax rate on export profits for e-zone companies and potential tax holidays for new investments. Special provisions also exist for international companies and tax exemptions for specific entities like private foundations. In parallel to these tax benefits, Curaçao largely complies with the OECD's standards of transparency and information exchange on request, highlighting the presence of solid tax rules.

1.4.4. Preventive measures

Legal instruments and scope of preventive AML/CFT obligations

61. In Curaçao, the preventive AML/CFT obligations are primarily applied through several key legal instruments. These include the NOIS and the NORUT. Financial institutions and DNFBPs must conduct Customer Due Diligence (CDD), maintain records for at least five years, and report unusual transactions to the FIU. Institutions such as banks, insurance companies, MTCs, and TCSPs must also adhere to guidelines and provisions issued by the CBCS, which mandate regular training, independent testing of AML frameworks, and maintaining comprehensive compliance programs. Likewise, casinos and other DNFBPs must implement similar internal controls following the regulations and guidelines issued by the GCB and FIU. VASPs are required to implement preventative measures as of May 2024.

Scope of the AML/CFT obligations

62. Most of the FATF's preventive measures are covered by legislation, regulations, provisions and guidelines. Notwithstanding, there is an issue regarding the overuse of Enhanced Due Diligence (EDD)

measures concerning NPOs due to an overly cautious approach by some financial institutions and TCSPs. This over-application of EDD can lead to inefficiencies and unnecessary burdens. Additionally, a notable lack of direct supervisory encounters with specific sectors, such as the accounting sector, may hinder effective regulatory engagement and oversight. Furthermore, challenges in identifying close associates of PEPs and the absence of a formal licensing procedure for accountants and tax advisors also present risks to the effective implementation of AML/CFT measures. Regarding the measures applicable to the VASP sector, the effectiveness in mitigating AML/CFT risks could not be analysed since the legal framework was only recently implemented.

Exemptions from AML/CFT Requirements

63. Curaçao has not exempted specific sectors or activities from the AML/CFT requirements. All FI, VASP, and DNFBP sectors are subject to the AML/CFT regulations under the NOIS and the NORUT.

Sectors subject to AML/CFT measures outside the scope of the FATF Recommendations

64. **Lotteries** have been part of the AML/CFT regime since 2001 due to their vulnerability to ML.²⁴ The 2023 ML NRA highlights that illegal lotteries are a prevalent form of illegal gambling, often operated by both license holders and non-license holders. The assessment also notes that approximately USD 112 million (NAf 200 million) is spent on illegal lottery tickets annually, starkly contrasting the USD 28 million (NAf 50 million) spent on legal lottery ticket sales.

65. The **dealers in the building materials sector** have been obliged to comply with AML/CFT regulations since 2010 due to the risk associated with the sector. The significant cash flows and high-value transactions in the building materials sector could be exploited by criminals to launder illicit funds. Therefore, the sector was included in the AML/CFT regime as a preventive measure to safeguard the sector and the broader economy from being exploited for ML purposes. The 2023 ML NRA highlights these threats arising from the sector's exposure to cash-intensive activities and the possibility of cash derived from illegal activities being invested in real estate projects. Additionally, the assessment remarks on UTRs and ML investigations and prosecutions concerning the sector.

66. **Car dealers** were included in the AML/CFT regime in 2015. Curaçao further amended Art. 1 of the NOIS to include **renting out, leasing or trading in vehicles and vessels** as activities subject to AML/CFT obligations in 2024. Car dealerships were included due to the risk associated with high-value cash transactions for vehicle sales and purchases, which can be used to disguise the origins of illicit funds. By including car dealers in the AML/CFT regime, Curaçao aimed to increase oversight and reduce the likelihood of the industry being used for illicit activities. The 2023 ML NRA analysed UTRs, ML typologies, and ML investigations, prosecutions and convictions involving vehicle-related businesses between 2012 and 2017.

1.4.5. Legal persons and arrangements

²⁴ Under the Lottery Ordinance 1909 (PB 1965, no. 85), a **lottery** is a structured system where participants purchase tickets or fulfil specific conditions to enter a prize draw. Winners are determined by chance, usually via a draw or random selection, and participants have no significant influence over the outcome. Lotteries can be organised for charitable, promotional, or commercial purposes. This differs from a **casino**, a physical establishment where multiple games of chance (e.g., roulette, blackjack, slot machines) are offered, often requiring player interaction. Casino games may involve some skill in addition to chance, and casinos are operated for profit on a commercial basis only.

*Types of legal persons and legal arrangements that can be established or created in Curaçao*²⁵

67. This subsection outlines the different types of legal entities and arrangements in Curaçao. It emphasises the distinctions between various business structures, such as private and public companies, partnerships, foundations, associations, trusts, and private foundations. It highlights their usage and legal requirements:

- a. *Companies* are legal persons well-suited for large-scale operations and complex business activities that require substantial capital and a formal management structure. They may accommodate complex ownership structures, including multiple classes of shares and different types of investors. There are two types of companies in Curaçao:
 - i. **Private Companies (*Besloten Vennootschap, B.V.*)** are legal persons that only raise capital from their shareholders and cannot offer shares to the general public. As a result, they provide liability protection to their shareholders, generally limited to their investment in the company. Small groups of investors usually use this type of legal person to establish small to medium-sized enterprises due to simpler formation and management processes. As of 2023, there were 10,507 registered private companies, making it the most commonly used form of legal person in Curaçao. The articles of association of a private company may provide that the company is a **shareholder-managed company**, for example, entrepreneurs and small business owners who want direct control over their company's operations without the need for a formal board of directors or management structure, family-owned businesses, close-knit partnerships, investors seeking direct control, or professional firms may choose this legal form. In 2023, Curaçao had 28 local shareholder-managed companies registered and zero foreign.
 - ii. **Public Companies (*Naamloze Vennootschap, N.V.*)** are suitable for establishing large companies where shareholders share profits, liabilities, and management responsibilities. Their shares can be publicly traded on a stock exchange. Shareholders' assets are protected and they are only liable for the company's debts up to the amount they have invested in shares. This type of legal entity is not widely incorporated in Curaçao, as there were only 368 in 2023.
- b. *Partnerships* are typically used for small businesses, professional services (e.g., law firms, accounting firms), and joint ventures where personal liability is acceptable and a flexible management structure is preferred, as opposed to companies.
 - i. A **Public Partnership (*Vennootschap Onder Firma, VOF*)** is a legal person incorporated by partners to exercise a profession or business or to perform professional or business activities, which acts in a manner recognisable to third parties under a name it carries. Each partner is a managing partner. The partners of a public partnership are jointly liable for the company's obligations. In 2023, Curaçao had 364 public partnerships, signalling that this type of legal person is not widely used in the country
 - ii. A **Private Partnership (*Commanditaire Vennootschap, CV*)** is a public partnership with one or more limited partners and one or more ordinary partners. The limited partner does not contribute labour and cannot make legal decisions for the company. The limited partner's financial responsibility is limited to their contribution. Ordinary partners are equally responsible for the company's obligations, while limited partners are not responsible for these obligations. Private partnerships have limited use, with 219 entities registered in 2023.
- c. A **Foundation (*Stichtingen*)** is a legal person that aims to achieve specific idealistic or social goals. It is managed by a board of directors or trustees and is prohibited from distributing to its founders or

²⁵ Apart from legal persons and arrangements, Curaçao had 11,932 "sole proprietorship" businesses in 2023. A sole proprietorship is a business owned and operated by a single individual. It is the simplest form of business structure and is not a separate legal entity from the owner. This means that the owner is personally responsible for all debts and obligations of the business. It is the prevalent type of business over any type of legal person or arrangement, highlighting its common usage and simplicity.

members except for idealistic or social purposes. It does not have shareholders. As of 2023, there were 3,342 foundations. A **Private Foundation (*Stichting Particulier Fonds, SPF*)** is a legal person designed for asset protection. It holds assets separately from the personal assets of the founder and beneficiaries; it can also act as a central entity to manage and invest the assets on behalf of the beneficiaries and be used for estate planning. Although primarily used for private purposes, it can also support charitable and philanthropic activities as part of the founder's legacy. As of 2023, 3,410 were registered in Curaçao.

- d. *Associations* are organisations that represent and promote the interests of their members. There are two types of associations in Curaçao:
- i. An **Association with Full Legal Capacity** is a nonprofit organisation with the legal status to act as an independent legal entity. It can own property, enter into contracts, and conduct legal proceedings in its name. They must be established by a notarial deed and registered with the Commercial Register. They must maintain proper governance structures and adhere to financial reporting requirements. There were 649 of these associations in Curaçao in 2023.
 - ii. An **Association with Limited Legal Capacity** can be established for various purposes, often related to social, cultural, or recreational activities. Unlike associations with full legal capacity, those with limited jurisdiction have restrictions on their ability to enter into legal agreements or own property. They must register with the Commercial Register and comply with transparency and reporting obligations. In 2023, there were 186 of these associations.
- e. Curaçao has two types of *member-based legal persons*: **cooperative societies** and **mutual insurance companies**. The cooperative society is a legal person incorporated to meet the material needs of its members by contracts, other than insurance contracts, concluded with them in the business which it carries on or causes to be carried on for their benefit for that purpose. A mutual insurance company is a legal entity incorporated to conclude insurance contracts with its members or to keep members and possibly others insured under a statutory scheme, all in the business it carries on for the benefit of its members. By 2023, Curaçao had sixty-eight member-based legal persons registered in the CoC.
- f. **Foreign legal entities** that intend to conduct business in Curaçao are required to register with the Commercial Register. These entities are recognised and regulated in Curaçao based on their foreign legal status but must comply with local registration, tax, and legal requirements when conducting business within the jurisdiction. Curaçao had 373 foreign legal entities in 2023. *Dutch private liability companies* are a subset of foreign legal entities that amounted to 131 in the same year.
- g. The **Trust** is the only *legal arrangement* available in Curaçao. A trust is a legal arrangement established through a notarial deed and must be registered with the Commercial Register. The key parties involved in a trust include the founder (or settlor), the trustee, and the beneficiaries. Curaçao's trusts are characterised as follows:
- i. Curaçao's trusts framework, established under Title 6 of Book 3 of the Civil Code and the 2011 and 2020 Trust Regulations, allows for private, purpose, *inter vivos*, and testamentary trusts. With the Hague Trusts Convention effective from February 2024, Curaçao recognises foreign and international trusts.
 - ii. In these arrangements, the trustee holds and manages the trust's assets for the benefit of the beneficiaries according to the terms specified in the trust deed. These assets are available for asset protection or estate planning.
 - iii. As of 2023, there were seventy-two trusts in Curaçao.²⁶ There is no data about their contribution to the economy. With only a handful created, trust contract usage appears marginal compared to

²⁶ According to data, the number of trusts registered in Curaçao was eighty-one as of June 2024, reflecting a moderately active role in the administration of such entities.

companies. Based on Section 1.4.3, the material ML/TF risk lies more with TCSPs and the structures they manage than the trust instrument itself.

Legal and institutional framework

68. The legal persons described above are created and regulated under the Curaçao Civil Code (CC). The National Ordinance Trust and the National Ordinance Partnerships provide the legal basis for creating trusts and partnerships. The CoC is the primary authority responsible for registering all legal persons and arrangements. Legal entities created by notarial deeds must be registered with the CoC, and civil law notaries must facilitate this registration. Detailed basic information is required during registration, and the CoC maintains an online registry for public access. As of 2024, the CoC holds an “Ultimate Beneficial Ownership” (UBO) register to enhance transparency and compliance with AML/CFT standards.

Implications for AML/CFT

69. Based on the 2023 ML NRA, legal persons in Curaçao are highly relevant from an AML/CFT perspective due to their potential use in facilitating ML activities. However, the country has yet to analyse their misuse for TF purposes. Legal persons operating as TCSPs can be exploited for ML due to the potential lack of transparency in the operations of the legal person to whom they provide services and the potential establishment of corporate structures, which can obscure the beneficial ownership of assets. Additionally, using legal persons in complex financial transactions that can disguise the true origin of illicit funds is a relevant ML risk for the banking sector in Curaçao. The real estate sector is another area where legal persons can be utilised. Properties can be bought and sold through corporate entities, making it difficult to trace the actual ownership and the source of funds used in these transactions. Beyond the 2023 ML NRA findings, the assessment team considers that there is an unexplored risk of misuse of legal persons involved in international trade and finance for ML purposes; similarly, private foundations can provide anonymity for the founder and beneficiaries, as the foundation, rather than the individual, holds the assets, which is an area that deserves attention in successive risk assessments.

International elements

70. Curaçao facilitates the creation of legal entities but also acts as a jurisdiction for the administration of entities established elsewhere and regulates the creation of trusts and other legal arrangements, ensuring adherence to AML/CFT standards and maintaining transparency regarding beneficial ownership. Legal persons and arrangements created under the law of other jurisdictions often hold assets or conduct business activities in Curaçao. The jurisdiction’s favourable legal and tax environment attracts international business operations. The involvement of foreign legal persons and arrangements is significant. TCSPs in Curaçao are pivotal in managing trusts and other legal arrangements for domestic and international clients. They provide essential services such as acting as trustees, managing directors, and offering domicile services.

1.4.6. Supervisory arrangements

Supervision institutional arrangements

71. Curaçao’s AML/CFT supervisory functions are distributed among three primary supervisory authorities: the CBCS, the FIU, and the GCB. The CBCS is responsible for the AML/CFT supervision and monitoring of financial institutions and TCSPs. The FIU oversees the supervision and monitoring of DNFBPs. At the same time, the GCB is tasked with the supervision and monitoring of land-based and online casinos. These authorities employ risk-based supervisory strategies and regular assessments to ensure compliance with AML/CFT regulations. Although VASPs are not currently supervised for AML/CFT compliance, the CBCS has initiated steps to gather information on VASPs and their activities within the jurisdiction.

Supervisors' roles and responsibilities

72. Regulators and supervisors in Curaçao are tasked with ensuring compliance with AML/CFT standards across various sectors. The CBCS oversees the licensing, supervision, and regulation of financial institutions and TCSPs, employing rigorous integrity testing for policymakers and key personnel. The GCB is responsible for licensing and supervising the gaming sector and conducting thorough vetting processes for gaming operators. The FIU supervises DNFBPs, guiding them in compliance through inspections and intelligence sharing. These authorities possess comprehensive powers to conduct onsite and offsite inspections and impose sanctions. The CBCS and GCB can also revoke licenses. They are equipped with resources such as automated systems for monitoring and advanced analytics to enhance their supervisory functions. Despite challenges like limited resources, particularly within the FIU, these bodies strive to maintain effective oversight and enforce AML/CFT compliance.

1.4.7. International cooperation*International ML/TF risks and threats*

73. Curaçao is at significant risk for ML due to its location, being used as a transit country for illicit activities, according to the 2023 ML NRA, while there are no indications that Curaçao is a source of TF risks for other countries. However, it faces significantly fewer international risks related to TF. The primary threat emanates from international drug trafficking, particularly from the United States, Venezuela, and the Netherlands, and, to a lesser extent, from Sint Maarten, the Dominican Republic, and Colombia. Notably, the banking sector, money transfer companies, and the gambling sector are highly susceptible to ML activities. According to case studies conducted by the authorities, these sectors have been exploited to facilitate the movement and integration of illicit funds into the global financial system. The illicit drug trade remains the highest ML threat, followed by illegal gambling, tax evasion, and fraud. Other crimes such as human trafficking, human smuggling, illicit gold trade, and corruption also contribute to the medium to high threat levels.

74. According to the 2023 ML NRA, Curaçao might also be the potential source of proceeds moved to other countries. Laundered proceeds from drug trafficking may be transferred through underground banking networks from Curaçao to other countries. Moreover, the country's financial system is exposed to abuse by foreign nationals for tax evasion, leveraging legal entities and investment institutions to conceal proceeds. Gold is smuggled through Curaçao, with its origins falsely documented to appear legitimate, posing risks to countries importing or exporting such goods.

Significant international partners

75. Curaçao engages in international cooperation on matters related to ML/TF with various significant international partners. The country is party to various treaties for mutual legal assistance (MLA) and extradition, reflecting a strong legal framework in these areas. Notably, Curaçao has collaborated closely with the United States, receiving commendations for its prompt assistance in handling requests. Other key partners include the Netherlands, with which Curaçao has engaged in numerous MLA requests, especially in high-profile cases such as the "Themis" and "Crow" investigations. Additionally, Curaçao maintains participation in international networks such as the Asset Recovery Inter-Agency Network for the Caribbean (ARIN-CARIB) and the Egmont Group, which facilitate the exchange of information and enhance international cooperation efforts.

Institutional framework

76. The PPO is the central authority responsible for handling MLA and extradition requests, utilising the International Legal Assistance Centre Carib (IRC Carib) case management system. This system ensures that requests are registered, prioritised and processed. The PPO works closely with local LEAs, the CBCS, and the FIU, which also engage in other forms of international cooperation. The PPO, for instance, receives and disseminates information to national and international LEAs, contributing to the overall efficacy of Curaçao's international cooperation framework. Furthermore, the country is a member of several international organisations and networks that enhance its ability to share and receive information on ML/TF matters.

Chapter 2. NATIONAL AML/CFT POLICIES AND COORDINATION

2.1. Key Findings and Recommended Actions

Key findings

- a) Curaçao has a developing understanding of its ML risks through its NRA. The first ML NRA was published in May 2023 and provided a comprehensive overview of risks. However, some sectoral risk assessments are in progress, for VASPs, the securities sector and legal persons. Completing and integrating these assessments into the national risk framework would assist in improving Curaçao's understanding of risk and applying a risk-based approach. TF and NPO risk assessments were conducted; however, the information provided by Curaçao did not demonstrate an in-depth identification and analysis of TF and NPO risks.
- b) Curaçao demonstrates strong policy coordination and cooperation among various stakeholders at the strategic level, and national AML/CFT policies are largely aligned with the ML risks identified. However, gaps remain in fully aligning operational objectives and activities with the highest risk areas identified in the NRA, and there are inefficiencies related to a lack of clear timelines between policy development and implementation at the operational level, mainly due to resource limitations and operational inefficiencies.
- c) The AML/CFT/CFP Committee plays a central role in policy formulation and coordination, ensuring continuous improvement and adaptation to emerging threats. A National Strategy and Action Plan have been developed, and improved coordination among competent authorities is required to further streamline their activities with national policies and risks to combat ML and TF. However, competent authorities face staff and resource shortages challenges, particularly in supervisory and enforcement organisations.
- d) Legislative amendments have been introduced to address vulnerabilities identified in the 2023 NRA, particularly in transparency and supervision. Despite some progress, significant enhancements are needed, particularly in the AML/CFT regime applicable to online casinos and the FIU's supervisory framework. Curaçao's AML/CFT regime does not allow any exemptions. Financial institutions and DNFBPs are required to apply EDD in higher-risk situations and SDD in lower-risk situations in accordance with entity and/or national risks.
- e) The private sector in Curaçao was made aware of the ML risks identified in the NRA and has taken steps to better align their policies and procedures accordingly. The level of awareness of risks has been enhanced through the supervisors' effective communication of the NRA results.

Recommended Actions

- a) Curaçao should complete the sector-specific and VASPs ML/TF risk assessments. Additionally, the country should develop a mechanism to provide information on the results of the TF and NPO risk assessments to all relevant competent authorities, financial institutions and DNFBPs to ensure TF risks are understood.
- b) Competent authorities should increase cooperation and coordination to conduct a structured review of current risk mitigation measures to ensure they are proportionate and aligned with the highest-risk areas identified in the NRA.
- c) More resources should be allocated, and capacity within organisations combating ML and TF should be increased to strengthen Curaçao's AML/CFT framework at the operational level.

- d) Curaçao should improve coordination between policy and operational levels by establishing clear timelines for policy implementation and enhancing feedback mechanisms.

77. This chapter considers and assesses IO.1 as the relevant immediate outcome. The Recommendations relevant to the effectiveness assessment under this section are R.1, 2, 33, and 34, as well as elements of R.15.

2.2. Immediate Outcome 1 (Risk, Policy and Coordination)

2.2.1. Country's understanding of its ML/TF risks

78. Curaçao has a reasonable and developing understanding of its ML risks, as evidenced by its comprehensive NRA process. However, further sector-specific assessments are needed for VASPs, securities intermediaries, legal persons and arrangements and asset managers to enhance this understanding.

79. Curaçao's first NRA was made public in May 2023, covering the assessment period from 2018 to 2021. This NRA included statistical data primarily from 2012 to 2017, with additional data up to 2022 for specific sectors and activities, including high-risk sectors. The data analysed for the period 2012-2017 provided a reasonable understanding of risk, and the data included for additional years up to 2022 supported Curaçao's developing understanding of risk. While the process reflects efforts to assess risks, the use of outdated data limits the relevance and timeliness of its findings, particularly given evolving threats. The NRA was initiated by a national decree that established a National Working Group consisting of representatives from 15 government agencies involved in combating ML. These agencies include LEAs, ministerial departments, and supervisory bodies. The National Working Group is responsible for presenting the findings and recommendations. The NRA Steering Group (SG) was established to supervise the process and coordinate the activities. The SG consists of the head of the FIU and the chairman of the AML/CFT/CFP Committee.

80. The NRA utilised the World Bank's National Risk Assessment Tool, which provided a structured approach to analysing threats and vulnerabilities. The methodology included literature reviews, group discussions, expert interviews, and data analysis. Data collection was divided among five working groups, each led by an individual responsible for using the World Bank tool. These working groups generated individual reports based on feedback from questionnaires and interviews conducted with their relevant stakeholders, which were then integrated into the overall NRA.

81. Sectoral risk assessments at the supervisory level were being conducted on Virtual Asset Service Providers (VASPs), Payment Service Providers (PSPs), securities intermediaries, and asset management companies at the time of the onsite. These assessments indicate initial progress in understanding sector-specific ML risks but highlight the need for broader and deeper analyses across additional sectors. An NRA focused on legal persons and arrangements was also in progress at the time of the onsite.

82. Prior to the publication of the NRA, the understanding of ML/TF risks by competent authorities was primarily based on their independent expertise and experiences. However, as part of the NRA process these authorities relied on literature reviews covering key sector characteristics influencing ML/TF (e.g., socio-cultural, economic, geographical, and criminal factors) and expert meetings with integrated information and perspectives of policy, supervisory, law enforcement, and private sector authorities to identify significant ML/TF threats. Some competent authorities, such as the GCB and CBCS, who also formed part of the national working group, began proactively implementing measures based on the initial findings of the NRA.

83. From 2018 to 2021, Curaçao conducted a sectoral risk assessment, initially covering 2012 to 2017, and later extended the scope period to 2020. This assessment identified the car dealership sector as having a medium-high ML threat due to the high value of transactions and significant cash activities. Despite challenges like insufficient information and statistics, the assessment provided crucial insights into sector-specific risks. Importantly, both threat indicators, such as suspicious transaction reporting and inherent vulnerabilities, were considered in this evaluation. Between 2012 and 2020, 442 unusual transactions were reported by car dealers, with 15 transactions deemed suspicious by the FIU and disseminated to the PPO. This sectoral assessment led to NORUT and NOIS reporting requirements updates, encompassing car dealers as service providers under AML/CFT/CFP legislation.

84. Curaçao's competent authorities can benefit from building continuous awareness of emerging or evolving ML/TF vulnerabilities, threats and risks. Authorities acknowledged that, like any risk assessment, the 2023 NRA represents a snapshot in time and does not comprehensively capture the full scope of emerging and current risks.

85. Curaçao completed the TF and NPO NRAs in 2024. However, the information provided to the assessors did not include an analysis of threats and vulnerabilities in these sectors, which hindered the assessors' ability to evaluate the reliability and robustness of the assessments' conclusions. The findings of these risk assessments were not shared with relevant stakeholders. The TF risk assessment for Curaçao was conducted using the World Bank tool, including interviews and analysis of investigative sources and reports. The assessment incorporated insights from the last five years that suggested no TF-related threats were detected during this period. Some competent authorities interviewed during the onsite visit could not elaborate on the TF threats and vulnerability of the country, nor could they provide details on their specific contribution to the TF NRA. Based on the information provided and the discussions during the on-site visit, the assessment team found the jurisdiction's understanding of TF risks low among competent authorities.

86. Additionally, the NPO sector assessment was conducted during the last quarter of 2023 and the first quarter of 2024 using the World Bank's NPO Risk Assessment Tool. The NPO working group comprised key banking, regulatory, and NPO community stakeholders. To gather insights on NPO activities, the working group actively engaged with key stakeholders, including the Curaçao Banking Association, the Chamber of Commerce, the National Security Service (VDC), the CBCS, the FIU, Tax Authorities, the PPO, and the Central Bureau of Statistics. Additionally, the working group conducted in-depth interviews with four prominent NPOs in Curaçao, providing valuable first-hand perspectives on the sector's governance, financial practices, and risk mitigation strategies. Curaçao provided the assessment team with a summary that did not identify the subset of NPOs that face the highest TF risks or an in-depth analysis of TF and other risks in the NPO sector.

2.2.2. National policies to address identified ML/TF risks

87. Curaçao's National Strategy and Action Plan was signed by ministers in June 2024 and reflects a comprehensive approach to address ML/TF risks. The AML/CFT/CFP Committee has been instrumental in formulating Curaçao's national strategy based on the findings from the NRA. It highlights Curaçao's commitment to addressing ML/TF risks through continuous policy development and improvements such as strengthening border controls, enhancing AML/CFT supervision of high-risk sectors identified in the NRA, monitoring the NPO sector, countering the financing of terrorism, enhancing confiscation mechanisms and improving financial inclusion. The strategy provides an essential framework to bolster Curaçao's effectiveness, which is broken down into high- and medium-priority actions and longer-term ones. The AML/CFT/CFP Committee meets bi-monthly, providing ongoing advice to the government. The committee, led by the president of the CBCS, oversees the strategy's implementation and ensures alignment with risks and international AML/CFT standards.

88. In line with the plan to strengthen border control, Curaçao entered an agreement with the Netherlands, Aruba, and Sint Maarten aimed at improving national security and border safety. The agreement is a joint "Protocol for Strengthening Border Control," which includes a financial commitment by the Netherlands to invest in border control improvements for at least seven years. The Netherlands allocated up to €30.5 million to strengthen border control via the Royal Military Police, Netherlands Customs, and the Dutch Caribbean Coast Guard. This funding supports the (Dutch) Caribbean Coast Guard's ability to operate 24/7 and includes additional investments in material, personnel, and facilities and ensures that ML/TF risks are managed effectively without compromising other critical areas of national security. The countries will implement the measures individually and intend to evaluate, renew, and re-establish the associated action plans every three years.

89. In line with the plan to enhance supervision of high-risk sectors, Curaçao prioritised the implementation of enhanced controls in the gaming sector. In February 2019, the National Decree Supervisor Identification when Rendering Services Gambling Sector (N.G. 2019, no. 282) officially designated the GCB as the AML/CFT supervisor for the entire gambling sector, retroactively effective from January 1, 2016. In August 2019, the National Decree Supervisor Unusual Transactions Gambling Sector (N.G. 2019, no. 283) assigned the GCB responsibility for ensuring compliance with the National Ordinance on the Reporting of Unusual Transactions (NORUT) within the gaming industry. A new Regulation Indicators Unusual Transactions (N.G. 2015, no. 73) was introduced in December 2019, lowering the reporting threshold for gaming transactions to NAf. 5,000 (USD2793.00) to align with FATF recommendations. The National Ordinance on Supervision and Regulation of the Gaming Sector (LOK) was drafted in 2021 and presented to Parliament in 2022 to modernise sector oversight and introduce stricter licensing requirements.²⁷ The Regulations for AML/CFT Supervision of the Land-Based and Online Gaming Sector also became effective on May 20, 2023, reinforcing sectoral risk assessments and compliance obligations.

90. The NOIS and the NORUT were amended in 2021 to expand AML/CFT obligations to additional service providers, including VASPs, auditors, tax advisors, and registrars of high-value assets. In June 2022, additional guidelines were published for financial institutions, specifying enhanced due diligence (EDD) procedures and record-keeping obligations. In May 2023, a further update was introduced to harmonise the definition of beneficial ownership and strengthen reporting indicators. The Regulation Indicators Unusual Transactions was revised in October 2023 to include risk-based reporting requirements tailored to high-risk sectors.

91. Curaçao has initiated adapting its policies to address the challenges associated with ML in its e-zones, although further measures are required. As the legal and illicit gold trade from South America, specifically Venezuela, was identified as a high-risk area, the country enacted the *National Ordinance on the Prohibition of the Import, Export, and Transit of Venezuelan Gold* in 2019.

92. The 2023 ML NRA identified weaknesses in the PEP framework, particularly regarding alignment with the FATF definition. In 2021, the NOIS was amended (before the NRA's publication) to strengthen PEP due diligence requirements, ensuring that financial institutions and DNFBPs implement enhanced scrutiny measures for domestic and foreign PEPs. A draft Ministerial Decree on PEPs was completed in early 2023 to standardise risk assessment criteria and ensure consistent implementation across all supervised entities.

93. The assessment team was of the view that Curaçao began some work, including legislative amendments, to amend existing and implement new policies based on their ML risk. However, the team

²⁷ This legislation came into effect in December 2024. However, the GCB proactively amended their internal policies and standard operating procedures to align with this change in November 2023.

also notes the need to better understand evolving risks and risks associated with the VASPs, securities intermediaries, legal persons, and asset managers sectors. In addition, Curaçao needs to align its national policies with the other areas highlighted in the national strategy and action plan.

94. While the assessors cannot determine the extent to which the National Strategy and Action Plan reflects the findings from the TF and NPO NRAs, since no complete copies of these reports were provided, they found that the Strategy's key actions concerning TF are consistent with those expected from a jurisdiction assessed as having a low TF risk.

95. In this regard, the Government, in collaboration with competent authorities, aims to strengthen national policies to monitor international terrorist threats, including tracking convicted terrorists' post-detention through multilateral and bilateral cooperation. This approach recognises that terrorist threats outside the Kingdom can also affect Curaçao. Ongoing efforts will continue through participation in international forums such as the EU, UN, Anti-ISIS Coalition, NATO, the Global Counterterrorism Forum, and regional initiatives in the Caribbean. The Strategy also includes plans to build local capacity to prevent and combat TF and to enhance national and international cooperation by developing strategies, coordination mechanisms, and emerging TF risk analysis. The detailed action plan includes legislative updates, implementation of MOUs, and the allocation of additional resources to support these efforts.

96. Additionally, the Tax Inspectorate is leading efforts to develop a regulatory framework for the NPO sector to enhance transparency, establish reporting standards, and ensure effective oversight and compliance monitoring. This initiative is being supported by the Chamber of Commerce and the Ministry of Justice, which serve as secondary agencies contributing to the implementation and refinement of the framework.

2.2.3. Exemptions, enhanced and simplified measures

97. Curaçao's regulatory and legislative framework does not allow for exemptions, and the 2023 ML NRA did not identify any grounds for exemptions from AML/CFT obligations. The AML/CFT legislation requires regulated entities subject to AML/CFT requirements to apply enhanced and simplified preventive measures based on risk, ensuring that simplified measures are applied to lower-risk scenarios. In contrast, enhanced measures are compulsory for higher-risk situations. Regulated entities in Curaçao must also identify and assess their institutional ML/TF risks and implement systems and controls to manage and mitigate these risks effectively. This requirement is further supported by the sector-specific provisions and guidelines issued by supervisors that provide further guidance on the practical application of such measures.

2.2.4. Objectives and activities of competent authorities

98. The availability of the NRA Working Groups' findings to relevant stakeholders before publishing the final report enabled some competent authorities to develop objectives and proactively undertake activities based on risks. For example, the FIU's Supervision Department initiated a "non-registration" project to evaluate real estate agents and car dealers who failed to meet registration requirements and to enhance compliance with reporting obligations. Additionally, the department met with the management and directors of real estate agencies to emphasise the importance of complying with the requirements of NOIS and NORUT. However, the FIU's Supervision Department has not taken action regarding sectors such as DPMS, lawyers, notaries and accountants with a medium to high ML threat.

99. To further enhance the FIU's objectives and activities to align with the risk identified in the NRA, the FIU should consider implementing a risk-based supervisory framework, that monitors the extent to which registrants in higher risk sectors are appropriately complying with the AML/CFT obligations; fit and proper testing to ensure that criminals and their associates do not hold significant controlling interest or

being beneficial owners in DNFBPs; and effective use of proportionate or dissuasive sanctions. The data ascertained through these processes would be crucial to the FIU's strategic supervisory framework.

100. The 2023 NRA findings informed the competent authorities' objectives at the policy level. Curaçao introduced several legislative amendments to the NOIS and the NORUT to strengthen its legislative framework. These amendments covered a range of preventive and supervisory measures and enhancements to the transparency of legal persons and arrangements. The legal reform introduced additional obligations for PEPs from international organisations and additional provisions related to high-risk jurisdictions as well as introduced new reporting sectors, i.e., real estate market agents in addition to real estate agents, car rental, car lease companies, boat dealers, and providers of boat engines. Consequently, the CBCS, GCB, and the Supervision Department of the FIU expanded the scope of their compliance inspections in these areas and sectors. Additionally, Curaçao is amending the prudential legislation applicable to casinos to establish a new licensing regime requiring online casino sub-licensees to become regular licensees.

101. The CBCS has taken steps to align its activities with the results of the 2023 NRA. In June 2023, the CBCS published updated AML/CFT/CFP P&Gs for “credit institutions”,²⁸ money transfer services, TCSPs, factoring companies, life insurance companies and insurance brokers. Updating the P&Gs led to an update of the CBCS's policy rule on options to impose sanctions on supervised institutions and individuals when these do not adhere to the NORUT, the NOIS, and the relevant provisions of the Sectoral Supervisory National Ordinances. CBCS has also updated its Supervisory methodology, opting to utilise a tiered approach to supervision (IO.4), integrated for high-risk, risk-based for medium risk and reactive for low-risk entities.

102. The GCB carried out several activities based on the initial conclusions of the NRA Working Groups. The GCB analysed casinos' compliance levels with reporting obligations in 2019 and consequently started a project to ensure casinos are registered at the FIU's online reporting platform L. This led to increased objective UTRs being filed with the FIU in 2022. The 2019 analysis also determined that several land-based casinos had not appointed compliance officers to oversee implementation of the AML/CFT program, including internal controls, record keeping, and training.

103. Due to these reviews, the GCB increased onsite inspections, and several land-based casinos completed their supervisory follow-up action plans. The GCB's actions increased AML/CFT awareness and implementation of AML/CFT programs to mitigate risk. In 2022, the GCB also conducted outreach and training sessions with the sector to understand their business, explain the regulatory provisions, and address objective UTR (slot machines) reporting to the FIU. Moreover, the GCB prepared P&Gs, whose implementation will begin in 2024, to guide compliance with existing and new regulations.

104. Curaçao is amending the prudential legislation applicable to casinos to establish a new licensing regime that intends to discontinue online casino sub-licenses. The new online gaming policy establishes stricter requirements as of November 2023, mandating that each operator apply directly for a license from the GCB. The four previously existing master licenses were extended one final time in 2023 for a year to bridge the transition to the new policy and legislation, with the last license set to expire in January 2025. In 2021 and 2022, additional requirements were added to the license application process to gather more information about the applicants. In 2020 and 2022, the lottery sector also received targeted training sessions from the GCB, and in 2022, lottery companies were required to provide an overview of their income and expenditures. The GCB followed up with a questionnaire in 2023 to understand the AML/CFT compliance systems at the lotteries.

²⁸ The term “credit institutions” refers to domestically operating banks, international banks, savings banks, credit unions, specialized credit institutions, coupon credit lenders, savings and thrift funds, and other institutions or persons in the possession of a dispensation to extend credits directly or indirectly.

105. Apart from the National Strategy and Action Plan, the NRA summarises recommendations at the end of each report section. These recommendations provide proposed activities to improve Curaçao's strategic and operational effectiveness. For example, recommendations coming from the assessment of national ML vulnerability include substantially expanding the FIU to enable it to perform its legal tasks more effectively and providing more financial and human resources to LEAs to mitigate the structural understaffing problem. Operational decisions concerning LEAs do not align with the 2023 NRA findings. During the interviews, the assessors deduced that while LEAs conduct ML investigations annually and bring about convictions amid staffing and funding challenges, there was no clear correlation to risks. The capacity and resources for financial crime investigations are insufficient, and there is a need for additional personnel, specialised training, and technological resources. These challenges have prompted the government to prioritise resource allocation and capacity building to strengthen the AML/CFT framework of organisations responsible for combating ML and TF. Further enhancements are also needed regarding investigative strategies that target the high-risk sectors identified in the NRA.

2.2.5. National coordination and cooperation

106. The strength of Curaçao's AML/CFT regime lies in the established framework for coordination and cooperation among various stakeholders. The AML/CFT/CFP Committee, ACOC, and other working groups ensure the comprehensive and cohesive implementation of national policies. These bodies facilitate regular information sharing, collaborative investigations, and policy updates, reinforcing Curaçao's commitment to effectively combating ML/TF risks. Policy-level and operational coordination mechanisms have contributed to a degree of success in addressing AML/CFT priorities. However, interviews and further analysis revealed that challenges remain in ensuring seamless coordination between operational and policy stakeholders, particularly in translating national AML/CFT policies into effective operational practices.

107. At the policy level, the AML/CFT/CFP Committee is responsible for cooperation and coordination amongst competent authorities and LEAs. The committee initiates and instructs in drafting relevant AML/CFT/CFP legislation and monitors its implementation through periodic follow-up actions with governmental authorities entrusted with the legislative process and AML/CFT mandates. The committee provide strategic advice to the Minister of Finance related to the timing of the execution of national risk assessments and accompanying legislation. The Committee may, if necessary, consult with specific groups of private sector representative bodies or service providers when there is a need for a representative body to contribute to the process of drafting legislation, policies, and procedures regarding that specific group to increase implementation of, and compliance with, the FATF 40 Recommendation.

108. The President of the CBCS chairs the committee, and the CBCS also acts as Secretary to the committee. The committee's membership consists of representatives from the GCB, the FIU (Analysis and Supervisory Divisions), Legal and Judicial Affairs, Foreign Relations, Tax Authority, Policy Department, Ministry of Justice, PPO, KPC (police), National Detectives Agency, Customs and the VDC (Security Service). The committee also has two sub-working groups, the NOIS/ NORUT Group and the NRA Steering Group. The Head of the FIU and the President of the CBCS lead the steering group. The Committee is responsible for implementing the National Strategic Plan to address the key issues and risks identified in the NRA.

109. The ACOC also plays a pivotal role in fostering cooperation. This partnership was initiated in 2018 due to the need to broaden cooperation in the Firearms Task Force. The ACOC's focus was expanded from reducing illegal firearms ownership to other forms of undermining crime, such as drug trafficking, ML, human trafficking/human smuggling and criminal gangs.

110. An express effort was made to achieve a joint approach (criminal law and administrative) in tackling issues identified, through specialised case tables (operational focus groups) focusing on the areas previously mentioned. The operational focus group members share information and devise possible actions and activities to curtail undermining crimes. For example, members also collaborate on effective enforcement measures by collectively using their sanctioning powers to issue penalties for various offences. The current partners of ACOC are: the PPO, KPC, Curaçao Customs, Coast Guard (KWCARIB), VDC, RST, the ministries of Economic Development, Finance, Justice, Traffic, Transport and Urban Planning and the FIU (the supervision and analysis division).

111. The recent implementation of a Memorandum of Understanding (MoU) between supervisors is another example of cooperation and coordination. This MoU creates a formal mechanism for the CBCS, GCB and FIU to share data and information obtained by fulfilling their respective mandates. For example, it provides consultation and cooperation at both the management and operational levels to facilitate joint policy development and establish common supervisory practices.

112. Coordination and cooperation among various stakeholders strengthen Curaçao's AML/CFT regime. All interviewed authorities consistently demonstrated and articulated high coordination and cooperation. Several cases reviewed by the assessors showed strong cooperation and coordination spearheaded by the PPO. For instance, the PPO receives STRs from the FIU and allocates investigative orders to respective LEAs, the Tax Authority, and the Land Registry to ensure thorough investigations. For example, in cases where a successful criminal prosecution is unlikely, and there is reason to believe assets were derived from criminal proceeds, the PPO refers the matter to the Tax Authority for a tax audit.

113. The jurisdiction's small size significantly enhances the effectiveness of these efforts. Assessors observed a mechanism for healthy cooperation and coordination among various authorities at policy and operational levels, ensuring that ML requirements are thoroughly addressed. Two examples of such an initiative are the establishment of the Information Centre Curaçao (ICC) and the Afpakteam – Asset Recovery Team. The ICC was established in 2017 to share information on illegal firearms. The ICC is part of a broader initiative to facilitate information exchange between all government agencies combating ML/TF. It includes the FIU, CBCS, the Ministry of Economic Development, Customs, the Tax Authority, CoC and the KPC.

114. The Afpakteam, a dedicated confiscation team in Curaçao, was established in 2015 as a partnership among various investigative partners, including the PPO, the KPC, Customs, FIU, the KMar, the Coast Guard, the Tax Accounts Office, and the National Tax Receiver. It aimed to combat financial crime more effectively by preventing and detecting ML and confiscating criminally obtained assets. During its operation, the team successfully recovered a wide range of assets, with part of the confiscated assets deposited into a special fund of the Country of Curaçao used to combat crime. Although the Afpakteam was dismantled in January 2022, asset recovery remains primarily the responsibility of the Prosecutor's Office. The Attorney General oversees the financial management of these efforts, and asset seizure continues to be an integral component of investigations, with criminally acquired assets being seized whenever possible.

115. Cooperation and coordination at the policy level present challenges that create gaps in efficiency. For instance, the assessment team noted a lack of clear timelines between policy initiation and implementation at the operational level. This highlighted ineffective feedback between the operational and policy levels, potentially hindering the refinement and improvement of strategies and policies. For example, supervisors must utilise a risk-based approach at the policy level. However, assessors observed that some supervisors did not clearly indicate the use of the RBA, and others appeared to be more rule-based than risk-based. While there is well-established coordination and cooperation at the policy and operational levels for ML,

assessors noted that regarding TF and PF, there is a need for improvement in areas such as communicating updates to the sanctions list and verifying relevant actions taken by respective stakeholders.

2.2.6. Private sector's awareness of risks

116. The private sector demonstrated good awareness of the ML risks identified in the NRA. Representatives from the Compliance Association, Domestic and International Bankers Association, TCSP, Casinos, Accountants, the Real Estate Sector, and Notaries all agreed with the findings of the NRA. Following its publication, each sector reviewed and updated its existing policies and procedures as needed. One private sector representative from the DNFBP sector recommended that authorities conduct additional outreach sessions, including sector-specific sections on the findings of the NRA.

117. The private sector's awareness of risks was based on its participation in the NRA process, through various representations in different working groups and providing qualitative and quantitative information. Notably, representatives from the TCSP sector clearly articulated the higher-risk issues and vulnerabilities affecting the jurisdiction, which aligned with the risks identified in the NRA.

118. After completing the NRA, competent authorities enhanced awareness and understanding of risks within the private sector. They published the NRA results on their websites and communicated these findings during outreach sessions. For example, the CBCS holds quarterly meetings with the managing and supervisory directors of financial institutions, discussing the NRA results and the strategic plan to address the identified ML/TF risks. The CBCS has demonstrated a close working relationship with the private sector, using training and seminars to communicate ML/TF risks.

119. A new supervisory strategy was formulated for online casinos, requiring all operators to register directly with the GCB. This mitigates the risk associated with the previous practice of issuance of sub-licences by master license holders. During the interview with the assessors, representatives from both sectors meticulously articulated the components of their respective AML/CFT frameworks.

Overall Conclusion on IO.1

120. Curaçao has a reasonable and developing understanding of its ML risks, primarily through the ML NRA published in May 2023. The NRA provides a comprehensive overview of the national ML landscape and a good basis for further risk assessments. Moreover, the NRA relies heavily on outdated data (primarily from 2012-2017, with limited updates to 2022), which weakens its relevance in addressing current and evolving ML/TF threats and vulnerabilities. Additionally, sectors such as NPOs, VASPs, securities intermediaries, asset management companies and PSPs lack comprehensive risk assessments, which limits a holistic national risk understanding. The assessors also noted that the TF and NPO NRA reports were not made fully available, preventing a thorough evaluation of their robustness.

121. National AML/CFT policies in Curaçao are well-structured and largely informed by the NRA findings, demonstrating a strong commitment to addressing ML/TF risks identified. However, implementing these policies is inconsistent and does not sufficiently reflect a risk-based approach. While Curaçao has adopted strategic AML/CFT plans, there is no clear evidence that the highest-risk sectors identified in the NRA receive proportionate attention and resources. The FIU and LEAs suffer from resource and staffing constraints, limiting their ability to mitigate risks effectively. In particular, the absence of a fully operational asset recovery mechanism significantly undermines the effectiveness of

Curaçao's financial crime response and the FIU's limited capacity to conduct effective risk-based supervision.

122. Curaçao benefits from coordination mechanisms at both the policy and operational levels. The AML/CFT/CFP Committee and other working groups ensure that national policies are implemented cohesively. Inter-agency cooperation needs improvement, especially between law enforcement, the FIU, and CBCS. The assessors found no evidence of a structured mechanism to ensure that risk assessments directly inform operational efforts. Moreover, the analysis of TF risks is inadequate, as Curaçao has not assessed and addressed potential TF threats systematically. Additionally, there is no clear indication of how Curaçao ensures policies are reviewed and adjusted in response to newly identified risks.

123. The private sector in Curaçao exhibits a good awareness of the ML/TF risks outlined in the NRA, and there has been a proactive response to update policies and procedures accordingly. However, the effectiveness of risk-based supervision in sectors such as the online gaming industry and VASPs still needs to be developed and implemented. Supervisory authorities must significantly improve engagement with private sector stakeholders to ensure AML/CFT compliance measures are well understood and consistently applied.

Curaçao is rated as having a moderate level of effectiveness for IO.1.

Chapter 3. LEGAL SYSTEM AND OPERATIONAL ISSUES

Key Findings and Recommended Actions

Key Findings

Immediate Outcome 6

- a) Curaçao's FIU receives UTRs, analyses them, and disseminates financial intelligence through STRs to competent authorities, maintaining data security. It uses public databases for analysis and offers guidance to reporting entities. Staffing shortages limit its analytical capacity and delay intelligence dissemination.
- b) The LEAs and the PPO use FIU intelligence, as well as information from national security sources and the ACOC, to support investigations and asset tracing. Authorities report the FIU's intelligence is valuable, but there is limited evidence showing it routinely triggers new investigations into ML or predicate offences.
- c) A feedback mechanism between competent authorities and the FIU has been recently introduced. However, the FIU has received few completed forms, limiting its ability to assess the usefulness of its disseminated intelligence and operational impact and identify areas for improvement.
- d) The FIU participates in the ACOC to facilitate domestic information sharing among agencies. LEAs also benefit from intelligence provided by the national security sources. Despite Curaçao's international ML risk, the number of international FIU-to-FIU cooperation requests remains low, indicating underutilisation of cross-border channels.

Immediate Outcome 7

- a) ML investigations in Curaçao are initiated through STRs, ongoing investigations, or as parallel financial inquiries. The KPC's Special Financial Investigations Team (TFO, for its abbreviation in Dutch) handles domestic ML investigations, while the Special Police Task Force (RST, for its abbreviation in Dutch) leads investigations with international or Kingdom-level elements. Cases are often referred to these units by other competent authorities, ensuring that financial crimes are pursued based on both local and cross-border risks.
- b) Curaçao investigates and prosecutes various ML types, including self-laundering, third-party ML, and cases involving legal persons. While parallel investigations alongside predicate offences are common, stronger efforts are needed to properly document these cases and classify ML types in line with identified threats and risks. Authorities also sanction legal persons and adopt administrative or civil measures when convictions are not possible.
- c) There is a significant gap between the number of STRs disseminated and the number of ML investigations conducted, though one STR may support multiple cases. Authorities have indicated that parallel ML investigations are commonly conducted alongside investigations into associated predicate offences. While this reflects an integrated investigative approach, the documentation available did not consistently capture or reflect the extent of such practices. Additionally, greater effort is required to categorise and track different ML types.
- d) Close collaboration between investigators and prosecutors helps minimise delays in preparing ML and predicate offence cases for prosecution. However, a shortage of human resources

remains a serious institutional deficiency, limiting the capacity of competent authorities to effectively investigate and prosecute ML and related crimes.

Immediate Outcome 8

- a) Confiscation is pursued as a policy objective in Curaçao. The identification, tracing and confiscation of illegally obtained assets is an integral part of Curaçao's fight against ML and associated predicate offences.
- b) Notwithstanding that confiscation is pursued as a policy objective, Curaçao has not satisfactorily demonstrated that its confiscation results are mostly consistent with its ML risks and national AML/CFT policies.
- c) Curaçao has largely demonstrated through case examples that it is seizing and confiscating proceeds from domestic predicate offences; however, no statistics or examples were provided in relation to seizing and confiscating proceeds from foreign predicate offences.
- d) Customs and the KPC have demonstrated that the recovery of non-declared and falsely declared cash is part of their policies, and they are seizing, investigating and confiscating non-declared and falsely declared cash.
- e) There are policies and institutions in Curaçao in relation to the identification, tracing and confiscation of illegally obtained assets. However, questions remain unanswered in relation to if these confiscations are in alignment with Curaçao's ML risk and threats.
- f) Curaçao has somewhat demonstrated that it manages and preserves the values of seized and confiscated assets as some case examples revealed confiscated assets were sold for equivalent value, however, another case example revealed confiscated property was sold/auctioned for lower than equivalent value.

Recommended Actions

Immediate Outcome 6

- a) The FIU should receive additional human resources to align with its organisational structure and ensure that analysts receive proper training to analyse the reports generated by goAML effectively. Furthermore, the FIU should acquire and utilise additional technology, such as data mining tools, to enhance its analysis functions and overall effectiveness. Competent authorities should also receive more personnel to optimise the use of financial intelligence and relevant information related to ML and TF. This enhancement will further improve their ability to identify, trace, and confiscate assets obtained illegally.
- b) All reporting entities should receive additional training on using goAML, focusing on submitting high-quality UTRs to reduce rejections by goAML's automatic quality checking process.
- c) The Head of the FIU should be appointed permanently to ensure stability, strategic direction, and independence, which are crucial for an effective AML/CFT regime. Notwithstanding, no evidence of issues concerning operational independence was observed. This permanent role will enhance operational inefficiencies in the FIU's operational capabilities.
- d) Competent authorities should implement policies, procedures or any other measure necessary to ensure more investigations are initiated from FIU disseminations.

- e) Competent authorities should provide more frequent and detailed feedback to the FIU via the feedback forms to evaluate the impact, effectiveness, and operational value of the FIU's disseminations.

Immediate Outcome 7

- a) Competent authorities such as KPC's TFO would benefit from more staff and resources to be able to conduct investigations into more STRs.
- b) Curaçao should make a greater effort to ensure that SARs and financial intelligence are used to investigate offences in line with Curaçao's risk profile.
- c) Competent authorities should maintain comprehensive statistics in relation to investigations and prosecutions, as whilst statistics were provided for ML prosecutions and convictions during the review period, the number or percentage of investigations opened during the review period which resulted in prosecutions and convictions could not be presented.
- d) A review of parallel investigations should be conducted by the Competent Authorities to assess whether the frequency of these investigations can be increased or if better documentation of such investigations is necessary. Based on the findings, policies and procedures should be implemented to address any identified issues relating to parallel investigations.
- e) Curaçao should maintain better records regarding sanctions imposed, following convictions in relation to ML and associate predicate offences.

Immediate Outcome 8

- a) The PPO should pay attention to the lack of personal capacity issue that affected the Afpakteam to ensure that issue does not similarly affect the PPO.
- b) Curaçao should make a greater effort to ensure their confiscations are in line with offences that are of a high threat to ML or to maintain better records in relation to the connection between confiscations and the corresponding offences.
- c) Customs should put measures in place to facilitate them keeping and dealing with investigations in relation to non-declared and falsely declared cash and BNIs.
- d) A review should be conducted into the measures employed by Curaçao to manage and preserve the values of seized and confiscated assets to determine if such measures can be improved.

124. The relevant Immediate Outcomes considered and assessed in this chapter are IOs 6-8. The Recommendations relevant to the assessment of effectiveness under this section are R.1, R. 3, R.4 and R.29-32 and elements of R.2, 8, 9, 15, 30, 31, 34, 37, 38, 39 and 40.

3.1. Immediate Outcome 6 (Financial Intelligence ML/TF)

Use of financial intelligence and other information

125. Curaçao has demonstrated that competent authorities generally access and use financial intelligence and other relevant information in conducting their investigations. This is based on the information submitted and interviews with some LEAs. Competent authorities, such as the FIU, PPO, KPC, RST and LrC, can access a broad range of financial intelligence and other relevant information to conduct investigations and develop evidence concerning ML, associated predicate offences and TF. LEAs such as the KPC and RST

have obtained useful information from agencies such as the FIU, the VDC and the inter-agency mechanism ACOC.

126. The FIU, intelligence sources, and the ACOC provide relevant information that can be used to initiate investigations and provide further assistance during investigations. LEAs may request additional information from the FIU and VDC during an investigation. Also, as members of the ACOC, competent authorities sometimes obtain relevant information from each other during ongoing investigations.

FIU

127. The FIU is the only source of financial intelligence in Curaçao used by the competent authorities involved in investigating ML, associated predicate offences and TF. To perform its functions, it collects and analyses a wide range of appropriate sources of information, including UTRs received from financial institutions and DFNBPs; reports from Customs, which involve information on cash, jewellery, precious metals, and other valuable goods that are imported, exported, or confiscated by Customs; notifications from the CBCS covering data related to financial activities; data from supervisors (i.e., CBCS, the FIU Supervisory Department, and the GCB); information obtained from LEAs concerning individuals or entities suspected of ML, TF or predicate offences; data from reporting entities and supervisory authorities requested as additional information requested under the NORUT regulations; foreign FIUs, based on international information exchanges, often through the Egmont Group's secure communication channels; and Government databases, which includes access to data from entities like the Chamber of Commerce, Civil Registry, Boat Registry, and Vehicle Registration, either directly or through formal requests. The FIU disseminates financial intelligence produced based on the sources of information outlined above through Suspicious Transaction Reports (STRs), which LEAs use for investigations related to ML, predicate offences, and should the case arise, TF.

128. The PPO is the central point for formal requests from various LEAs to the FIU. This is done to ensure no power misuse and to coordinate investigation efforts effectively. During the period reviewed, LEAs, with the PPO's consent, requested financial intelligence from the FIU concerning 97 cases, including 523 subjects. Table 3.1 presents the data related to these requests.

129. The requests for information to the FIU in Table 3.1 only partially align with Curaçao's highest ML threats. While fraud, tax evasion, and corruption appear, they are underrepresented, with corruption recorded in just seven cases. Major threats like drug trafficking, illegal gambling, human trafficking, and illicit gold trade are absent or minimally reflected. Additionally, 25 cases involve "undetermined predicate offences," suggesting gaps in how the FIU categorises and records requests that could provide a better perspective on whether requests align with the country's risk profile. Moreover, most requests focused on general ML without clear linkages to major threats, which questions whether such LEAs' cases aligned with the most important threats. This misalignment may reduce the FIU's ability to effectively support investigations and enforcement efforts against Curaçao's most critical ML threats, limiting its impact on high-risk areas.

130. When the FIU receives a request for information from the LEAs, it places the subjects identified on a watchlist. Once more information about the subject is gathered, an additional package is submitted to the LEAs. The FIU currently has records indicating that there were 580 submissions of additional information for the year 2023. The lack of records for previous years is due to several factors. In 2020, the COVID-19 pandemic impacted the country, and the FIU had just started implementing goAML, which went live in 2021. Subsequently, the FIU initiated several adjustments to extract the information from reports and make it accessible to LEAs. These adjustments continued into 2023 and were ongoing during the time of the onsite visit. It should also be noted that KMar and the LEAs also request Infobox Criminal and Unexplained Assets (iCOV) reports. These reports are obtained through a partnership between various governmental

organisations and supervisors in the Netherlands. The assessment team was informed that the iCOV reports are data-driven reports that assist in the fight against ML, tax evasion and fraud.

131. To provide financial intelligence, the FIU utilises a variety of sources of information. The FIU primarily receives UTRs from financial institutions and DNFBPs and requests additional information to enhance its intelligence database and support its analysis. From 2019 to 2023, the FIU received a substantial number of UTRs, which are analysed in more detail in the next section of this report. In the same period, the FIU made 39 requests for additional information to financial institutions and DNFBPs, including 16 in 2019, two in 2020, 14 in 2021, one in 2022, and six in 2023. Additionally, the FIU gathers information from Customs regarding falsely or non-declared cash and valuable goods. The FIU also obtains open-source information and referred to an investigation in their Annual Report 2020-2022, where open-source information established the identity and country of origin of an entity that was making donations of a suspicious nature to an organisation in Curaçao.

Table 3.1. Requests for information to the FIU

| Authority / Offence | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| PPO, including the TFO | 0 | 0 | 0 | 2 | 0 | 2 |
| <i>Fraud</i> | 0 | 0 | 0 | 2 | 0 | 2 |
| <i>Terrorism financing</i> | 0 | 0 | 0 | 0 | 0 | 0 |
| KPC, including the Afpakteam | 12 | 9 | 11 | 10 | 7 | 49 |
| <i>Money laundering</i> | 10 | 0 | 3 | 3 | 1 | 17 |
| <i>Undetermined predicate offences</i> | 2 | 9 | 5 | 4 | 5 | 25 |
| <i>Undetermined predicate offence and ML</i> | 0 | 0 | 0 | 3 | 1 | 4 |
| <i>Money laundering and drug trafficking</i> | 0 | 0 | 2 | 0 | 0 | 2 |
| <i>Money laundering and fencing stolen property</i> | 0 | 0 | 1 | 0 | 0 | 1 |
| <i>Terrorism financing</i> | 0 | 0 | 0 | 0 | 0 | 0 |
| RST | 7 | 9 | 3 | 3 | 2 | 24 |
| <i>Money laundering</i> | 0 | 2 | 0 | 1 | 0 | 3 |
| <i>Undetermined predicate offences</i> | 7 | 2 | 1 | 0 | 1 | 11 |
| <i>Organised crime</i> | 0 | 5 | 0 | 0 | 0 | 5 |
| <i>Tax evasion</i> | 0 | 0 | 1 | 1 | 0 | 2 |
| <i>Corruption</i> | 0 | 0 | 1 | 1 | 1 | 3 |
| <i>Terrorism financing</i> | 0 | 0 | 0 | 0 | 0 | 0 |
| SBAB | 3 | 2 | 3 | 0 | 5 | 13 |
| <i>Money laundering</i> | 3 | 1 | 3 | 0 | 5 | 12 |
| <i>Undetermined predicate offences</i> | 0 | 1 | 0 | 0 | 0 | 1 |
| <i>Terrorism financing</i> | 0 | 0 | 0 | 0 | 0 | 0 |
| LrC | 3 | 1 | 4 | 0 | 0 | 8 |
| <i>Money laundering</i> | 1 | 0 | 3 | 0 | 0 | 4 |
| <i>Undetermined predicate offences</i> | 0 | 0 | 1 | 0 | 0 | 1 |
| <i>Corruption</i> | 2 | 1 | 0 | 0 | 0 | 3 |
| <i>Terrorism financing</i> | 0 | 0 | 0 | 0 | 0 | 0 |
| KMar | 0 | 0 | 1 | 0 | 0 | 1 |
| <i>Corruption and money laundering</i> | 0 | 0 | 1 | 0 | 0 | 1 |
| <i>Terrorism financing</i> | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 25 | 21 | 22 | 15 | 14 | 97 |

132. The FIU also obtains relevant information from the databases of numerous public institutions, including LEAs, to support and add value to its analysis. The FIU usually gains access to these databases directly or indirectly by submitting data or information requests to the relevant authority. From the KPC, the FIU seeks details about criminal offences involving the subjects of their analysis and whether the

subjects entered or left the country. From the RST, the FIU similarly requests information about criminal offences concerning the subjects involved in unusual transactions. The FIU approaches the CoC for corporate data, including articles of incorporation, details of beneficial owners (please note the deficiencies relating to this information in IO.7) and directors and shareholder information, if applicable. The Land Registry provides data on property ownership on the island by subjects involved in unusual transactions. From the Supervisors, the FIU requests information regarding the service providers they oversee. The Tax Authority is queried for income-related information, while the MEO supplies details about licenses, registration of entities, and directorship information. Table 3.3 displays data on the frequency of database access by the previously mentioned agencies from 2019 to 2023.

Table 3.2. Number of times the FIU accessed other agencies' databases

| Database | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|---------------|-----------|-----------|-----------|-----------|-----------|------------|
| KPC | 18 | 4 | 10 | 3 | 6 | 41 |
| RST | 21 | 4 | 10 | 3 | 6 | 44 |
| CoC | 13 | 6 | 9 | 4 | 5 | 37 |
| Land Registry | 8 | 0 | 1 | 2 | 0 | 11 |
| Supervisors | 1 | 1 | 0 | 1 | 2 | 5 |
| Tax Authority | 4 | 4 | 2 | 3 | 3 | 16 |
| MEO | 3 | 0 | 2 | 1 | 1 | 7 |
| Total | 68 | 19 | 34 | 17 | 23 | 161 |

133. The FIU can also exchange information with international counterparts. Spontaneous information reports incoming from FIUs are all handled like requests by the FIU, analysed, and, in relevant cases, disseminated as financial intelligence to LEAs, subject to permission to disseminate from the providing FIU. Spontaneous information in this context refers to when one FIU sends information to another FIU without a prior request for the information, as the sending FIU believes the information may be useful to the receiving FIU. Table 3.2 illustrates the number of information requests to foreign FIUs and spontaneous incoming information that were disseminated from 2019 to 2023.

Table 3.3. FIU's outgoing requests and spontaneous incoming information

| Indicator | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------------------|------|------|------|------|------|
| Outgoing Requests | 8 | 9 | 2 | 6 | 0 |
| Spontaneous incoming Information | 18 | 3 | 37 | 28 | 9 |

134. The information in Tables 3.2 and 3.3 shows that the FIU is proactively seeking and obtaining information beyond the UTRs in order to further carry out its analysis and other tasks. However, although the requests were made during the period under review, the number of outgoing requests for the period is low, considering the 2023 NRA suggests a high risk of overseas ML threats. A shortage of resources was the reason for the low number of outgoing requests and FIU-FIU international co-operation. Whilst the resource type was not specified, human resources or staff were the main resource identified at the FIU, which required increasing.

PPO

135. The PPO obtains financial intelligence from the FIU, which provides data for developing case strategies and clarifying suspects' actions in ML and associated predicate offences. The assessment team was informed that the PPO has a prosecutor named "Detective Prosecutor" assigned to deal with FIU disseminations and oversees liaising with the KPC and RST. The Detective Prosecutor and, by extension, the PPO, do not cause all the FIU disseminations to be investigated. Disseminations that result in

investigations involving high values or otherwise have serious implications are sent to the LEAs, and the PPO subsequently provides advice and guidance concerning the disseminations. However, no statistics indicated how much or what percentage of FIU disseminations were sent to the LEAs over the reporting period. Also, no information was provided about why only some of FIU's disseminations are forwarded.

136. The PPO collaborates with the KPC, LrC, and the VDC for intelligence and investigative support. Additionally, the Tax Office contributes information related to financial and tax offences, and international cooperation is facilitated through MLA requests processed by IRC Carib. Between 2019 and 2023, the PPO collaborated with the FIU for financial intelligence, utilised KPC and other LEA data, and engaged in international cooperation through IRC-Carib. Additionally, the PPO requested MLA, which was used in investigations, including the Themis case involving organised crime, drugs, and ML (see IO.2 analysis). These efforts led to significant asset recoveries, with confiscations totalling NAf 75,608,048.00 (USD 41,956,943) from 2019 to 2023 (see IO.8 analysis) and facilitated prosecutions (see IO.7 analysis).

137. The VDC also serves as a source of information for the PPO. While the VDC focuses on national security, it produces reports concerning the integrity of public officers and public order, which may support efforts to prevent and respond to criminal activities. From 2019 to 2023, the VDC submitted five reports on the integrity of public officers and 64 on public order to the PPO.

KPC

138. The KPC accesses financial intelligence from the FIU through the PPO, which provides crucial data for identifying and investigating suspicious transactions. As shown in Table 3.1, the KPC requested information from the FIU concerning 49, which were used to strengthen the evidence against the alleged suspects. However, the assessment team was informed that it is difficult to specify the exact results of the 49 cases as the enquiries or requests are not made for each case but for each subject, and there may be multiple subjects in a case.

139. The KPC also relies on intelligence from the RST, focusing on cross-border and organised crime. Additionally, it collaborates with local and international partners, including the Coast Guard, Customs, and international LEAs, to gather and verify information beyond financial intelligence. As a result, from 2019 to 2023, the KPC investigated 24 cases involving ML and related predicate offences, including tax evasion, drug trafficking, fraud, and human trafficking. Specifically, it investigated six ML cases in 2019, nine in 2020, three in 2021, five in 2022, and five in 2023. The KPC's efforts led to confiscations, including cash, vehicles, and other valuables. Additionally, between 2019 and 2023, the KPC received and acted upon 26 cases involving cash couriers handed over by Customs, resulting in cash seizures in various currencies.

RST

140. The RST obtains information from the FIU, utilises intelligence gathered through internal investigations, and collaborates with local LEAs such as the KPC. From 2019 to 2023, the RST made 24 requests to the FIU for intelligence, with specific peaks in 2019 and 2020. The RST's investigations included cases of ML, predicate offences, and organised crime, with 15 cases initiated directly from FIU intelligence reports. Considering the international nature of RST investigations, the RST and Curaçao, by extension, have an extensive network of international organisations they work with. These organisations include but are not limited to the United States Drug Enforcement Agency, the United States Immigration and Customs Enforcement, the *Werken Onder Dekmentel* (WOD) in the Netherlands, *Cuerpo Técnico de Investigación* in Colombia, and Interpol.

LrC

141. The LrC sources information from the FIU and collaborates with other LEAs, such as the RST, for broader intelligence gathering. From 2019 to 2023, the LrC conducted 15 investigations involving corruption, embezzlement, fraud, and other related offences. In these cases, the LrC utilised financial intelligence from the FIU on multiple occasions to develop case strategies. In a few instances, the LrC used the FIU information to promote criminal investigations.²⁹ The LrC also requests information from the KPC when they conduct investigations outside the joint investigations' framework. Additionally, the LrC actively collects information from government institutions, such as the Tax Office and Customs, through formal requests and cooperation agreements.

3.1.1. STRs received and requested by competent authorities

142. The FIU is the only competent authority receiving or requesting reports from reporting entities. The FIU is the administrative central national agency responsible for collecting, registering, processing, and analysing the data obtained and transmitting disclosures on unusual transactions regarding ML, associated predicate offences and TF to other competent authorities.

143. Financial institutions, VASPs and DNFBPs must submit UTRs to the FIU, a form of reporting different from suspicious transaction or activities reports. UTRs are submitted based on objective or subjective indicators. “Objective indicators” are identified anytime a particular threshold is met, irrespective of the entity engaged in the transaction or activity. “Subjective indicators” are identified where the reporting entity suspects or has reasonable grounds to suspect that funds may be related to the proceeds of a criminal activity or may be related to ML or TF. As the name “subjective” suggests, the reasonable grounds for one customer may differ from another based on, for example, the reporting entity’s customer knowledge or transactions that may be unusual for the particular customer.

144. Corsys was the old web-based application reporting system used by the FIU for the digital submission and processing of UTRs by financial institutions and DNFBPs. It was used until the goAML system replaced it on January 1, 2021. The transition was necessitated because Corsys became unsuitable to handle the increasing volume and complexity of UTRs. The FIU transitioned from Corsys to goAML, requiring all reporting entities to re-register and undergo extensive training on the new system. goAML has been widely publicised, and awareness measures have been taken, ensuring that all reporting entities can use goAML.

145. In 2020, before the launch, the FIU had to allocate considerable time and resources to conducting content reviews of received UTRs through goAML and providing feedback to reporting entities to improve the quality of their reports. This focus on quality control was necessitated by the technical differences between the old and new systems and compounded by limited on-site support due to COVID-19. Table 3.4 shows the UTRs submitted to the FIU by the various reporting entities from 2019 to 2023. It provides a breakdown for objective and subjective indicator-based UTRs for 2019 to 2023. The statistics reveal that the higher-risk sectors generally submitted more UTRs.

UTR review

146. The FIU reviews all incoming UTRs to ensure they are of good quality. Quality checks are based on rules established within the goAML reporting system. The FIU requires that all necessary fields in a UTR be filled out accurately. If a report is submitted with missing or incomplete information, it is likely to be rejected. The goAML system helps track such rejections, and the FIU maintains a virtual waiting room for

²⁹ The LrC cannot initiate criminal investigations and develop evidence. Rather, it refers cases to the PPO, which will decide whether the KPC should investigate.

rejected UTRs to identify recurring issues from specific institutions. Similarly, reports that contain inaccuracies or errors in the information provided can negatively impact the FIU's ability to perform its functions. Such inaccuracies can also lead to the rejection of the UTR until corrected information is submitted.

Table 3.4. UTRs submitted to the FIU from 2019 to 2023

| Reporting entity | 2019 Corsys | 2020 Corsys | 2021 goAML | 2022 goAML | 2023 goAML | Total |
|---|----------------|----------------|---------------|---------------|---------------|----------------|
| Online casinos | 50,993 | 28,561 | 45,358 | 46,879 | 42,541 | 214,332 |
| Objective indicator based | 50,992 | 28,557 | 45,333 | 46,852 | 42,526 | 214,260 |
| Subjective indicator based | 1 | 4 | 25 | 27 | 15 | 72 |
| Banks | 30,848 | 32,239 | 26,416 | 39,508 | 30,518 | 159,529 |
| Local Banks | 13,026 | 10,076 | 9,627 | 11,044 | 10,603 | 54,376 |
| Objective indicator based | 12,002 | 9,442 | 9,261 | 10,563 | 10,170 | 51,438 |
| Subjective indicator based | 1,024 | 634 | 366 | 481 | 433 | 2,938 |
| International Banks | 17,775 | 22,075 | 16,742 | 28,427 | 19,872 | 104,891 |
| Objective indicator based | 17,596 | 22,033 | 16,733 | 28,424 | 19,857 | 104,643 |
| Subjective indicator based | 179 | 42 | 9 | 3 | 15 | 248 |
| Specialised Credit Institutions³⁰ | 47 | 88 | 47 | 37 | 43 | 262 |
| Objective indicator based | 35 | 78 | 40 | 24 | 34 | 211 |
| Subjective indicator based | 12 | 10 | 7 | 13 | 9 | 51 |
| Land-based casinos | 1,485 | 783 | 725 | 2,452 | 4,531 | 9,976 |
| Objective indicator based | 1,485 | 783 | 725 | 2,437 | 4,519 | 9,949 |
| Subjective indicator based | 0 | 0 | 0 | 15 | 12 | 27 |
| Money transfer companies | 1,126 | 1,312 | 788 | 833 | 836 | 4,895 |
| Objective indicator based | 941 | 1,181 | 581 | 541 | 618 | 3,862 |
| Subjective indicator based | 185 | 131 | 207 | 292 | 218 | 1,033 |
| Credit card companies/credit institutions | 984 | 570 | 102 | 180 | 162 | 1,998 |
| Objective indicator based | 979 | 566 | 102 | 179 | 162 | 1,988 |
| Subjective indicator based | 5 | 4 | 0 | 1 | 0 | 10 |
| Real estate agents | 28 | 6 | 1 | 3 | 12 | 50 |
| Objective indicator based | 3 | 2 | 0 | 2 | 1 | 8 |
| Subjective indicator based | 25 | 4 | 1 | 1 | 11 | 42 |
| TCSPs | 39 | 23 | 18 | 8 | 33 | 121 |
| Objective indicator based | 2 | 1 | 3 | 3 | 5 | 14 |
| Subjective indicator based | 37 | 22 | 15 | 5 | 28 | 107 |
| Notaries | 7 | 0 | 2 | 2 | 3 | 14 |
| Objective indicator based | 1 | 0 | 0 | 0 | 1 | 2 |
| Subjective indicator based | 6 | 0 | 2 | 2 | 2 | 12 |
| Administrators of investment funds | 9 | 0 | 4 | 7 | 4 | 24 |
| Objective indicator based | 3 | 0 | 1 | 0 | 0 | 4 |
| Subjective indicator based | 6 | 0 | 3 | 7 | 4 | 20 |
| Lawyers | 2 | 0 | 1 | 1 | 2 | 6 |
| Objective indicator based | 0 | 0 | 0 | 0 | 1 | 1 |
| Subjective indicator based | 2 | 0 | 1 | 1 | 1 | 5 |
| Insurers & Insurance Brokers | 1 | 1 | 1 | 1 | 1 | 5 |
| Objective indicator based | 1 | 0 | 1 | 1 | 0 | 3 |
| Subjective indicator based | 0 | 1 | 0 | 0 | 1 | 2 |
| Accountants | 8 | 0 | 0 | 0 | 1 | 9 |
| Objective indicator based | 3 | 0 | 0 | 0 | 0 | 3 |
| Subjective indicator based | 5 | 0 | 0 | 0 | 1 | 6 |
| Totals | 87,549 | 65,515 | 75,437 | 91,896 | 80,667 | 390,959 |

³⁰ The banking sector includes five specialised credit institutions, i.e., credit institutions that mainly extend one type of loan (e.g. mortgages or consumer credit).

Table 3.5. UTR rejections

| Reporting entity | 2019 Corsys | 2020 Corsys | 2021 goAML | 2022 goAML | 2023 goAML | Total |
|--|----------------|----------------|---------------|---------------|---------------|--------------|
| Local Banks | 569 | 290 | 933 | 308 | 259 | 2,359 |
| Objective indicators | 453 | 192 | 648 | 123 | 96 | 1,512 |
| Subjective indicators | 116 | 98 | 285 | 185 | 163 | 847 |
| International Banks | 70 | 12 | 472 | 97 | 47 | 698 |
| Objective indicators | 67 | 12 | 458 | 88 | 31 | 656 |
| Subjective indicators | 3 | 0 | 14 | 9 | 16 | 42 |
| Specialised Credit Inst. | 0 | 0 | 43 | 14 | 14 | 71 |
| Objective indicators | 0 | 0 | 34 | 10 | 9 | 53 |
| Subjective indicators | 0 | 0 | 9 | 4 | 5 | 18 |
| Credit card companies and credit institutions | 1 | 0 | 7 | 133 | 2 | 143 |
| Objective indicators | 1 | 0 | 7 | 133 | 1 | 142 |
| Subjective indicators | 0 | 0 | 0 | 0 | 1 | 1 |
| Online casinos | 27 | 0 | 1,321 | 0 | 1 | 1,349 |
| Objective indicators | 27 | 0 | 1,310 | 0 | 1 | 1,338 |
| Subjective indicators | 0 | 0 | 11 | 0 | 0 | 11 |
| Land-based casinos | 477 | 118 | 580 | 198 | 63 | 1,436 |
| Objective indicators | 477 | 118 | 579 | 192 | 62 | 1,428 |
| Subjective indicators | 0 | 0 | 1 | 6 | 1 | 8 |
| Money Remitters | 23 | 11 | 444 | 210 | 14 | 702 |
| Objective indicators | 20 | 11 | 283 | 78 | 5 | 397 |
| Subjective indicators | 3 | 0 | 161 | 132 | 9 | 305 |
| TCSPs | 7 | 0 | 2 | 19 | 30 | 58 |
| Objective indicators | 0 | 0 | 1 | 8 | 0 | 9 |
| Subjective indicators | 7 | 0 | 1 | 11 | 30 | 49 |
| Real Estate Agents | 1 | 0 | 6 | 31 | 18 | 56 |
| Objective indicators | 0 | 0 | 6 | 12 | 4 | 22 |
| Subjective indicators | 1 | 0 | 0 | 19 | 14 | 34 |
| Notaries | 0 | 0 | 1 | 19 | 12 | 32 |
| Objective indicators | 0 | 0 | 0 | 0 | 0 | 0 |
| Subjective indicators | 0 | 0 | 1 | 19 | 12 | 32 |
| Lawyers | 1 | 0 | 0 | 5 | 3 | 9 |
| Objective indicators | 0 | 0 | 0 | 5 | 0 | 5 |
| Subjective indicators | 1 | 0 | 0 | 0 | 3 | 4 |
| Insurers and Insurance Brokers | 0 | 0 | 1 | 2 | 4 | 7 |
| Objective indicators | 0 | 0 | 1 | 0 | 1 | 2 |
| Subjective indicators | 0 | 0 | 0 | 2 | 3 | 5 |
| Administrators of Investment funds | 0 | 0 | 1 | 5 | 0 | 6 |
| Objective indicators | 0 | 0 | 1 | 0 | 0 | 1 |
| Subjective indicators | 0 | 0 | 0 | 5 | 0 | 5 |
| Lotteries | 13 | 7 | 0 | 0 | 0 | 20 |
| Objective indicators | 13 | 7 | 0 | 0 | 0 | 0 |
| Subjective indicators | 0 | 0 | 0 | 0 | 0 | 0 |
| Customs | 36 | 16 | 0 | 0 | 0 | 52 |
| Objective indicators | 34 | 16 | 0 | 0 | 0 | 0 |
| Subjective indicators | 2 | 0 | 0 | 0 | 0 | 0 |
| DPMS | 0 | 0 | 1 | 0 | 0 | 1 |
| Objective indicators | 0 | 0 | 1 | 0 | 0 | 1 |
| Subjective indicators | 0 | 0 | 0 | 0 | 0 | 0 |
| Traders in Building Materials | 0 | 0 | 2 | 2 | 0 | 4 |
| Objective indicators | 0 | 0 | 2 | 2 | 0 | 4 |
| Subjective indicators | 0 | 0 | 0 | 0 | 0 | 0 |
| Dealers in Vehicles | 6 | 6 | 28 | 81 | 8 | 129 |

| | | | | | | |
|-----------------------|--------------|------------|--------------|--------------|------------|--------------|
| Objective indicators | 4 | 3 | 28 | 64 | 3 | 102 |
| Subjective indicators | 2 | 3 | 0 | 17 | 5 | 27 |
| Total | 1,231 | 460 | 3,842 | 1,124 | 475 | 7,132 |

147. A timeframe of five days is given to resubmit the UTR. Moreover, the FIU monitors whether institutions repeatedly make the same mistakes in their UTR submissions. If an institution continues to submit erroneous reports without correcting the identified issues, those reports may be rejected. To address these issues, the FIU provides feedback to reporting entities through various means, including automatic acknowledgements, general feedback during information sessions, and special guidance when necessary. The FIU can track the number of rejected UTRs and other relevant information about these UTRs through goAML's messaging board.

148. The assessment team was informed that the greater number of UTR rejections in 2021 was due to goAML being launched that year. The assessment team also believes the greater number of rejections in 2021 could be partly due to the automatic quality checking introduced or improved by the goAML system, which reporting entities were not previously subjected to. The rejections for the other years, before and after the introduction of goAML, are also cause for concern and could be a sign that the reporting entities should be provided with more training to improve the quality of UTRs they submit initially.

149. Subjective UTRs undergo manual checks after goAML's automatic quality screening. This is performed by an analyst who opens the UTR and checks it for any further errors. Whilst this approach is commendable and would theoretically contribute significantly to the quality of information the FIU forwards to other competent authorities, the absence of data mining tools and the shortage of analysts at the FIU, as there were five at the time of the on-site visit, is likely to impact the FIU's ability to carry out these manual quality checks on the 859 subjective indicator-based UTRs received in 2023 for example.

150. Customs provides all traveller declarations related to cross-border currency declarations to the FIU via goAML, ensuring the FIU has access to relevant financial information. However, there is no data indicating how the FIU used this information. Additionally, Customs submits UTRs in its role as a reporting entity. Between 2019 and 2023, the FIU received multiple reports from Customs, initially via Corsys and later through goAML, as shown in Table 3.6. However, the absence of performance data on Customs report usage raises concerns about whether this information is proactively leveraged for case development, strategic analysis, or operational intelligence dissemination, or only stored for potential future cases. Additionally, no analysis is available explaining fluctuations in Customs' UTR submissions.

Table 3.6. UTRs submitted by Customs

| Indicator type | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|----------------------------|------|------|------|------|------|-------|
| Objective indicator based | 192 | 76 | 0 | 0 | 419 | 687 |
| Subjective indicator based | 9 | 0 | 0 | 0 | 0 | 9 |

3.1.2. Operational needs supported by FIU analysis and dissemination

Staffing

151. The FIU's staff shortage limits its ability to effectively analyse UTRs and other relevant data. This may delay the processing and dissemination of financial intelligence, hindering LEAs' investigations and actions against ML/TF. The FIU is staffed by 14 employees, including the Head of the FIU, one legal advisor, two administrative personnel, seven analysts (five regular analysts and two IT analysts), and three persons attached to the supervision department. According to its organisational design, these numbers indicate a

staff shortage of approximately one-third of the required staff, as the FIU's adequate staffing should be twenty-two employees.

152. The Ministry of Finance determines the FIU's budget allocation. However, the head of the FIU is ultimately in charge of the FIU's database and not the Ministry, which provides for operational independence. The assessment team learnt that the head of the FIU at the time of the visit was seconded from the Ministry of Finance as there was a temporary agreement with the Ministry to fulfil the position and measures are being implemented to have a permanent and dedicated head of the FIU notwithstanding the assessment team was also informed that the FIU's head performs no functions or has no conflicts or responsibilities concerning the Ministry of Finance. The assessment team also learnt that the FIU had a permanent and dedicated head during the review period from 2019 to 2023. The current head was seconded to fill the position shortly after the previous head resigned. The head of the FIU and staff members (temporary and permanent) must go through a vetting/screening process to safeguard the independence and integrity of the FIU. There is an FIU employment committee that is responsible for hiring staff. There was no evidence to suggest the operational independence of the FIU was compromised. However, an integral position such as the head should be permanent and dedicated to the FIU without the potential for conflicts or contamination of duties, to reduce the possibility that persons may question the operational independence of the FIU, which could be compromised. Therefore, the measures being implemented during the on-site visit to have a permanent and dedicated head should be expedited.

153. In 2020, the pandemic and associated restrictions led to limited resources being available for the FIU to execute its investigations. Despite these challenges, the FIU continued to work hard to increase the quantity and quality of UTRs received from a growing number of registered entities. Also, measures that became necessary due to the restrictions have since been cancelled as the security and integrity of the FIU's information are of the utmost importance.

Operational analysis

154. The FIU can target LEAs' operational needs by disseminating intelligence upon request and spontaneously. This is achieved by assessing the unusual nature of transactions reported against known indicators of ML/TF and by conducting case-specific analysis. Case-specific analyses are performed in response to requests from LEAs or initiated as internal investigations based on patterns they identify in the data they hold. These can lead to discovering new ML/TF schemes or identifying previously unknown actors. In all cases, the analysis produces STRs that include financial flow tracing, identifying assets, and providing actionable intelligence for investigations.

155. Based on its operational analysis, the FIU disseminated 4,053 STRs to the PPO in 2019. However, dissemination dropped significantly in subsequent years, with only 939 STRs in 2020 and 535 in 2021, reflecting a 77% decline from 2019. This reduction coincided with the transition to the goAML system and resource constraints, which may have affected the FIU's capacity to analyse and disseminate reports efficiently. Since 2022, dissemination has gradually recovered, with 703 STRs in 2022 and 799 STRs in 2023, suggesting improved processing capabilities. However, despite this rebound, the dissemination rate remains significantly below 2019 levels, indicating that further enhancements in FIU's human and technological resources, analytical capacity, and operational efficiency may be necessary to sustain and optimise financial intelligence outputs.

156. Several LEAs indicated that they were satisfied with the information provided by the FIU and that it was helpful to their investigations. The FIU provided a case example where its financial intelligence supported the PPO's operational needs. However, this case dates back to 2015, and no recent case studies were provided to illustrate how FIU disseminations are currently contributing to investigations. The assessors were also informed that STRs disseminated by the FIU are used in their investigations, either to

initiate new cases or to support ongoing ones following a request from an LEA; nevertheless, no systematic evidence or performance data demonstrates how often FIU intelligence plays a decisive role in law enforcement actions. No data or statistics were provided to illustrate how many investigations were initiated based on STRs, the proportion of STRs that resulted in concrete law enforcement actions, or the extent to which FIU intelligence led to successful prosecutions or asset recoveries. This lack of tracking mechanisms limits the ability to assess whether financial intelligence was effectively integrated into the investigative process, raising concerns about FIU's overall impact and strategic value.

157. The FIU makes STRs available through goAML, which was covered previously in the analysis of this Immediate Outcome. The four FIUs within the Kingdom of the Netherlands also use the FCInet system, which includes the Match3 functionality. This system allows for pseudonymous matching of datasets to protect privacy while enabling analysis and information exchange among FIUs. Match3 helps identify subjects known to different organisations without centralising data. The FIU also holds regular bilateral meetings with various LEAs to discuss trends, phenomena, and specific information requests. These meetings ensure continuous collaboration, information exchange and the relevancy and accuracy of the intelligence provided. The goAML and FCInet systems show the FIU's willingness to implement technology to support interacting with its stakeholders and performing its functions. However, additional technology, such as data mining, can be implemented to improve its efficiency further.

158. To improve the process of receiving feedback, the FIU developed a standard feedback form in December 2023. This form is attached to all disseminations, requesting immediate feedback on the disseminated information and intelligence quality, utilisation, and relevance. The feedback form is designed to collect feedback without awaiting the conclusion or outcome of the respective case, addressing the challenge of long investigation timelines that may delay feedback. This measure was introduced to enhance performance assessment and refine dissemination practices based on stakeholder input. Despite this initiative, the FIU has received a limited number of completed feedback forms, constraining its ability to systematically evaluate the impact, effectiveness, and operational value of its disseminations. While the FIU receives informal feedback during meetings with LEAs, where some investigations involving its intelligence are discussed, these exchanges appeared unstructured for assessing the FIU's contributions to investigations and prosecutions. To address this gap, the FIU should consider alternative mechanisms for evaluating dissemination quality, such as periodic structured interviews or surveys with LEAs, tracking investigation outcomes or other initiatives that implement a follow-up system where LEAs provide structured updates on how disseminated intelligence has been used within a defined timeframe.

Strategic analysis

159. The FIU also conducts strategic analysis using data and information it maintains in its database. Over recent years, the FIU has issued several strategic reports and presentations. In 2019, the FIU, in cooperation with FIU Netherlands, researched the financial flows associated with human smuggling and trafficking in Curaçao. This research aimed to understand these crimes' financial aspects and identify relevant trends and typologies. In 2020, the FIU Analysis Department provided strategic intelligence to the CBCS, the GCB and the FIU Supervisory Department, aiding them in conducting off-site and on-site investigations, risk assessments, and prioritising their inspections.

160. In 2021, the FIU produced a red flags document that presented a strategic analysis of ML in the automotive sector. This document was used by the ACOC and led to the establishment of the "automotive collaboration table" within it. This collaboration involved multiple LEAs, the PPO, Customs, and the Ministry of Economic Affairs. The strategic analysis facilitated discussions on possible intervention measures, including criminal, civil, administrative, and awareness actions. As a result, the ACOC has undertaken several interventions. Another strategic analysis document was presented in October 2021 that highlighted strategically relevant risks for Curaçao and the region and was shared with supervisory

authorities from Curaçao, the Netherlands, Aruba, and St. Maarten. This analysis aimed to foster a better understanding of ML/TF risks among these supervisory authorities. Moreover, the FIU conducted strategic analysis and issued reports to supervisory authorities. These reports were used to help supervisory authorities in their risk assessments and on-site planning. The strategic analysis provided insights into the reporting behaviour of various sectors, helping authorities prioritise their supervision and enforcement actions.

161. In 2022, the FIU conducted and presented a strategic analysis focusing on the online gambling sector. This initiative was named *Ken ta gana?* (“Who wins?”), which aimed to investigate the possible ML/TF threats associated with online gambling. The project resulted in forming a Joint Analysis Team to study these risks strategically. This strategic analysis included cooperation among multiple FIUs within the Dutch Kingdom, including FIUs from the Netherlands, Aruba, and Sint Maarten. In 2023, the FIU presented a strategic analysis of trends and typologies in TBML specific to Curaçao. This presentation initiated the ACOC’s “ML collaboration table”, leading to discussions on possible interventions. The strategic analysis helped identify vulnerabilities and methods used in TBML.

162. The FIU contributed significantly towards the 2023 ML NRA, mostly due to the analysis of the financial intelligence and other relevant information that it receives to support carrying out its functions. The FIU’s attempts to understand these crimes’ financial aspects and identify relevant trends and typologies since 2019, the FIU Analysis Department providing strategic intelligence to the FIU Supervisory Department and other agencies in 2020, their contribution to the establishment of the "automotive collaboration table" are examples that show the FIU’s analysis contributes strategically to Curaçao’s AML/CFT initiatives.

3.1.3. Cooperation and exchange of information/financial intelligence

Bilateral meetings

163. The FIU engages in bilateral meetings with various LEAs to facilitate effective cooperation and information exchange. These bilateral meetings are essential for discussing trends, sharing specific information requests, and addressing ongoing investigations. The primary goal of these meetings is to ensure that the FIU can provide relevant and timely financial intelligence to support criminal investigations and prosecutions.

ACOC

164. The FIU participates in the ACOC, which involves multiple government authorities combating subversive crime. The ACOC operates several operational tables focusing on specific areas, such as ML and human trafficking. The FIU’s involvement ensures that financial intelligence is effectively integrated into these broader efforts, enhancing the capacity to detect, investigate, and prevent financial crimes.

165. In 2021, the FIU initiated a strategic analysis project within the ACOC focusing on ML in the automotive sector. This project involved presenting a “Signal” document that outlined the strategically relevant risks for Curaçao’s automotive branch. The analysis included data from the FIU, Supervisory Authorities, Law Enforcement, and the Chamber of Commerce. The results of this analysis led to the establishment of the "automotive collaboration table" within ACOC, where multiple administrative and criminal interventions were discussed and implemented.

166. The FIU also provides intelligence and participates in operational discussions within ACOC related to combating human trafficking and smuggling. This includes sharing financial intelligence to support investigations and developing strategies to hinder these activities.

167. Another area of collaboration is addressing illegal firearms-related crime. The FIU has delivered strategic and operational intelligence to support the efforts of the ACOC's operational table dedicated to this issue. This collaboration has helped identify financial transactions that may be linked to the illegal arms trade and take appropriate measures to combat it.

168. The FIU acts as the facilitator for the ML operational table within ACOC. The FIU's contributions have included starting an information document for the operational table, integrating data from various sources, and utilising open-source data for comprehensive analysis.

GOFO

169. Since 2017, the FIU has participated in the “Structured Consultation between Financial Investigations and Intelligence Organisations” (*Gestructureerd Overleg Financiële Opsporings—en Inlichtingenorganisaties*, GOFO), which included various agencies such as the FIU, PPO, KPC, RST, Customs, and SBAB. The GOFO comprised two primary groups. The operational group focused on discussing operational matters, early-stage investigations, signals regarding possible crimes, typologies, and methods of operation. The strategic group included the heads of the participating authorities, who gathered periodically to discuss their cooperation and broader strategic issues.

170. The GOFO aimed to facilitate an integrated approach to combating financial and economic crime by providing general information and sharing knowledge, increasing awareness and maintaining the knowledge level among partner organisations, identifying and responding to local and international trends, facilitating a multidisciplinary approach by various chain partners and exchanging information to facilitate criminal investigations and create barriers for criminals. Regular meetings were organised to discuss trends, typologies, and relevant criminal topics. This included strategic and operational discussions, and the FIU provided strategic reports and presentations on vulnerabilities, threats, and typologies related to ML and TF in the GOFO context.

171. The GOFO was disused due to the COVID-19 pandemic and resource constraints. However, it was decided to rekindle the group in 2023 with a proposed Ministerial Decree to install the GOFO formally.

Protection of the confidentiality of the information

172. The FIU protects the confidentiality of the information it uses and exchanges with competent authorities. The analysis and database departments of the FIU are strictly divided from the supervisory department's offices. This separation relates to personnel, data and the physical location of both departments within the FIU. Both departments are on separate floors in the building which houses the FIU, and members of staff from each department don't have physical access to the offices of the other.

173. Physical access to the FIU and its information is secure. The compound and building where the FIU are located have a 24/7 security checkpoint. The compound is also outfitted with cameras at the entrance/security checkpoint. Access to the FIU can only be gained through a secure access system. Security measures within the FIU premises include surveillance cameras, programmable buttons, panic buttons, area-specific access cards, sign-offs for access to specific areas, time-limited permanence in the building controls, and the automatic transmission of physical security violations to the security service. Additionally, all FIU personnel undergo formal security clearance every three years, ensuring that only vetted individuals handle sensitive information.

174. The IT security measures include network infrastructure arrangements, data separation, firewall and password protection, secrecy agreements, and secure systems. The FIU operates with separate intranet and

extranet systems. The intranet is an isolated private network accessible only to FIU staff, preventing direct external access. Data transfer between these systems is controlled and secure. Firewalls and password protection protect the FIU's IT systems by restricting access to authorised users only. Regular security tests are conducted to ensure the robustness of these systems. Individuals from other institutions working for the FIU must sign non-disclosure agreements. The FIU maintains off-site backups to ensure data recovery in case of disaster. Additionally, procedures and tools are in place to securely dispose of confidential documents.

175. The FIU uses goAML, FCInet, encrypted email and the Egmont Secure Web to exchange information securely with other FIUs and local LEAS. goAML provides secure two-factor access for reporting entities and FIU personnel, ensuring that encrypted communication protects data during submission and analysis. FCInet employs encryption to protect data during transmission. This encrypted data is used in the Match3 functionality to match datasets while pseudonymously maintaining data privacy and security. All personnel of the FIU have government email addresses, and there are internal email systems for general communication within the supervision and analysis departments. These systems include message-encrypting capabilities to protect sensitive information during electronic communication. The Egmont Secure Web ensures that the financial intelligence shared by FIU Curaçao with international counterparts is encrypted and secure.

Overall conclusion on IO.6

176. Curaçao has demonstrated that its FIU is carrying out its core functions to a significant degree, notwithstanding a staff shortage. The FIU works well with reporting entities, other competent authorities, and other relevant stakeholders. The FIU ensures that the UTRs it receives from reporting entities are of excellent quality. This is due to awareness sessions the FIU carries out with reporting entities and the quality checks done in part by their goAML reporting platform.

177. Competent authorities have demonstrated that they are accessing financial intelligence and other relevant information and using some of this information to support their investigations into ML, associate predicate offence, provisional measures and confiscation. UTRs were received from entities in high-risk and high-threat sectors, which aligns with Curaçao's overall ML risks and threats and potentially influences AML-related investigations.

178. The FIU's staff shortage hampers its ability to analyse UTRs and other relevant data effectively, potentially delaying the processing and dissemination of financial intelligence and impacting LEAs' investigations into ML/TF. With only fourteen employees, the FIU is about one-third short of its ideal staffing level of twenty-two.

179. Notwithstanding competent authorities accessing financial intelligence via STRs from the FIU, Curaçao has not demonstrated that STRs are the starting point for most investigations or how much they were used to assist investigations that had already commenced.

180. Statistics, case studies, and the level of cooperation between the competent authorities, including the FIU, demonstrated the effectiveness of Curaçao's FIU and its financial intelligence framework in general. The assessment team considered and weighed the deficiencies identified and concluded that there should be major improvements.

Curaçao is rated as having a moderate level of effectiveness for IO.6.

3.2. Immediate Outcome 7 (ML investigation and prosecution)

3.2.1. ML identification and investigation

181. ML cases are fairly well identified and investigated by Curaçao's competent authorities. Curaçao's competent authorities are, to some extent, identifying and investigating ML activities in line with the identified threats in the 2023 ML NRA. Curaçao's 2023 NRA indicated trafficking in illegal drugs poses the highest ML threat, followed by illegal gambling, tax evasion and fraud. Also, illicit trade in gold, corruption, and bribery crimes pose a medium to high threat to ML. The NRA also indicated that the sectors facing the highest ML threats are the banking sector, the money transfer sector, the e-zone sector, and the gambling sector.

182. All criminal investigations are conducted under the guidance of the PPO. The PPO decides independently if and when to investigate or prosecute criminal cases upon receiving reports, other documents or notifications that may be used to initiate an investigation from other competent authorities. The Attorney General is the head of the PPO and is not a political appointee. At the PPO, attending cases of First Instance, there are ten public prosecutors, supported by administrative and legal specialists, in charge of assessing several cases yearly. A Chief Public Prosecutor heads the PPO. There is also a public prosecutor named Detective Prosecutor who specialises in ML and financial crimes.

183. Potential ML cases are identified through the FIU's analysis of UTRs and mostly parallel criminal investigations involving drugs, fraud, embezzlement, and forgery. ML investigations have also been initiated from other investigations. Curaçao provided a case example that illustrates an investigation involving a financial institution that emanated from previous investigations.

Box 3.1. ML identified from previous investigations

A financial institution paid the state an amount of NAf 140,000 (USD 78,212) as a 'transaction sum' in May 2020. This is in connection with the share that this firm had, according to the PPO, in facilitating activities that have been classified as illegal and are called 'dollar swiping' or 'dollar tourism'. The investigation arose from previous cases where several people were convicted in Curaçao and in the Netherlands for, among other things, ML through 'dollar swiping' or 'dollar tourism'. Approximately one million credit card transactions to tourists, mainly of Venezuelan nationality, resulted in 320 million dollars being paid out from 2004 to 2014. The transactions were disguised in the books of the company that channelled these credit card transactions (the "swipe company") as purchases of clothing or medicine. In addition to the transaction sum, a transaction was entered into with the person who, in the opinion of the PPO, actually led the alleged conduct. The transaction included an amount of NAf 65,000 (USD 36,313) to Curaçao and the publication of a press release.

184. The TFO, a unit within the KPC, investigates ML and TF offences. The RST may also investigate ML and TF offences. The TFO conducts investigations into offences internal to Curaçao, and the RST conducts investigations into offences that span other territories within the Kingdom of the Netherlands or of an international nature. Besides these specialised teams, other teams may also investigate ML offences within the KPC. For example, if the team in charge of homicides or the team in charge of organised crime investigates a case and ML forms part of the offences, it will be included in the accusation. The TFO also supports other teams within the KPC in carrying out ML investigations, parallel financial investigations, or investigations into illegally obtained benefits.

185. During the on-site visit, the TFO comprised the head/leader, one financial specialist, four financial detectives, and two assistant financial detectives. All financial investigators within the TFO have successfully completed the "Assisting in a Financial Investigation" (MFR) course, along with other training sessions and classes. The Dutch Police Academy provides the MFR course. The course's curriculum is extensive and includes modules on fraud, accounting, and ML, among others. As a result, all financial investigators know how to calculate unlawfully obtained benefits and how to recover them.

186. During the on-site visit, the TFO indicated they have adequate resources. Everyone has their desk, computer, and sufficient vehicles to complement officers. Whilst the TFO does not have its own budget, its budget is allocated from the overall budget of the KPC, and it indicated it had no issues concerning the resources allocated to it (including staff/human resources). Even though the TFO indicated they have sufficient resources to perform their duties, the assessment team notes that the 2023 ML NRA found that LEAs are understaffed and underfunded, a situation that has not been addressed, according to the information provided by Curaçao. The assessment team believes Curaçao should comprehensively review the allocation of resources to these agencies to ensure that ML cases are properly identified, investigated and prosecuted.

187. The TFO investigators usually conduct approximately three investigations at any given time, which suggests that they are not overburdened with a workload that is too hectic. However, considering the number of STRs generated by the FIU, for example, 4,053 in 2019 and 703 in 2022, it may be difficult for the current TFO staff to conduct effective investigations into even half of these STRs. Curaçao also indicated that there have not been many investigations based on STRs. Still, in all ML investigations, the FIU is consulted, and the information obtained from the FIU's response is utilised. This may also explain why the FIU does not receive many feedback forms. Considering that the TFO is the main ML and financial LEA within Curaçao and should receive most of the STRs, additional staff and resources are recommended.

188. The RST also conducts various investigations, including corruption and money laundering. 12 financial investigators, all specialists, conduct ML and other financial investigations. The RST receives its budget from the Netherlands, and the representatives from the RST could not say how much of the RST's budget was allocated to financial investigations. However, they also indicated they had no issues concerning their allocated resources. They also indicated that everyone has adequate physical and information resources to perform their duties.

189. The relationship between investigators and prosecutors, as required by Curaçao's law and investigative procedures, reduces delays concerning the timely preparation for prosecution and trial. Considering all criminal investigations are conducted under the guidance of the PPO, and the PPO generally has evidential documents, makes applications for investigative orders and pre-trial detention, when a decision is made to prosecute for ML and/or associate predicate offences more expedient as the PPO is already familiar with the evidence and has possession of the documents.

190. Nine official reports from Customs detail various seizures, inspections, and law enforcement actions at Hato International Airport and other customs-controlled areas, evidencing another channel for identifying ML and predicate offence cases and initiating criminal investigations. These reports span 2019 to 2023 and focus on cash smuggling, money laundering, and drug trafficking investigations.

191. Several reports document incidents involving large amounts of undeclared cash. For example, a 2019 case involved a Colombian traveller attempting to transport USD 13,940 hidden in their clothing. Similarly, a 2021 case reported three Chinese nationals arriving from Aruba carrying USD 23,210 and 160 Aruban guilders, concealed in bags and pockets. Another 2022 case involved a Colombian traveller claiming to carry USD 12,000, but customs officers found USD 23,000 upon inspection. A 2023 case documented a

traveller with USD 35,765 and EUR 1,300, stating he was holding the cash to avoid bank transfer fees. In most cases, the individuals failed to declare their funds, violating Curaçao's reporting threshold.

192. These financial crime-related cases were referred to the KPC for further investigation. The referrals occurred due to the potential involvement in ML, unreported cross-border currency movement, and financial crimes. Some cases resulted in immediate arrests, while others required additional inquiries into the source and intended use of the money.

193. In addition to financial crime cases, several reports describe drug smuggling operations intercepted by Curaçao Customs. A 2022 case involved the discovery of seven wooden beams containing cocaine, hidden in a shipment declared at the customs post. Another 2022 case detailed cocaine smuggled inside hydraulic cylinders, which customs officials detected through irregular welding and tampered screw covers. In both instances, the substances tested positive for cocaine using field drug tests, and the cases were immediately referred to the KPC for in-depth investigation.

3.2.2. Consistency of ML investigations and prosecutions with threats and risk profile, and national AML policies

194. ML from various criminal activities is being investigated and prosecuted, mostly consistent with Curaçao's threats, risk profile and national AML/CFT policies. The statistics provided concerning the UTRs submitted by the numerous reporting institutions (as illustrated in Table 3.4) reveal the following information:

- a) Financial institutions submitted the most UTRs, which corresponds with the banking sector facing the highest ML threats;
- b) Gambling (online and land-based) oriented DNFBPs submitted the most UTRs (outside of financial institutions), which corresponds with illegal gambling as a high ML risk for Curaçao and a sector facing high ML threats;
- c) Money remittance/transfer services, another sector identified as high risk for ML, also submitted a large number of UTRs; and
- d) Dealers in vehicles also submitted more UTRs than many of the other DNFBPs. Although vehicle dealers were identified as a medium threat for ML, information received during the on-site suggests attention is being paid to this sector, as offences involving dealers in vehicles have recently increased.

195. The assessment team was informed that STRs were not used as the starting point for many financial investigations, notwithstanding that sectors that were identified as high risk for ML submitted more UTRs than lower-risk sectors. However, Curaçao provided statistics concerning ML investigations and the corresponding predicate offences for 2019 to 2023, which are illustrated in Table 3.7.

196. The information in Table 3.7 reveals that the largest number of ML investigations was conducted concerning drug trafficking and firearms trafficking. However, drug trafficking was identified as the highest ML threat, and the illicit arms trade was identified as a medium threat. Therefore, a differentiation should have been made between the drug trafficking and the firearms trafficking investigations. This means the assessment team could not determine if the highest number of ML investigations were connected to the highest ML threat. The assessment team also notes that the second-largest number of ML investigations were connected to fraud, scams, extortion and unlicensed banking, which corresponds to fraud being identified as a high ML risk and banking being identified as a sector facing high ML threats.

197. Table 3.7 also revealed the low number of investigations concerning illegal lotteries, which is a high ML risk. The assessment team was informed that, notwithstanding the large number of UTRs submitted by online and land-based casinos (as illustrated in Table 3.4), most UTRs were based on objective indicators and only one was converted to an STR and disseminated. Also, numerous investigations were conducted into online gambling, specifically over the review period; however, there were no ML investigations with casino-based gambling as the predicate offence during the review period. Curaçao also provided statistics on ML investigations conducted by the RST from 2019 to 2023, which are illustrated in Table 3.8.

Table 3.7. ML investigations and the corresponding predicate offences

| ML cases investigated | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|---|----------|----------|----------|----------|----------|-----------|
| <i>Human Trafficking/ Smuggling</i> | 2 | 0 | 0 | 0 | 0 | 2 |
| <i>Drug Trafficking/ Firearm Trafficking</i> | 1 | 5 | 3 | 4 | 2 | 15 |
| <i>Fraud, Scams, Extortion & Unlicensed Banking</i> | 0 | 1 | 0 | 2 | 1 | 4 |
| <i>Murder</i> | 0 | 1 | 0 | 0 | 1 | 2 |
| <i>Arson</i> | 0 | 1 | 0 | 0 | 0 | 1 |
| <i>Illegal Lottery</i> | 1 | 0 | 0 | 0 | 0 | 1 |
| Total | 4 | 8 | 3 | 6 | 4 | 25 |

Table 3.8. ML investigations conducted by the RST

| ML cases investigated | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|--------------------------|----------|----------|----------|----------|----------|----------|
| <i>Third-party ML</i> | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Self-Laundering</i> | 0 | 0 | 0 | 3 | 0 | 3 |
| <i>Tax Evasion/Fraud</i> | 0 | 0 | 3 | 0 | 1 | 4 |
| <i>Stand-alone ML</i> | 0 | 1 | 1 | 0 | 0 | 2 |
| <i>Trade-Based ML</i> | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 1 | 4 | 3 | 1 | 9 |

198. The information in Table 3.8 reveals the largest number of ML investigations the RST conducted was in relation to tax evasion and fraud. Whilst both types of offences pose high ML threats, similar to the statistics in Table 3.7, a differentiation also should have been made between the tax evasion and the fraud investigations. However, the information still reveals that notwithstanding the small amount, the RST is conducting ML investigations where the predicate offence poses high ML threats.

199. Notwithstanding drug trafficking and firearms trafficking investigations were not separated in the statistics provided in Table 3.7, Curaçao provided a case example of ML involving a criminal organization engaged in the international trade of narcotics among other offences as illustrated in Box 3.2.

Box 3.2. ML involving drug trafficking

In the case against an international criminal organisation, the suspect, the financial man of the criminal organisation, was prosecuted for participating in a criminal organisation and engaging in habitual money laundering.

The judge concluded that the evidence showed that the suspect participated in a criminal organisation for quite some time, at least since 2015, and was involved in the trade of narcotics internationally, of which the proceeds were laundered, as well as the involvement in serious violent crimes. Furthermore, the organisation of which the suspect is a part operates worldwide and is well-organized. Because the

criminal offences were committed by the suspect in an organised context, the court also explicitly looked at the role that the suspect played in that organisation regarding the commission of those offences.

The judge concluded that the suspect is guilty of large-scale ML, for which the organisation earned money from drug trafficking. The suspect fulfils a significant role for the leader of the criminal organisation, who sees him as his vice president.

On August 11, 2022, the judge at the Court of First Instance sentenced him to eight years imprisonment, and many of his confiscated possessions, such as his house and car, were declared forfeited. The suspect is appealing the sentence.

200. As previously indicated, fraud was identified as a high ML risk in the 2023 NRA. Curaçao provided case examples of ML involving fraudulent offences as illustrated in Boxes 3.3 and 3.4. Box 3.3 provides an example of corruption in addition to fraud/embezzlement, and corruption was identified as a medium threat for ML in the NRA. Box 3.4 provides an example of ML involving a financial institution, and the banking sector was identified as a sector facing a high threat from ML in the NRA.

Box 3.3. Notary convicted in self-laundering case

By judgment of September 10, 2021, the Court of First Instance of Curaçao held the convicted person, a public notary, criminally liable for (i) as a public servant, deliberately embezzling money that he had under his control in his office, and (ii) making a habit of committing ML. The investigation began in 2019, spanning from January 1, 2009, to May 31, 2019. The investigation originated at the Tax Authorities and the Government Foundation for Tax Audits in Curaçao, where they noticed that the notary's administration contained incompleteness and inaccuracies.

As a notary, he misappropriated money intended for others for his use. Over ten years, approximately USD 782,123 (NAf 1,400,000) was embezzled through his office's third-party account. By giving incorrect descriptions of the transactions, such as “loan” or “real estate transaction,” the notary concealed that the transactions concerned money withdrawn from third-party accounts.

The Court estimated the amount of the unlawfully obtained advantage by the convicted person at NAF 1,452,000 (USD 811,173), convicted him for embezzlement and habitual ML, sentenced him to a prison sentence of eighteen months and placed a professional ban on working as a notary public for five years. His incarceration was also ordered. An appeal was lodged against this judgment, which has not yet been decided.

After this decision by the Court of First Instance, the PPO requested the expropriation of the property of the former notary in 2022. In the expropriation case, the Court determined that based on the substantiating facts and circumstances stated in the judgment of September 10, 2021, the convicted person obtained an unlawful advantage through the embezzlement and imposed on the convicted person, the obligation to pay Curaçao to deprive the unlawfully obtained advantage of NAF 580,800 (USD 324,469).

Box 3.4. ML involving Embezzlement

A former director of a financial institution A was prosecuted for embezzlement committed by the person in charge of the property as curator, forgery committed several times, intentionally using a false or forged document as if it were genuine, and money laundering. The investigation was carried out by detectives of the RST.

The suspect was a curator involved in the bankruptcy of a financial institution B and transferred the related money to various foreign accounts. The money ended up with an investment firm in the United States, after which it was used to buy shares in financial institution A, where the suspect was a director at the time. This happened without the knowledge and permission of the bankruptcy case examining magistrate. An investigation was conducted into the financial flows associated with the criminal conduct in addition to the criminal investigation.

The suspect was sentenced to a prison term of four years for embezzlement only. On July 12, 2022, there was an irrevocable conviction by the Court of Appeal after cassation in the case of unlawfully obtained benefit after the Supreme Court dismissed the cassation appeal. The amount received through the criminal act was estimated at NAf 19,192,417 (USD 10,722,020.67). Therefore, the court ruled that NAf 19,185,000 (USD 10,717,877.09) must be paid to Curaçao for the deprivation of the unlawfully obtained benefit.

201. The information in Table 3.7 (investigation and corresponding predicate offence) also suggests that the number of ML investigations does not correspond with the number of STRs disseminated. For example, 559 UTRs were deemed suspicious in 2020, but eight ML cases were investigated during that year. The STRs and investigation statistics are similar to those provided in other years. Serious attention should be paid to this disparity. Another point to note is that it is possible that STRs may not have initiated some of the ML investigations concerning drug trafficking and firearms trafficking due to the nature of these types of investigations, which may be initiated as parallel investigations following the associated drug trafficking or firearms trafficking investigation. This would further widen the disparity between the number of ML investigations and the number of STRs.

202. During the evaluated period, the LEAs did not conduct any investigations in which the e-zones or affiliated companies were the subject of investigation, notwithstanding that e-zones were identified as one of the sectors facing the highest ML threats.

3.2.3. Types of ML cases pursued

203. Curaçao has demonstrated that different ML cases are being prosecuted and offenders are being convicted. Curaçao provided statistics about ML convictions from 2019 to 2023. However, the statistics do not indicate whether the convictions represent individuals or cases, as an investigation can result in multiple persons being sanctioned. The statistics are illustrated in Table 3.9.

Table 3.9. ML convictions

| ML cases investigated | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|------------|
| <i>Third-party Laundering</i> | 1 | 0 | 0 | 2 | 0 | 3 |
| <i>Stand-alone ML</i> | 0 | 2 | 0 | 0 | 0 | 2 |
| <i>Self-Laundering</i> | 0 | 5 | 2 | 6 | 2 | 15 |
| <i>Foreign Predicate Offence</i> | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Unknown</i> | 14 | 15 | 14 | 23 | 21 | 87 |
| Total | 15 | 22 | 16 | 31 | 23 | 107 |

204. It is difficult to fully assess the different types of ML cases for which offenders were convicted during the reporting period. Whilst Curaçao achieved convictions for third-party laundering, stand-alone laundering and self-laundering, there were no convictions in relation to ML emanating from a foreign predicate offence. Also, no information was provided for ML identified from parallel investigations; notwithstanding, representatives from various LEAs indicated they conduct this type of investigation, and some case examples suggest parallel investigations were conducted.

205. The main reason why it is difficult to fully access the different types of ML convictions is that the highest number of convictions for each year is contained in a category identified as “unknown,” which reflects cases that were not categorised during prosecution. A greater effort should have been made to break down this “unknown” category to provide more useful information on the types of ML convictions obtained during 2019 to 2023.

206. The assessment team could not determine how many of the ML conviction statistics in Table 3.9 correlate with the ML investigation statistics in Tables 3.7 and 3.8. Also, the convictions reported in Table 3.9 are more than the investigations reported in Tables 3.7 and 3.8. Therefore, the assessment team cannot determine how many of the ML investigations mentioned in Tables 3.7 and 3.8 resulted in prosecutions and convictions, as no data explains the conversion rate between these stages.

207. Curaçao has demonstrated its ability to prosecute and obtain a conviction for ML without identifying a predicate offence. The Amsterdam Court of Appeal introduced a six-step method to investigate ML without a predicate offence. The so-called six-step judgment was delivered in January 2013. In a judgment in February 2020 (ECLI:NL: OGHACMB: 2020:43), the Court in Curaçao followed the six-step reasoning in sentencing for a case of ML.

208. The assessment team was informed during the on-site visit that all ML cases prosecuted in one of the courts in 2023 and 2024, thus far, resulted in guilty verdicts, notwithstanding that some of these cases were simple ML cases involving money mules. These simple cases are dealt with within one day to three weeks. However, the bigger and more complicated ML cases can take over a year. At the time of the on-site visit, there were three judges of first instance based in Curaçao to deal with criminal matters. One of these judges specialises in drug and financial cases; however, it was reported that all the first instance judges can and have handled large and complicated cases concerning various offences, not specifically ML.

209. Curaçao also provided information to satisfy the assessment team that their judges can adjudicate on ML and complex financial cases. Whilst there are no dedicated judges or courts that deal with ML cases, twice per year, all judges and their support staff receive training on the latest case law in criminal proceedings dealt with by the Supreme Court in the Hague and the effect on Curaçao’s jurisprudence, which includes cases on ML and TF. Also, in 2019 and 2023, specific training regarding ML within the Caribbean context was provided to members of the Judiciary. The training in 2023 was given by a judge from Amsterdam, the Netherlands, who specialised in ML cases and worked in Curaçao for several years as an investigative judge. The assessment team was also informed that a similar course was to have been provided to judges and the support staff by the aforementioned judge in September 2024. Such training must be repeated as Curaçao has a culture of regularly rotating judges within the Netherlands Kingdom (three to five years) to prevent familiarity, so that new judges would benefit from such training.

210. Judges can be shared between the islands from the Kingdom of the Netherlands. This issue could also positively impact the judiciary, as assistance could be obtained from the other countries of the Kingdom if needed. The assessment team was informed that there were occasions where the other islands within the Kingdom of the Netherlands asked for assistance, resulting in a judge from Curaçao going to the requesting island to assist. However, on such occasions, the remaining judges managed the cases effectively, and assisting the other islands was not an issue for the judiciary.

3.2.4. Effectiveness, proportionality and dissuasiveness of sanctions

211. Curaçao's law provides for some serious sanctions to be applied for ML offences. The sanctions for ML are as follows:

- a) Intentional ML carries a maximum prison sentence of six years and a maximum fine in the fifth category (NAf 100,000.00/USD 55,865.92);
- b) Habitual ML carries a maximum prison sentence of nine years and a maximum fine in the fifth category (NAf 100,000.00/USD 55,865.92); and
- c) Culpable ML carries a maximum prison sentence of four years and a maximum fine in the fourth category (NAf 25,000.00/ USD13,966.48).

212. These sanctions are similar to those for many other serious offences in Curaçao. Also, Curaçao's law allows for a higher maximum prison sentence for habitual or repeat ML offenders, which tends to correspond with proportionate and dissuasive principles.

213. Curaçao did not provide statistics on the sanctions imposed for ML convictions, e.g., length of sentences or the value of fines. They also indicated that there were no guidelines instructing judges on ruling in certain cases, as that would contradict the judiciary's principles of independence and impartiality. Curaçao indicated that any guidelines used for ML cases are not binding, but merely to encourage judges to improve or maintain uniformity in sentencing. The judiciary provided illustrative data about the severity of the imprisonment penalties imposed according to the estimated value of the ML activities, which is presented in Table 3.10.

Table 3.10. Relationship between the value of the ML activity and imprisonment penalties generally applied by the judiciary

| Amount/Value of ML | Sanctions |
|---|---|
| Up to approx. USD 11,200 (NAf 20,000) | From 1 week to 2 months imprisonment / 120 hours community service. |
| Approx. USD 11,200 to USD 78,400 (NAf 20,000 to NAf 140,000) | 2 - 5 months imprisonment/ 120-240 hours community service, plus 1-month conditional prison service |
| USD 78,400 to USD 140,000 (NAf 140,000 to NAf 250,000) | 5 – 9 months community service, partly conditional (3 years probation) |
| Approx. USD 140,000 to USD 280,000 (NAf 250,000 to NAf 500,000) | 9 - 12 months imprisonment |
| Approx. USD 280,000 to USD 560,000 (NAf 500,000 to NAf 1,000,000) | 12 - 18 months imprisonment |
| Approx. USD 560,000 to USD 1,120,000 (NAf 1,000,000 to NAf 2,000,000) | 18 - 24 months imprisonment |
| Approx. USD 1,120,000 and above (NAf 2,000,000 and above) | 24 months - maximum imprisonment |

214. Curaçao indicated case law from the courts throughout the Netherlands, including cassation case law from the Supreme Court in the Hague, which can and does indicate a judgment depending on certain circumstances. Article 53 of Curaçao's Penal Code provides that natural and legal persons can be criminally liable for criminal offences. Also, in instances where legal persons allegedly commit offences, criminal liability may attach to the natural person who ordered or directed the offence. This can be seen in the case example illustrated in box 3.1 (ML identified from previous investigations). Notwithstanding, the case example did not indicate that the person who led the alleged conduct was criminally charged or convicted,

the PPO and that person entered into a transaction to pay NAf 65,000 (USD\$36,312.84) to Curaçao and a press release was issued.

215. Curaçao provided statistics on the number of cases resulting in either imprisonment or fines from 2019 to 2023. In 2019, one case resulted in imprisonment, with no fines recorded. In 2020, imprisonments increased significantly to five, with no fines imposed. The year 2021 saw a decrease in imprisonments to two, while fines remained absent. In 2022, imprisonments peaked at six, maintaining the trend of no fines. However, in 2023, imprisonments dropped to two, and for the first time in the five-year span, two cases resulted in fines. Hence, from 2019 to 2023, sixteen cases resulted in imprisonment sanctions.

216. The statistics relative to the sanctions as outlined in the previous paragraph raise two issues. Firstly, it provides no information concerning the length of the imprisonment terms or the amount of money imposed via the fines, which makes it difficult to determine if these sanctions are effective, proportionate, and dissuasive. Secondly, the ML sanctions statistics are much lower than the ML convictions statistics; for example, there were 31 convictions in 2022, but only six sanctions. This raises the question of measures that were taken for the other twenty-five ML convictions for that year.

217. Notwithstanding the laws concerning ML offences and a few examples in the case examples, the assessment team still found it difficult to determine if the sanctions imposed for ML offences are effective, proportionate, and dissuasive based on the statistics provided. Details of the length of sentences or the value of fines were not provided to indicate what sanctions were implemented in practice. Also, there were instances where alternative measures appeared to have been implemented upon conviction for ML as opposed to the sanctions, which further increased the difficulty of assessing effectiveness, proportionality, and dissuasiveness.

218. Curaçao, however, provided an example of an ML case in which a legal person was convicted of intentional ML. Notwithstanding that the conviction was obtained prior to the review period, the auctioning of the legal person's confiscated property, which can be viewed as the effectiveness and dissuasiveness of the sanction, occurred in 2023. It also provides an example of ML sanctions being applied to a legal person.

Box 3.5. ML involving a legal person

WA is a legal entity under the laws of the British Virgin Islands. On November 20, 2008, the Court ruled in the case of the PPO against the suspect. The investigation was initiated by FIU reports received by the KPC. With these reports, the investigative team was able to identify patterns, track money flows and build the case.

On January 8, 2013, the Supreme Court annulled the contested decision solely regarding the amount of the payment obligation imposed for the deprivation of the unlawfully obtained assets, its reduction and dismissal of the cassation appeal for the remainder. The judgment became final on January 9, 2013. The Court ruled that it is plausible that the convicted legal person has benefited unlawfully from participation in an association which, as a legal entity, had as its objective the commission of crimes and the intentional multiple laundering of money, valuable papers or claims, as well as the intentional benefit from the proceeds of ML, valuable papers or claims obtained through crime. In this context, according to the Court, the suspect used, among other things, the proceeds of drug transport through ML for the purchase of the CA business complex.

In the confiscation judgment of the Court (following the judgment of the Supreme Court), the suspect owed an amount of more than NAf 14,000,000 (USD 7,821,229.05) as a result of the outcome of the

confiscation proceedings to the state. The PPO had the lands and the buildings seized, and the rent to be received by the suspect was also seized. The foreclosure value of the registered property was valued at over NAF 12,000,000 (USD 6,703,910.61) as of July 28, 2017, free of rent and use. On September 26, 2023, the CA business complex went to auction. The CA business complex was sold for NAF 8,000,000 (USD 4,469,273.74).

3.2.5. Use of alternative measures

219. The PPO uses *out-of-court settlements* for minor offences, financial crimes, and cases where prosecution is difficult. In the latter instance, a settlement might be preferred over a failed prosecution if a case has legal weaknesses (e.g., insufficient evidence or procedural challenges). Financial settlements ensure that some form of penalty is applied rather than a complete dismissal. The PPO presented several ML case examples where out-of-court settlements were applied between 2019 and 2023, either when evidence was weak or they were more efficient considering the resources that would be needed to prosecute the cases in a manner that did not diminish the importance of prosecutions or substituted prosecutions and convictions for ML offences.

220. In one instance, the PPO investigated the main suspect and several co-suspects in an ML and underground banking case. In August 2017, the suspect and his co-suspects' homes and associated business premises were searched under the supervision of the examining magistrate. The results of the criminal investigation confirmed the suspicion that from August 1, 2011, to August 15, 2017, there was intentional ML and the operation of the business of (international) companies without a license from the CBCS. This led to the PPO offering the suspect a transaction to prevent further criminal prosecution.

221. On March 9, 2020, the PPO and the main suspect concluded a transaction agreement. As part of the transaction, the suspect paid a sum of NAF 250,000 (USD 139,664.80) and relinquished several immovable properties (including various commercial sites and buildings), balances on bank accounts, and money seized during the search. One commercial site was sold for NAF 243,517.29 (USD 136,043.18). The other suspects settled for different amounts now, totalling NAF 486,418.67 (USD 271,742.27). This case illustrates the PPO's aim to disrupt illicit finance, recover proceeds of crime, and achieve public interest objectives, even without full trials. Table 3.11 reflects other case examples of the PPO's success in implementing out-of-court settlements following ML investigations.

Table 3.11. Examples of out-of-court settlements

| No. | Description | Offence | Sanction/Measure Taken |
|-----|---|--|---|
| 1 | Out-of-court settlement during a parallel investigation | Drug trafficking, ML (parallel) | In 2019, the PPO engaged in a transaction with the suspect of a parallel investigation. The suspect was charged in one investigation; however, in the other investigation, he agreed to relinquish ownership of eighteen cars, which were subsequently forfeited to the state. |
| 2 | Out of court settlement with a Financial Institution/legal person | Culpable ML | In 2020, the PPO engaged in a transaction in which a financial institution agreed to release specific account balances. Money was withdrawn from the accounts under the agreement, and the remaining balances were either paid out to legitimate account holders or deposited into a consignment fund managed by the CBCS. |
| 3 | Out of court settlement involving multiple persons | Intentional ML, Operating a business without a license | In 2020, the PPO engaged in a transaction with the main suspect of the investigation whereby the suspect agreed to pay NAF 250,000 (USD139,664.80) and relinquish several immovable properties, including commercial sites and buildings. The other suspects have also settled and agreed to pay different amounts totalling NAF 486,418 (USD271,741.90). |
| 4 | Out of Court settlement with a Financial Institution/legal person | Withdrawal of assets from a seizure | In 2021, the PPO engaged in a transaction whereby a Financial Institution agreed to pay a fine of NAF 200,000 (USD 111,731.84) and the publication of a press release. |

222. *Conditional dismissal* is another method used by the PPO as an alternative measure. Article 208 of the Code of Criminal Procedures allows the public prosecutor not to prosecute a case if the suspect promises to adhere to certain conditions. In general, this measure applies to crimes punishable by more than six years of imprisonment and, as such, most ML cases are excluded from its application due to the seriousness of the offense and its statutory penalty. Nevertheless, it can be applied where intent is hard to prove, but asset recovery is still possible. No conditional dismissals were used during the period under review in ML cases.

223. Competent authorities may implement *administrative measures* as an alternative to prosecution in ML cases. These measures can include refusing to issue permits or provide subsidies (financial aid), as well as withdrawing existing permits, subsidies, and government contracts. These measures may be taken when there is a serious risk that these resources may be misused for criminal activities, or if there is an ongoing criminal case or suspicion that the permit or subsidy has been used to facilitate such activities. The PPO decides whether to apply these alternative measures based on evidence collected during the investigation.

224. These administrative measures are sometimes identified and recommended by the ACOC as they can incorporate and combine administrative, fiscal, civil, and criminal approaches towards crime fighting. During ACOC meetings, members tap into the expertise and experience of appropriate members to determine which approach, or approaches, would best suit the particular investigation before recommending or implementing the identified approach. Upon the seizure of items during pre-trial detention or at any other part of the investigation, and completion of the investigation, these alternative measures are recommended.

225. Curaçao provided statistics concerning alternative measures taken by the PPO irrespective of criminal sanctions for investigations and cases involving ML and/or associated predicate offences for 2019 to 2023, which signals that they could be potentially used in ML cases. In 2019, 2020, and 2021, no administrative, criminal, civil or fiscal measures were applied. In 2022, only four administrative measures (e.g. inspections and controls) were applied. In 2023, one tax audit and two training sessions were conducted.

Overall conclusion on IO.7

226. Curaçao has demonstrated that it pursued ML cases where drug trafficking and fraudulent offences were predicate offences, which is in alignment with Curaçao's ML risks and threats, notwithstanding that not many case examples were provided. Curaçao's competent authorities have also collectively investigated, prosecuted, obtained convictions, and applied alternative measures for ML matters, including self-laundering ML, habitual ML, and ML involving legal persons. However, no ML investigations were provided to the assessment team involving the e-zone or gambling sectors, which were identified as high-threat sectors for ML.

227. While the LEAs receive effective financial intelligence and relevant information through STRs, many of these STRs have not been investigated. There is a high success rate for the ML investigations conducted, but a small percentage of potential ML cases are investigated. Notwithstanding the staff of KPC's TFO is well trained in ML and financial investigations, the discrepancy between STRs and investigations could be due to staff shortages in the competent authorities, as identified in the 2023 NRA and Curaçao has not demonstrated that the staff shortages have been addressed.

228. The statistics provided concerning ML investigations, prosecutions and convictions were insufficient to determine how many investigations initiated during the review period resulted in prosecutions and subsequent convictions. Also, the statistics provided concerning ML sanctions are insufficient to determine if these sanctions were effective, proportionate, and dissuasive.

229. Curaçao has demonstrated that it applies alternative measures to prosecution at the investigative stage, using administrative and civil measures when the probability of a successful prosecution is low.

230. The level of effectiveness of Curaçao's ML investigation and prosecution framework was demonstrated through statistics and case studies of ML investigations, prosecutions, convictions, and alternative measures. Whilst most of the case examples provided refer to criminal conduct before the assessed period, the investigative and prosecutorial measures in these examples were mostly carried out during the review period. Also, the case examples show Curaçao's ability and experience to some level in investigating, prosecuting, and obtaining convictions for ML and associated predicate offences, as well as in implementing alternative measures. The assessment team considered and weighted the deficiencies identified and concluded that there should be major improvements.

Curaçao is rated as having a moderate level of effectiveness for IO.7.

3.3. Immediate Outcome 8 (Confiscation)

3.3.1. Confiscation of proceeds, instrumentalities and property of equivalent value as a policy objective

231. Confiscation of criminal proceeds, instrumentalities and property of equivalent value is pursued as a policy objective of Curaçao. LEAs, other competent authorities, and the Judiciary displayed a great awareness of the use of confiscation alongside criminal prosecution and sincere consideration is given to implementing such measures during cases. Curaçao's Penal Code and Code of Criminal Procedures contain various provisions about the freezing, seizure, and confiscating assets derived from criminal activities.

232. All confiscation and asset recovery investigations are also conducted under the guidance of the PPO. The PPO independently decides if an investigation supporting confiscation and asset recovery should be initiated. Whilst LEAs conduct criminal investigations under the guidance of the PPO, the PPO is the sole agency responsible for confiscation proceedings, notwithstanding that evidence from the inquiry conducted by LEAs is used to determine if confiscation proceedings should be initiated.

233. The LEAs, on numerous occasions, obtain asset recovery information as they conduct their criminal investigation. The PPO is made aware of any asset recovery information obtained as investigations are conducted under their guidance. The PPO decides to trace assets and apply provisional measures at the start of an investigation or at any stage when assets suspected to be the proceeds or instrumentalities of crime are recovered. Upon completing a criminal investigation, a suspect or suspects are charged. If a public prosecutor believes a suspect has earned money or other property from committing criminal offences, the prosecutor can submit a confiscation claim to the court.

234. At the time of the on-site visit, the PPO consisted of one National Coordinating Public Prosecutor for ML, one National Coordinating Public Prosecutor for TF, ten Public Prosecutors, and eight Assistant Public Prosecutors. Four to six years of training in all criminal areas are required to become a prosecutor. These training areas include ML, TF, and asset recovery confiscation training.

235. There was a dedicated confiscation team in Curaçao known as the "Afpakteam" (see paragraph 72). The Afpakteam consisted of members from the Tax Accounts Office, Customs, KPC, the Royal Military Police, the Coast Guard, the National Tax Receiver and the PPO. However, the Afpakteam was cancelled in 2022. The assessment team was informed that the Afpakteam confiscated NAf 46,000,000.00 (USD 25,698,324.02) in assets between 2015 and 2017, which included vehicles, houses, aeroplanes and money.

However, their results decreased significantly in the last years; the main cause, as indicated by Curaçao, was the increasing lack of personnel capacity.

236. Curaçao provided statistics on the value of assets confiscated from 2019 to 2023. Notwithstanding the Afpakteam being cancelled in 2022, there are Afpakteam confiscation results for 2023, as statistics were provided for when the confiscation proceedings were determined in the courts, and not when the assets were seized or when the proceedings were initiated. The information is illustrated in Table 3.12.

Table 3.12. Value of assets confiscated per agency

| Agency | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|------------------|--|---|--|--|--|--|
| PPO | NAf775,691 (USD433,346.93) | NAf1,463,111 (USD 817,380.45) | NAf31,343,566 (USD 17,510,372.07) | NAf1,687,059 (USD 942,491.06) | NAf35,555,322 (USD 19,863,308.38) | NAf70,824,749 (USD39,566,898.88) |
| Afpakteam | 0 | NAf935,953 (USD 522,878.77) | NAf679,002 (USD 379,330.73) | NAf239,159 (USD 133,608.38) | NAf255,185 (USD 142,561.45) | NAf2,109,299 (USD 1,178,379.33) |
| Total | NAf775,691 (USD 433,346.93) | NAf2,399,064 (USD <u>1,340,259.22</u>) | NAf32,022,568 (USD 17,889,702.79) | NAf1,926,218 (USD 1,076,099.44) | NAf35,810,507 (USD 20,005,869.83) | NAf72,934,048 (USD 40,745,278.21) |

237. The assessment team was informed that assets resulting from the proceeds of crime and instrumentalities of crime were seized and confiscated, and instrumentalities of crime are seized immediately upon the arrest of suspects. Investigations are also conducted into the beneficial owners of proceeds of crime and instrumentalities of crime assets, as the person in whose possession an asset is found may not always be the owner of that asset, notwithstanding that the assets are usually still confiscated. However, no distinction was made in the statistics provided between assets confiscated as proceeds of crime or as instrumentalities of crime, as such distinction is not recorded and maintained by Curaçao. Curaçao should distinguish between proceeds of crime and instrumentalities of crime and maintain records concerning the distinction.

238. Curaçao also provided information to suggest their prosecutors have sufficient knowledge to deal with confiscation in ML and other financial matters. The PPO organised a Confiscation Week in the last week of June 2022, during which all employees focused on the importance of confiscation to fight crime, and sessions and workshops were organised. During that week, the confiscation of criminal assets in all its facets, from seizure to confiscation, among other things, was discussed through workshops.

239. Both the PPO and KPC benefited from their participation. Confiscation training, including auction skills, was facilitated by an experienced staff of the PPO, providing participants with relevant knowledge to organise auctions of confiscated assets. Notwithstanding the prosecutors' knowledge concerning seizure, confiscation, and auction, attention should be paid to the PPO to ensure that the lack of personal capacity issue that affected the Afpakteam does not similarly affect the PPO and its ability to continue to confiscate assets successfully.

240. Notwithstanding that the Tax Authorities are a separate entity from the PPO and are no longer directly involved in confiscation as the Afpakteam was cancelled, the assessment team was informed that the Tax Office is queried during confiscation-based investigations for income-related information, and they contribute information related to financial and tax offences to the financial investigators and the PPO. However, no information was provided on the number of investigations assisted or assets recovered through tax assessment procedures.

241. It should be noted that there are no reports of corruption or other unlawful acts by members of the judiciary or the PPO, which suggests that these entities, prima facie, carry out their functions concerning confiscations and any other AML provision without any integrity issues and in the best interest of Curaçao.

242. Curaçao also follows case law (ECLI:NL:HR:2004: AP2124 Supreme Court 28-09-2004), which indicates it is not necessary to deduce from the evidence who, when and where the underlying crime was committed. This suggests that, in addition to prosecuting for ML without the predicate offence, confiscation proceedings can also be initiated without the predicate offence for ML.

243. The case example illustrated in box 3.5 (ML involving embezzlement) provides an example of property of an equivalent value being confiscated. Following a conviction for embezzlement and a four-year imprisonment sentence, the court held that the amount obtained through the criminal act was estimated at NAf 19,192,417.00 (USD 10,722,020.67). Therefore, the court ruled that NAf 19,185,000.00 (USD10,717,877.09) must be paid to Curaçao for the deprivation of the unlawfully obtained.

244. The case example illustrated in box 3.6 (ML involving a legal person) revealed that the convicted legal person owed more than NAf 14,000,000 (USD7,821,229.05) to the state following confiscation proceedings, and the confiscated property was valued at over NAf 12,000,000.00 (USD 6,703,910.61). This suggests the value of the confiscated property is approximately 85% of the amount owed, which is close to the equivalent value and can be viewed as dissuasive.

245. There is, however, a case example illustrated in Box 3.4 (Conviction of a Notary for self-laundering ML) where the amount ordered to pay was not of equivalent value or close to equivalent value. In that case, the convicted person was ordered to pay Curaçao NAf 580,000.00 USD (324,022.35), notwithstanding the court estimated the amount of the unlawfully obtained advantage by the convicted person was NAf 1,452,000.00 (USD811,173.18). Additional sanctions were implemented, such as eighteen months imprisonment and a professional ban from working as a notary public for five years. However, with the payment at around forty per cent of the unlawfully obtained advantage, it can hardly be described as equivalent value.

3.3.2. Confiscation of proceeds from foreign and domestic predicates, and proceeds located abroad

246. Competent authorities generally confiscate criminal property of equivalent value. However, no distinction was made between property confiscated because of the proceeds of crime and property confiscated because of the instrumentalities of crime. The assessment team was provided with information regarding items seized from 2019 to 2023. The information is illustrated in Table 3.13.

Table 3.13. Assets confiscated

| Item | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|----------------|--------|---------|--------|--------|--------|---------|
| Money USD | 17,375 | 35,527 | 10,703 | 19,833 | 20,095 | 83,458 |
| Money ANG | 17,831 | 252,563 | 72,072 | 64,248 | 7,859 | 414,573 |
| Money EUR | 3,050 | 32,570 | 20,230 | 0 | 17,165 | 73,015 |
| Money AWG | 0 | 0 | 0 | 0 | 100 | 100 |
| Cars | 1 | 19 | 2 | 5 | 4 | 31 |
| Motorcycles | 0 | 4 | 0 | 0 | 0 | 4 |
| Jet Ski | 0 | 1 | 0 | 0 | 0 | 1 |
| Bicycle | 0 | 1 | 0 | 0 | 0 | 1 |
| Televisions | 1 | 0 | 0 | 2 | 0 | 3 |
| Surround Sound | 1 | 0 | 0 | 0 | 0 | 1 |
| Gold Earrings | 0 | 1 | 0 | 0 | 0 | 1 |

| | | | | | | | |
|--------------------|----------|---|---|-----------|---|---|-----------|
| Gold Pendant | Necklace | 0 | 1 | 0 | 0 | 0 | 1 |
| Gold ingots | | 0 | 0 | 1,562 gr. | 0 | 0 | 1,562 gr. |
| Wristwatches | | 0 | 0 | 0 | 2 | 0 | 2 |
| Washing machine | | 0 | 0 | 0 | 1 | 0 | 1 |
| Tablets | | 0 | 0 | 0 | 5 | 0 | 5 |
| Apple laptop | | 0 | 0 | 0 | 1 | 0 | 1 |
| Video game console | | 0 | 0 | 0 | 1 | 0 | 1 |
| Video Camera | | 0 | 0 | 0 | 1 | 0 | 1 |
| Smartphones | | 0 | 0 | 0 | 2 | 0 | 2 |

247. The statistics in Table 3.10 do not provide details about whether the properties seized were affiliated with domestic or foreign predicate offences or with proceeds that have been moved to other countries. However, Curaçao indicated that all these confiscated goods were from local investigations and have remained in Curaçao. The statistics suggest that Curaçao seized a large amount of property over the period.

248. Curaçao also provided information regarding forfeitures in some major court cases from 2019 to 2023. The information provided reveals that numerous confiscated properties valued over NAf 9,000,000.00 (USD 5,027,932.96) were sold during the period. Curaçao also indicated that seized assets are sometimes sold before the judgment in the confiscation proceedings. However, the person from whom the assets were seized, or the owner is refunded with the proceeds of the sale of the assets if the court orders that the assets should not be confiscated. The person from whom the assets were seized, or the owner is also refunded if the assets have to be returned, but the condition deteriorates while in provisional storage. Valuers are hired to determine the value of the assets in provisional storage, and the assets are managed to reduce deterioration as much as possible. The assessment team was informed that management to reduce deterioration may involve occasionally cleaning, powering on, or even using an asset, depending on the type of asset.

249. Curaçao also provided details on the procedure for storing assets whilst under provisional measures. When money is seized, it is deposited into what was described as a “special account” at the bank. However, this account is not an interest-bearing account. When assets like electronics, appliances and jewellery are seized, these items are stored in what was described as a “special storehouse” which has twenty-four-hour security and police officers make periodic visits. When property/land is seized, a seizure order is issued concerning the property and bailiffs and notaries are informed of the seizure order to ensure the property cannot be sold or transferred.

250. Curaçao also indicated that proceeds from the forfeited assets and confiscated funds are deposited into the Crime Fund. The assessment team was informed that when assets are required to be sold, such assets are always sold at an auction in a transparent process involving a notary, where necessary. When assets are sold, any outstanding sums owed to the Tax Office by the subjects of the investigation are paid first. The information in relation to the proceeds from forfeited and confiscated assets is illustrated in Table 3.14.

251. The confiscated/forfeited statistics also do not provide details concerning whether the forfeited assets were affiliated with domestic or foreign predicate offences or if the assets were affiliated with proceeds which have been moved to other countries.

Table 3.14. Proceeds from assets forfeited and confiscated in USD

| Case | 2020 | 2021 | 2022 | 2023 | Grand Total |
|--------------------------------|------|------|------|------------|-------------|
| E.Q. - Sale of 2 plots of land | 0 | 0 | 0 | 192,898.22 | 192,898.22 |

| Case | 2020 | 2021 | 2022 | 2023 | Grand Total |
|----------------------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| Activo | 0 | 0 | 0 | 152,926.80 | 152,926.80 |
| Avior | 0 | 0 | 0 | 486,418.67 | 486,418.67 |
| Babel - Forfeiture measure | 0 | 0 | 104,020.43 | 0 | 104,020.43 |
| CS | 0 | 0 | 0 | 7,808,755.96 | 7,808,755.96 |
| FE | 0 | 0 | 0 | 40,879.45 | 40,879.45 |
| Themis - Sale of a house | 0 | 0 | 338,167.26 | 0 | 338,167.26 |
| Turquoise | 255,000.00 | 0 | 0 | 0 | 255,000.00 |
| W.C. - Sale of a shopping centre | 0 | 243,517.29 | 0 | 0 | 243,517.29 |
| Grand Total | 255,000.00 | 243,517.29 | 442,187.69 | 8,681,879.10 | 9,622,584.08 |

3.3.3. Confiscation of falsely or undeclared cross-border transactions of currency/BNI

252. Customs is the competent authority in combating ML and TF at the border. The responsibilities of Customs concerning cross-border cash and /or bearer negotiable instruments are laid down in NOOCMT, N.G. 2002, no. 74 (as amended by N.G. 2014, no 90). The NOOCMT mandates that Customs officials send reports containing information on cross-border cash immediately to the FIU. Money as defined in Article 1 of the NOOCMT incorporates foreign currencies and bearer negotiable instruments.

253. Anyone entering or leaving Curaçao is required to declare money, valuable papers, precious metals, jewellery or other objects worth NAf 20,000.00(USD 11,173.18) or more that they take with them to the Customs authorities. The written declaration system is only for travellers carrying amounts above the threshold amount, including multiple persons demonstrably travelling together and jointly carrying money, precious metals, jewellery or other objects worth NAf 20,000.00(USD11,173.18) or more. This declaration system is also applicable to professional money transporters.

254. Customs has an investigative unit called the Customs Investigative Service (PIOD), which comprises two sub-units, namely the investigation team and the fraud investigation team. The investigation team is responsible for investigations involving passengers, and the fraud investigation team is responsible for investigations involving fraud and tax evasion at the borders, usually on major importers and international trade in terms of undervalued goods. Customs can also conduct ML investigations if a suspicion of ML is discovered during the course of their regular investigations. However, Customs conducted no ML investigations during the reporting period. The investigations team comprises a team leader with six investigators and seven canines. The fraud investigations team comprises a team leader and four investigators.

255. The head of the investigation unit of the Customs (PIOD) attended a workshop on trade-based money laundering held on December 6th -8th, 2023. This workshop was developed by the UNODC Global Programme against money laundering. However, the rest of the POID is yet to receive any equivalent formal training.

256. Article 6 of the NOOCMT provides for Customs to conduct investigations into criminal offences under the legislation. However, based on agreements between Customs and the KPC, in cases of false or non-declaration, the KPC (TFO) will be informed, and the case will be handed over to them for possible seizure and further investigation. Multiple stakeholders corroborated this during the on-site visit. Whilst this arrangement appears to be working out especially for Customs, considering the LEA staff shortage identified in the NRA and the disparity between the number of STRs and the number of ML/financial investigations, this arrangement may have to be re-evaluated.

257. There were no investigations involving bearer negotiable instruments or outgoing movements of currency during the evaluated period. All investigations were in connection with incoming movements of currency; however, no distinction was made between false declarations and non-declarations. There were five incidents of false declarations and non-declarations in 2021 and three in 2022, with no incidents in 2019, 2020 and 2023.

258. Curaçao also provided information about cash seized at the borders from 2019 to 2023, and the investigation was subsequently handed over to KPC's TFO. The information is illustrated in Table 3.15.

Table 3.15. Cash seized at the borders

| Cross-border movements | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|--------------------------------|------------------------|-----------------------|---------------------------------------|-------------------------|
| Disclosures Made by Incoming Travellers | 182 | 83 | 85 | 161 | 194 |
| Detected False Disclosures | 2 | 1 | 4 | 3 | 1 |
| Value of Cash Seized at Borders | USD 26,695 EUR 10 AWG 10 | USD 9,500 EUR 7,000 | USD 97,721 NAf 330 | USD 76,118 EUR 30,925 SRD 5,298 | USD 35,765 EUR 1,300 |

259. Offenders of falsely or non-declared currency at the borders are not just sanctioned, but the money, which is of equivalent value to the offence, is confiscated. During the on-site visit, the assessment team was informed that there were numerous cases prosecuted in the courts involving false declarations and non-declarations in 2023 and 2024. These cases usually involve money just above the value of the NAf 20,000.00 (USD 11,173.18) threshold. The sanctions imposed in these cases were imprisonment for a month or two, and the money was confiscated. Curaçao also informed the assessment team that the judge can decide whether the money will remain fully confiscated or if the suspect will receive part of it back, which is somewhat dependent on the Prosecution's demands. However, no statistics or details were provided to indicate if and how often the part confiscations occur in practice.

3.3.4. Consistency of confiscation results with ML/TF risks and national AML/CFT policies and priorities

260. Curaçao has not satisfactorily demonstrated that its confiscations are consistent with ML risks and national AML/CFT policies. Curaçao has demonstrated that it pursues confiscations as a national policy as a competent authority, and the judiciary has displayed a great awareness of the use of confiscation alongside criminal prosecution. There are numerous examples of confiscations. However, insufficient examples were provided to demonstrate that a significant number of the confiscations are from cases consistent with their ML risks and threats. The PPO uses evidence from the investigations conducted by LEAs to determine if confiscation proceedings should be initiated. However, considering Curaçao could not demonstrate how much FIU's disseminations were used to initiate or assist in financial investigations and subsequent confiscation proceedings, a conclusion could not be made to suggest that Curaçao's confiscations are consistent with their ML risks and threats.

261. The case example illustrated in box 3.3 (ML involving drug trafficking) indicated that the accused was imprisoned for eight years and many of his possessions were confiscated, such as his house and car, without a complete list of the confiscated items or the value being provided in the example. Drug trafficking was identified in the 2023 NRA as an offence which poses a high ML threat.

262. Curaçao also provided another case example whereby over NAf 1.7 million (USD 949,720.67) in cash was confiscated following a drug trafficking and money laundering investigation, where the suspect was convicted of money laundering. However, the case example indicated that the suspect was convicted of ML in December 2018, and the money was forfeited. Notwithstanding the investigation, prosecution and conviction in the case example involved drug trafficking, which is the offence with the highest threat,

263. The case example illustrated in box 3.4 (Conviction of a Notary for self-laundering ML) provides an example of the convicted person being ordered to pay Curaçao NAf 580,000 (USD 324,022.35) concerning the unlawfully obtained advantage from the offence of embezzlement. Embezzlement is a fraudulent offence, and fraud was identified in the 2023 NRA as an offence which poses a high ML threat. This confiscation is consistent with Curaçao's ML risks and its AML policies.

264. The case example illustrated in box 3.5 (ML involving Embezzlement) provides an example of the convicted person being ordered to pay Curaçao NAf 19,185,000 (USD 10,717,877.09) in addition to a four-year imprisonment concerning the unlawfully obtained advantage from the offence of embezzlement. This would also be consistent with Curaçao's ML risks and its AML policies.

265. These two examples provide evidence of confiscations concerning fraudulent offences, which are medium risk. Therefore, the two examples are not sufficient by themselves to demonstrate that Curaçao's confiscations are consistent with its ML risk and threats.

Overall conclusion on IO.8

266. Curaçao has demonstrated that confiscation of criminal proceeds is pursued as a policy objective. Competent authorities and the Judiciary have a great awareness of the use of confiscation alongside criminal cases and thoughtful consideration is given to implementing such measures during investigations and cases.

267. Curaçao has, in some cases, confiscated property of equivalent value in relation to ML cases where the predicate offences were identified as high risk, such as drug trafficking and fraudulent offences. However, few examples were provided. Confiscation in relation to these high-risk offences is in alignment with Curaçao's ML risks and threats.

268. Curaçao has not demonstrated any confiscations in relation to foreign predicate offences or indicated if any confiscated assets were affiliated with proceeds which have been moved to other countries notwithstanding the international nature of Curaçao's ML risks as reported in their NRA.

269. Customs have demonstrated effectiveness in detecting and seizing non-declared and falsely declared cash, notwithstanding that subsequent investigations are handed over to the KPC. The cash, generally of equivalent value to the offence, is also confiscated upon a guilty verdict.

270. The effectiveness of Curaçao's confiscation framework was demonstrated through statistics and case studies concerning ML and associated predicate offence investigations, which resulted in prosecutions, convictions, and criminal property generally of equivalent value being confiscated. The assessment team considered and weighed the deficiencies identified and concluded that there should be major improvements.

Curaçao is rated as having a moderate level of effectiveness for IO.8.

Chapter 4. TERRORIST FINANCING AND FINANCING OF PROLIFERATION

4.1. Key Findings and Recommended Actions

Key Findings

Immediate Outcome 9

- a) Curaçao criminalises TF broadly in line with R.5, except for the absence of explicit coverage of foreign terrorist fighter financing.
- b) Curaçao's 2024 TF and NPO National Risk Assessment concluded that TF risk is low. However, the lack of a comprehensive written report limited the ability to fully assess the reliability of the conclusions. Still, the assessment team considers the country's TF risk to be low based on other sources of information.
- c) No TF cases were identified, prosecuted, or convicted during 2019–2023. This outcome is consistent with the country's assessed low TF risk. TF sanctions' effectiveness, proportionality, and dissuasiveness in Curaçao could not be assessed, as no prosecutions or convictions occurred during the review period.
- d) Curaçao has one specialised TF prosecutor. All public prosecutors receive basic training on TF, but there is no continuous or advanced TF-specific training program. On the other hand, law enforcement officers have not received training specific to TF investigations. The lack of such training is attributed to resource constraints and a focus on money laundering.
- e) Curaçao had no formal counterterrorism strategy from 2019 to 2023. In 2024, a national AML/CFT/CPF Strategy, including actions related to TF, was adopted.
- f) The FIU has not received any TF-specific unusual transaction reports (UTRs). A lack of TF indicators and limited analytical resources constrain its ability to identify potential TF cases.

Immediate Outcome 10

- a) Curaçao has a legal framework for implementing targeted financial sanctions (TFS) under UNSCR 1267 and its successor resolutions and UNSCR 1373, which presents moderate shortcomings as explained in the analysis of R.6.
- b) Curaçao has not yet recommended to the Netherlands any persons or entities to be added to the UN Sanctions lists, and there have been no domestic designations in Curaçao at the country's initiative or in response to a request from a third country.
- c) During the assessment period, no assets owned or controlled by identified persons and entities designated by the UN were frozen by Curaçao, since there were no matches.
- d) Curaçao has measures for granting access to frozen resources; however, as discussed in criterion 6.7, there are currently two inconsistent legislative provisions for filing a petition, which have implications regarding the appropriate competent authority before whom a petition ought to be filed for the use of frozen funds or assets.
- e) Supervised entities in Curaçao are generally aware of their obligations regarding monitoring the UN Sanctions lists and the action required in the event of a match. Monitoring is done daily using either manual or automated systems.
- f) The mechanisms for supervisors to communicate designations and changes to the UN Sanctions lists to supervised entities, and for providing guidance to financial institutions or DNFBPs on their obligations with respect to delisting or unfreezing action, are inadequate.
- g) Curaçao has yet to implement effective risk-based measures for NPOs vulnerable to TF exploitation. The 2024 sectoral risk assessment lacked critical analysis and comprehensive

coverage of potential vulnerabilities. There is a lack of awareness, outreach, and targeted supervision.

Immediate Outcome 11

- a) Curaçao has established a legal framework for implementing TFS related to proliferation financing (PF); however, this framework does not allow for the implementation of a freezing mechanism without delay and for de-listing pursuant to UNSCR 1718 and its successor resolutions.
- b) During the assessment period there were no matches or identification of listed persons or entities in Curaçao; consequently, there was no implementation of TFS related to PF.
- c) Financial institutions and DNFBPs in Curaçao demonstrated general awareness of their obligations to implement TFS and have systems in place for screening clients. Some communicated the use of screening software, while others manually screened the UN lists of designated persons and entities against their client database.
- d) The supervisory authorities have not conducted activities to monitor and ensure compliance by financial institutions, DNFBPs and VASPs with their TFS obligations related to PF.

Recommended Actions

Immediate Outcome 9

- a) Ensure that investigators, prosecutors, and judges receive adequate training and resources to build their capacity and prepare them to investigate, prosecute, and adjudicate TF cases properly.
- b) Implement its AML/CFT/CFP National Strategy and ensure that the investigation of TF is integrated with and used to support it.
- c) Strengthen the FIU's capacity to identify TF cases by enhancing analysts' capacity and expertise, ensuring its system can separately identify TF-related UTRs for focused analysis, and providing targeted guidance to reporting entities.
- d) Ensure that the KPC, TFO and other relevant agencies are adequately resourced to detect and investigate terrorism and TF.

Immediate Outcome 10

- a) Provide additional guidance and sensitisation to supervised entities on obligations for the timely implementation of TFS.
- b) Address the issue of conflicting provisions regarding the competent authority to be petitioned for access to frozen funds.
- c) Ensure that all three supervisors adequately supervise and monitor sanctions screening compliance by supervised entities.
- d) Enhance mechanisms for communication between supervisors and supervised entities regarding designations and changes in the UN Sanctions lists, de-listings, and unfreezing.
- e) Guide financial institutions or DNFBPs on their obligations to respect a delisting or unfreezing action.
- f) Identify specific measures to be implemented for at-risk NPOs as part of Curaçao's strategy to counter ML/TF/PF.

Immediate Outcome 11

- a) Establish measures to ensure the-implementation of TFS related to PF without delay.
- b) Create a mechanism to communicate changes to the UN Sanctions lists to financial institutions, DNFBPs and VASPs.
- c) Develop and implement measures to address existing legal deficiencies in delisting individuals and entities in accordance with UNSCR 1718 (2006) and its successor resolutions.
- d) Provide guidance, outreach, and training to financial institutions, DNFBPs, and VASPs on compliance requirements with TFS obligations related to PF and monitor for adherence to the guidance.

271. The relevant Immediate Outcomes considered and assessed in this chapter are IO.9-11. The Recommendations relevant for the effectiveness assessment under this section are R. 1, 4, 5–8, 30, 31 and 39, and elements of R.2, 14, 15, 16, 32, 37, 38 and 40.

4.2. Immediate Outcome 9 (TF investigation and prosecution)

4.2.1. Prosecution/conviction of types of TF activity consistent with the country's risk profile

272. Curaçao completed its TF and NPO NRA in 2024. The assessors could not fully evaluate the reliability of these assessments due to the absence of a complete report with detailed analyses of sector-specific threats and vulnerabilities and the reliance on risk assessment briefings with limited information. Nonetheless, the assessors agreed that Curaçao does not face significant TF risks based on available sources of information, which do not refer to an inherent or systemic TF threat in the country. Please see Chapter 1, Section 1.1.2, and Chapter 2, Section 2.2.1, for more details on how the assessors reached this conclusion.

273. The 2024 TF and NPO NRA briefings and an interview with a national security and intelligence source noted that national security activities from 2019 to 2023 raised suspicions of the country being used as a transit point for terrorism-related threats, including one possibly linked to TF; however, no TF cases emerged after further investigation. Consequently, no cases were submitted to law enforcement for investigation and prosecution, and the country did not convict TF cases in the period under review.

274. Should a TF case arise, Curaçao has strong legislation criminalising types of TF activity. Its only deficiency is that it does not criminalise the financing of foreign terrorist fighters (see the analysis of R.5 in the TC Annex).

275. The PPO is currently staffed with ten public prosecutors. All prosecutors undergo initial training before assuming prosecutorial duties, which ranges from one to four years and includes components on TF. At present, one national coordinating public prosecutor specialises in TF cases. While this provides a foundational capability to investigate and prosecute TF, the capacity remains limited due to the reliance on a single specialist. Nonetheless, if a TF case exceeds domestic capabilities, the PPO can request support from prosecutors in the Netherlands or other parts of the Kingdom, enabling Curaçao to draw on additional expertise to address such cases effectively.³¹

276. Interviews with the judiciary revealed that there are no first-instance judges who are specialised in TF cases, but other judicial officers possessing such expertise within the Kingdom could be requested to preside

³¹ The interviews with the PPO and the Judiciary indicated that they receive annual training through the Foundation Study Centre for the Administration of Justice (*Stichting Studiecentrum Rechtspleging* or SSR) in the Netherlands; however, information regarding the number of staff involved and the specific areas of focus was not available.

over a TF matter on an ad hoc basis. For instance, with ML cases, it is a common occurrence that judges in Curaçao would be requested for specific cases in other islands within the Kingdom and vice versa.

277. In conclusion, Curaçao has not prosecuted or convicted any TF cases during the review period. This outcome appears consistent with the country's risk profile, as available intelligence and national assessments suggest that Curaçao does not face significant or systemic TF threats. Curaçao also possesses a basic but functional prosecutorial and judicial capacity to address TF cases, which can be reinforced through support from other parts of the Kingdom when needed. The absence of TF prosecutions or convictions aligns with the current understanding of the jurisdiction's TF risk exposure.

4.2.2. TF identification and investigation

278. The FIU and national security face challenges in identifying TF cases in Curaçao. In the case of the FIU, while entities are obligated to and do file UTRs, the FIU indicated that it did not receive any UTRs specific to TF. However, Curaçao acknowledged that the lack of specific indicators for TF makes it difficult to give accurate statistics on how many reports there are regarding TF. Despite the possibility of a suspicion of TF being reported under a subjective ML UTR, the absence of data mining tools and the low number of analysts at the FIU impacted their ability to execute manual checks of all subjective UTRs submitted. Curaçao has indicated that the FIU is still developing specific TF indicators for filing UTRs. Additionally, the FIU is updating the reporting system to accommodate the reporting system indicators for TF to be done separately from ML.

279. Regarding the role of the national security agency (VDC) in identifying TF cases, it uses its general resources and local and regional networks to monitor potential TF cases. The assessment team observed a need for increased resources and expertise to be allocated to national security to build their capacity to detect possible TF cases, considering their crucial role as an intelligence-driven agency which engages in frequent collaboration with key agencies such as the PPO.

280. For TF cases, the PPO can opt to instruct the KPC or the TFO, one of KPC's units, to conduct investigations; for investigations with a cross-border element, the RST, which is staffed with financial specialists, would be involved. There has been no specialised training of investigators, but the challenge of insufficiency of resources is highlighted in the 2023 ML NRA. It is noted that the same LEAs are tasked with the investigation of ML and TF, as such, resource constraints will impact their ability to investigate TF. The RST usually supports the KPC in combating cross-border crimes, which could include TF investigations with a transnational element. However, the focus of the RST has been on ML. Additionally, there is the option of seeking assistance from external experts within the Kingdom to investigate TF in Curaçao. There has been low focus on TF, which is arguably consistent with its low-risk rating; however, TF risk understanding is still being developed. Additionally, the KPC's TFO has not been trained to investigate TF; however, the KPC believes that investigators possess the expertise required to investigate a TF case due to the nature of their work.

281. Based on discussions with the PPO and KPC, the lack of training for TF can be attributed to three main factors: (i) training priorities are concentrated on more critical areas for LEAs, such as ML; (ii) limited resources make it challenging to focus on specific forms of financial crime, leading to TF receiving less attention; and (iii) there is an assumption that the techniques for investigating ML are similar to those used for TF.

4.2.3. *TF investigation integrated with –and supportive of- national strategies*

282. Curaçao did not have a national counterterrorism strategy during the assessment period; Curaçao's National AML/CFT/CFP Strategy was approved in June 2024. Curaçao's AML/CFT Action Plan concerning TF aims to develop national policies to enhance the monitoring of international terrorist threats, including convicted terrorists' post-detention, through international cooperation at multilateral and bilateral levels; to strengthen local capacities to prevent and combat terrorism (financing); and to enhance national and international cooperation to combat terrorist financing with special focus on developing strategies, coordination and analysis of emerging TF risks. Curaçao aims to do this through legislative updates, implementation of MOUs and acquisition of additional capacities. Implementing this Action Plan will aid the jurisdiction's preparedness to investigate TF.

283. There are mechanisms to identify terrorists, terrorist organisations, and support networks through the national security framework responsible for overseeing intelligence matters. This agency also participates in the National Sanctions Committee, which makes recommendations to the competent authority for designations. Although there was no formalised counterterrorism strategy from 2019 to 2023, it was revealed that national security efforts were being made to detect both terrorism and TF in Curaçao. During the onsite visit, it was observed that there is good interagency cooperation between the intelligence agency and the PPO, which is the competent authority with oversight for all investigations. Both entities form part of the membership of a focus group on the Terrorism Incident Response Plan (TIRP)³², and both participate in the *petit comité*, a meeting geared towards safeguarding and developing security and protection systems on the island, including terrorism risks and prevention.

284. While the risk of terrorism is rated low in Curaçao, there appear to be capacity and resource constraints to identify and investigate terrorism and TF. Despite these constraints, a counterterrorism strategy is now set for implementation, and efforts are being made by national security, through available resources and cooperation with domestic and regional partners, to detect possible cases of terrorism in Curaçao.

4.2.4. *Effectiveness, proportionality and dissuasiveness of sanctions*

285. Curaçao has legislative provisions prohibiting terrorist financing activity, directly and indirectly. The Penal Code prescribes penal sanctions of a prison sentence of a maximum of eight years or a fine of the fifth category (NAf 100,000/USD55,865.92) for such offences. The applicable sanctions for natural persons are proportionate and dissuasive, while the sanctions for LP are not (see TC analysis in c.5.6 and 5.7). As it relates to an analysis of effectiveness, proportionality, and dissuasiveness of sanctions, this could not be assessed since no TF cases have been prosecuted in the jurisdiction during the period under review.

4.2.5. *Alternative measures used where TF conviction is not possible (e.g. disruption)*

286. Curaçao does not currently have provisions for implementing alternative measures where a TF conviction is not possible. The ACOC has the potential to be used as an alternative measure in cases where a conviction is not possible; however, during the period under review, its mandate did not extend to TF.

³² The TIRP outlines the common frameworks for the relevant agencies to prepare for the prevention of a terrorist attack.

Overall conclusion on IO.9

287. Curaçao has legislation criminalising various types of TF activity, with the exception of financing the travel of individuals who travel to a State other than their States of residence or nationality for the purpose of the perpetration, planning, or preparation of, or participation in, terrorist acts or the providing or receiving of terrorist training. Curaçao concluded its TF risk assessment in 2024 and presented the assessors with a summary before the conclusion of the on-site visit. The risk of TF in Curaçao was rated as low with one suspected case of TF, and no formal investigations, confirmed cases or prosecutions; consequently, no sanctions were applied, so their effectiveness during the assessment period could not be ascertained. Additionally, no alternative measures exist to disrupt TF activities where it is not practicable to secure a TF conviction.

288. Curaçao has not identified, investigated, or prosecuted any TF cases during the period 2019-2023. There is a limitation in capacity to investigate and prosecute as the PPO has one specialised coordinating TF public prosecutor and no specialised judges to adjudicate over TF matters; however, requests can be made from the Kingdom for specialised prosecutors and judges to assist in TF matters should the need arise. The assessors were of the view that the limitations regarding investigation and prosecution of TF cases were not highly consequential in light of the risk and context of TF in Curaçao and the fact that trained personnel could be easily requested on an ad hoc basis.

289. During the assessment period, Curaçao did not have a formal counterterrorism strategy and action plan, as this was only approved in June 2024; however, this signals a commitment to strengthening Curaçao's ability to combat TF. There are mechanisms to identify terrorists, terrorist organisations, and support networks through the national security agency, notwithstanding its resource limitations in that regard. Additionally, while reporting entities have not been provided with guidance and TF indicators by the FIU to aid in detecting TF, they have the option of reporting to the FIU by filing subjective UTRs.

Curaçao is rated as having a moderate level of effectiveness for IO.9.

4.3. Immediate Outcome 10 (TF preventive measures and financial sanctions)

4.3.1. Implementation of targeted financial sanctions for TF without delay

290. Curaçao has a legal framework for implementing TFS under UNSCR 1267 and its successor resolutions and UNSCR 1373. Curaçao is a constituent country of the Kingdom of the Netherlands; consequently, the Ministry of Foreign Affairs of the Kingdom of the Netherlands handles foreign relations matters for Curaçao.

291. The Sanctions Ordinance provides for the implementation of UN Sanctions, while the Kingdom Sanctions Act covers EU Sanctions, which include UN Sanctions. It should be noted that during the assessment period, UN sanctions were directly applicable in Curaçao once the EU transposed UN Sanctions into EU law. This mechanism changed, however, under Art. 1.37 of the Omnibus Sanctions Regulation Curaçao, passed in February 2024, by which UN Sanctions are directly applicable in Curaçao upon publication by the UN.

292. Within the existing framework, the Minister of General Affairs, in concord with the Ministers of Finance and Justice, are responsible for domestic designation of persons or entities and making recommendations for UN designation to the Minister of Foreign Affairs of the Kingdom of the Netherlands via Curaçao's Directorate of Foreign Relations.

293. Under this regime, the National Sanctions Committee, established in 2016, advises the Ministers of General Affairs, Finance, and Justice on considering issuing a designation order. If a designation is made, it is published in the *De Curaçaosche Courant*. Delisting measures are contained in Section II of the published Procedure for releasing resources; however, these measures are specific to the 1267 UN Sanctions Committee. Despite the provisions to do so, Curaçao has not yet had the opportunity to communicate any recommendation to the Netherlands for persons or entities to be added to the UN Sanctions lists. Similarly, there has been no request by a third country for domestic designation in Curaçao.

294. Regarding the implementation of Resolution 2001/1373, the Sanctions Decree Al-Qaida and the manual *Process for the Freezing of Resources*, made under Art. 12 of the Decree, apply. During the period, no assets owned or controlled by identified persons and entities designated by the UN were frozen by Curaçao.

295. Curaçao has measures for granting reasonable access to frozen resources; however, there are currently two inconsistent legislative provisions for filing a petition, as discussed under Recommendation 6.7. This inconsistency cascades into effectiveness as it impacts the procedure for petitioning to be granted access to frozen funds or resources, since both the Minister of General Affairs and the Minister of Finance are authorised to grant such access based on the current laws. Under Article 10 of the Sanctions Decree, Al-Qaida and Part V of the manual *Procedures for Releasing Resources*, the Minister of General Affairs, in concurrence with the Minister of Finance, may grant a petition to grant access to frozen funds. However, Art. 2.2 of the Omnibus Sanctions Regulation Curaçao says that the Minister of Finance is the competent authority for dispensing for the use of frozen funds or assets.

296. Providing more guidance and sensitisation to supervised entities on obligations for the timely implementation of TFS is required. There was only one seminar on international sanctions during the assessment period, held in April 2022, by the CBCS, FIU and GCB jointly. Notwithstanding, entities interviewed during the on-site visit displayed awareness of their obligations regarding monitoring of the UN Sanctions lists and action required by them in the event of a match. Monitoring is done daily using either manual or automated systems. On-site examinations conducted by the CBCS on the performance of sanctions screening at insurance companies, company trust service providers, self-administered investment institutions and administrators of investment institutions did not reveal any deficiencies in their screening mechanisms. The assessment team observed that similar measures should be implemented for DNFBPs supervised by the FIU and GCB. For example, the GCB provided its audit procedures on-site AML/CFT Assessments for Land-based Casinos, and it was observed that there was no mention of checks for compliance with sanctions screening obligations, which is a gap.

297. Communication between supervisors and supervised entities needs enhancement. Designations and changes in the UN Sanctions lists are communicated to financial institutions and DNFBPs via letter twice annually and by email, if the need arises. This system is inadequate. However, an additional method of communication employed by the CBCS and GCB is publishing links to the UN Sanctions lists, which would reflect changes once published and can be considered without delay. However, this depends on supervised entities checking for changes and monitoring and screening daily. The FIU indicated that audits inform reporting entities about UN Sanctions and their obligation to monitor; however, not all supervised entities have been subjected to audits.

298. Curaçao has not demonstrated mechanisms for communicating de-listing and unfreezing to financial institutions and DNFBPs, nor for guiding financial institutions or DNFBPs on their obligations to respect a delisting or unfreezing action. The assessment team also observed the need for supervisors to improve communication with financial institutions and DNFBPs regarding published changes to the UN Sanctions lists to ensure the implementation of TFs by the entities without delay. On the other hand, there is guidance

in the published Process of Asset Freezing of Funds, requiring supervised institutions or organisations to communicate with supervisors when implementing TFS. Supervised institutions are required to immediately report a match to the relevant supervisor, coupled with data on the identity of the client, and also any intention to unfreeze resources based on changes observed through their independent monitoring of the UN Sanctions lists. There was no evidence of the extent of compliance levels regarding TFS implementation by supervised institutions. This was compounded by the fact that there were no matches reported by FIs or DNFBPs during the reporting period to demonstrate the effectiveness of the system. Thus, the assessment team was unable to assess the effectiveness of implementing TFS in Curaçao.

4.3.2. Targeted approach, outreach and oversight of at-risk non-profit organisations

299. Between the last quarter of 2023 and the first quarter of 2024, Curaçao conducted a risk assessment within the NPO sector to analyse ML and TF risks. The risk assessment did not comprehensively analyse the threats and vulnerabilities within the sector. The National Strategy includes broad actions to be taken to develop a regulatory framework for NPOs. However, there are no proposed operational actions concerning NPOs. There is an overall lack of awareness regarding vulnerabilities associated with TF, and Curaçao has yet to implement risk-based, focused, and proportionate measures for NPOs susceptible to TF exploitation. At the same time, there has been no necessity for law enforcement measures related to NPOs, and there were no measures that appear to disrupt legitimate NPO operations.

300. Curaçao has not actively pursued sustained outreach or targeted risk-based supervision, and NPOs are unaware of any vulnerability associated with TF to which they may be exposed. NPOs are required to register with the CoC, and at the time of the onsite, 1,883 of the 7649 NPOs registered fell within the FATF's definition of NPO. Despite this, a disproportionately low number of four participated in the risk assessment. This underrepresentation suggests that the assessment has not fully reflected the sector's situation, nor adequately justified its conclusions. As a result, there are doubts about Curaçao's ability to effectively assist NPOs in understanding their TF threats and vulnerabilities once competent authorities share the assessment's results. The NPOs interviewed during the on-site visit expressed the view that the sector is likely vulnerable to ML, albeit to a limited extent and did not demonstrate any awareness of TF risks. NPOs interviewed were also not aware of the NPO risk assessment and its findings, supporting the assessment team's conclusion that the sector still needs to develop an understanding of its TF situation.

301. On the other hand, the general absence of TF cases in Curaçao sufficiently explains that there have been no interventions, investigations, or confiscations against terrorists, terrorist organisations, or terrorist financiers abusing NPOs and the lack of international cooperation in this same regard.

302. In analysing whether NPO activities are disrupted or discouraged in Curaçao, the assessment team examined guidelines instructing financial institutions to consider all NPOs as high-risk customers, which is generally a disproportionate measure; however, there is no evidence to suggest that legitimate conduct of NPO activities were disrupted by this practice. The updated P&Gs issued by the CBCS in 2023 instruct financial institutions and TCSPs to consider NPOs as high-risk customers, but this consideration is not based on an assessment of the NPO sector.

303. Representatives from the private sector interviewed during the on-site visit confirmed their knowledge and understanding of this guidance. Still, they considered that it did not prevent them from establishing or continuing relationships with NPOs. Interestingly, the briefing materials on the NPO risk assessment indicate that four local banks that participated in the process did not qualify any NPO as representing a high TF risk, with an outstanding majority of NPOs being considered as low risk, followed by a group of NPOs seen as representing medium risk and other group being considered as representing no risk at all. Considering this assessment by banks and that they do not disrupt banks' operations, the assessment team believes that financial institutions incorporate the guidance of routinely considering NPOs as high-risk in

their written procedures, but apply an RBA in practice, which assists them in deciding whether to begin or continue business relationships with them. This assumption was further supported by the responses provided by representatives of the NPO sector interviewed, who confirmed that they have never found any challenge in conducting their operations through financial institutions.

4.3.3. Deprivation of TF assets and instrumentalities

304. Curaçao has implemented a legal and institutional framework to detect, prevent, and respond to potential TF activities, enabling the confiscation of assets and instrumentalities from terrorists, terrorist organisations, and terrorist financiers. However, certain institutional measures require strengthening. The Penal Code of Curaçao encompasses most of the necessary provisions to criminalise TF (please see the analysis of R.5), and the Code of Criminal Procedures allows for the confiscation of TF-related assets and asset freezing, seizure of instrumentalities, and prosecution of individuals involved. LEAs and the PPO can expeditiously identify, trace, and initiate the freezing and seizing of property that is, or may become, subject to confiscation or is suspected of being proceeds of crime. LEAs may also use special investigative techniques to identify TF assets and instrumentalities and have financial analysts as target tracers to identify a suspect's assets. Additionally, all prosecutors have received training in asset recovery or confiscation.

305. It is noted that the FIU faces challenges in proactively monitoring financial transactions associated with TF. The FIU did not implement a separate reporting mechanism on the goAML platform using indicators specific to TF; it was only possible to report subjectively using the mechanism for ML, which makes it difficult to give accurate statistics on how many reports there are regarding TF. Additionally, competent authorities should provide additional guidance to institutions on how to detect suspicious activity for TF and the FIU analyst department's ability to analyse subjective UTRs was likely impacted by insufficient staffing. Regarding LEAs' institutional measures, the capabilities highlighted in IOs 6 through 7 show a capacity to execute their functions related to confiscation. While there is no need for specialised units to investigate and prosecute TF cases, considering that the overall country TF-risk profile is low, more training is needed.

306. Curaçao has a strong legal framework for providing MLA and extradition in relation to ML, TF, and predicate offences, and it does so in a fairly timely manner, as discussed in IO.2. Delays in the timely exchange of information internationally can impact Curaçao's ability to deprive terrorists, terrorist organisations, and terrorist financiers of assets and instrumentalities related to TF activities.

4.3.4. Consistency of measures with overall TF risk profile

307. Though TF risk understanding in Curaçao is still being developed, the country has taken actions that can be considered consistent with its TF risk profile, which, based on its Terrorist Financing Risk assessment finalised in 2024, was low. During the five-year period considered in the risk assessment, there was suspicion of one TF case; however, no TF cases have been investigated or prosecuted in the jurisdiction.

308. Mechanisms for unusual transaction reports require strengthening. The FIU did not receive any reports of suspected TF cases during the assessment period; however, the assessment team observed the need for specific TF indicators to be developed by the FIU, implemented into the goAML system and shared with reporting entities. At the time of the onsite, the FIU indicated that this update was in progress.

309. Competent authorities have the necessary framework to investigate and prosecute TF cases. Though national security agencies do not have a dedicated team solely focused on detecting terrorism and TF, they use measures such as human intelligence, open sources, and regional and international networks to receive information and monitor for potential cases. Where investigative, prosecutorial, or judicial expertise may

be lacking, Curaçao, as part of the Kingdom of the Netherlands, can request assistance, including specialists, for areas such as TF.

Overall conclusion on IO.10

310. Curaçao has established a legal and institutional framework to implement TFS under UNSCRs 1267 and 1373, presenting moderate technical deficiencies. At the same time, the effectiveness of its TFS regime remains limited due to gaps in outreach, guidance, and communication with DNFBPs and NPOs, and the lack of demonstrated implementation. No assets have been frozen, no domestic designations made, and no recommendations for UN designations submitted, primarily due to the absence of matches.

311. Measures concerning NPOs are nascent, with insufficient outreach and an underdeveloped understanding of terrorist financing risks within the sector. While the legal framework allows for TF-related asset deprivation, institutional measures—especially those related to proactive detection, staffing, and TF-specific indicators—need enhancement.

312. Curaçao's actions appear broadly aligned with its low TF risk profile, but the limited practical application and insufficient risk-based engagement with vulnerable sectors constrain overall effectiveness in achieving IO.10.

Curaçao is rated as having a low level of effectiveness for IO.10.

4.4. Immediate Outcome 11 (PF financial sanctions)

4.4.1. Implementation of targeted financial sanctions related to proliferation financing without delay

313. Curaçao has a legal framework for implementing TFS related to PF. The Sanction Decree Democratic People's Republic of Korea (DPRK) applies together with the recently passed Omnibus Sanctions Regulation Curaçao, which facilitates the direct application of published UN Sanctions in Curaçao, pending EU implementation. Under Article 3.1 of the Omnibus Sanctions Regulation for Curaçao, it is prohibited to sell or supply military goods and military technology, as well as any parts thereof, either directly or indirectly. This restriction applies regardless of the country of origin and covers transactions involving natural or legal persons or entities located in, or for use in, any of the countries or entities listed, including the DPRK. Additionally, Art. 1.26 of the Omnibus Sanctions Regulation Curaçao prohibits sharing of specialised knowledge, education, research and cooperation in the scientific or technical field with persons or entities funded by DPRK or who represent DPRK. An identified deficiency is that Curaçao does not have measures for de-listing under UNSCR 1718(2006) on DPRK and its successor resolutions. Additionally, there is no mechanism for communicating changes to the lists.

314. The CBCS and GCB publish direct links to the UN Sanctions lists on their websites; additionally, the CBCS sends letters and emails. Entities in Curaçao are generally aware of monitoring obligations and have systems in place for performing screenings. Some entities utilise screening software, while others perform this task manually.

315. The manual *Process for the Freezing of Resources*, which implements sanctions imposed by international organisations since July 2016. This manual describes the procedure for freezing resources of individuals and organisations, known or suspected by the United Nations to be involved in terrorism or its financing. It applies to the freezing of resources within the framework of the non-proliferation of nuclear

weapons. Its purpose is to provide information to all financial institutions and other organisations supervised by the Central Bank of Curaçao and Sint Maarten, the Financial Intelligence Unit, the Gaming Control Board, and other supervisory agencies designated by the government. While the manual contains procedures to adopt measures for the designation of individuals and organisations established in Curaçao, it is applicable to individuals and entities designated under UNSCR 1718, but it does not provide adequate information and guidance to supervised institutions in Curaçao. During the assessment period, there were no instances of the framework for freezing based on the PF sanctions lists, as there were no matches; the jurisdiction has not otherwise demonstrated that it can implement without delay.

4.4.2. Identification of assets and funds held by designated persons/entities and prohibitions

316. Curaçao has measures for implementing TFS related to the proliferation of weapons of mass destruction; however, no matches have been reported by supervised financial institutions or DNFBPs in Curaçao during 2019 – 2023. There is ongoing screening. The obligation to monitor the lists for changes is on supervised entities, as there is currently no mechanism for communicating changes to the list without delay to them. Additionally, supervisors in Curaçao have focused outreach and awareness activities primarily on ML and not on TFS related to TF and PF.

4.4.3. financial institutions, DNFBPs and VASPs' understanding of and compliance with obligations

317. Financial institutions and DNFBPs demonstrate a general awareness of their obligations to implement TFS related to PF. During the on-site visit, the assessors were informed that the entities have integrated their obligations into compliance frameworks by conducting a screening of customers against UN-designated lists during onboarding and on an ongoing basis, either manually or using software. Additionally, they understood the requirement to freeze assets without delay and report any matches to relevant authorities. However, no funds or assets of designated persons or entities were identified or frozen during the assessment period. As a result, the assessors could not determine whether obligations were being fulfilled in practice.

318. While Curaçao has taken important legislative steps, including the enactment of the Omnibus Sanctions Regulation in 2024 and provisions for direct application of UN sanctions, the system has yet to demonstrate operational effectiveness. Supervisory authorities have not conducted inspections or monitoring activities specifically targeting TFS-PF obligations. There is no evidence that financial institutions or DNFBPs have been assessed for compliance or that any enforcement action has been taken in cases of non-compliance. Additionally, there are gaps in outreach, as no sector-specific guidance or training materials were provided during the assessment, and understanding of the requirements varies, particularly among DNFBPs.

4.4.4. Competent authorities ensuring and monitoring compliance

319. Curaçao has provided no evidence that supervisory authorities in Curaçao systematically monitor compliance with TFS-PF obligations. While the legal framework empowers the CBCS, FIU, and GCB to oversee AML/CFT compliance, no documented supervisory actions specifically assess the implementation of proliferation financing-related sanctions measures. During the evaluation, none of the authorities provided examples of inspections, off-site reviews, or thematic assessments that tested institutional compliance with TFS-PF requirements.

320. Supervisory authorities such as the CBCS and GCB have adopted a risk-based approach to AML/CFT supervision, as noted under IO 3. Still, this approach has not been extended to cover TFS obligations related

to PF. Although these supervisors demonstrated an understanding of ML risks and prioritised higher-risk sectors, there was no evidence that PF risks or TFS-PF obligations are incorporated into their supervisory planning, risk assessments, or on-site inspection criteria. Despite its approach to DNFBPs, the FIU remains limited by capacity constraints and does not appear to conduct oversight specifically addressing PF-related obligations. As such, the application of risk-based supervision in Curaçao does not yet include mechanisms to ensure compliance with TFS-PF requirements.

321. In addition, Curaçao has not demonstrated the use of sanctions or remedial measures in response to failures to implement TFS-PF requirements. Although sanctioning powers exist under the Sanctions Ordinance and the Kingdom Sanctions Act, there is no evidence that these have been applied in the context of PF. The assessors conclude that the current supervisory response to PF obligations is insufficient, and there is a critical need to integrate TFS-PF compliance into the overall supervisory framework.

322. The Minister of General Affairs, acting in concordance with the Ministers of Justice and Finance, periodically issues a consolidated list of designated individuals, as referred to in paragraph 22 of Resolution 1735 (2006).

323. A clear legal framework exists that empowers the CBCS and GCB to take corrective actions against non-compliant entities and supports the enforcement of compliance, which can range from issuing warnings and fines to revoking licenses in severe cases. However, increased compliance monitoring is needed to apply this framework, which could be utilised to deter non-compliance.

Overall conclusion on IO.11

324. Curaçao has established a framework for implementing TFS related to PF; however, the jurisdiction has not demonstrated that it effectively implements its framework. There is a need for a mechanism to communicate changes in the list to supervised entities, as opposed to placing the responsibility solely on them to check the websites of supervisors for changes. Additionally, Curaçao does not have measures for de-listing pursuant to UNSCR 1718(2006) on DPRK and its successor resolutions.

325. The three supervisory bodies have emphasised ML instead of ensuring that financial institutions and DNFBPs also understand their obligations for TFS related to PF. More engagement by the supervisors through outreach and guidance to supervised entities is required to enhance understanding of obligations and consequences of non-compliance. Further, increased monitoring for compliance is necessary for all supervisors, together with implementation of sanctions when warranted by the circumstances.

Curaçao is rated as having a low level of effectiveness for IO.11.

Chapter 5. PREVENTIVE MEASURES

5.1. Key Findings and Recommended Actions

Key Findings

- a) FIs, casinos and TCSPs demonstrated a good understanding of their ML risks and AML/CFT obligations. Lawyers and accountants demonstrated a moderate understanding of their risks and a good understanding of their AML/CFT obligations, while real estate agents and jewellers demonstrated a moderate understanding of their ML risks and AML/CFT obligations. FIs and DNFBPs demonstrated a limited understanding of their TF risks.
- b) FIs and DNFBPs' mitigating measures are generally in line with risks. However, FIs and DNFBPs also face challenges in consistently obtaining and verifying BO information.
- c) Curaçao's FIs and DNFBPs apply CDD and record-keeping measures, and internal controls are in place to refuse a business relationship when CDD is incomplete. However, smaller DNFBPs such as jewellers have limited capacity and depend on external expertise to meet these obligations.
- d) FIs and DNFBPs have measures in place to conduct EDD on PEPs and customers from high-risk countries. However, there are challenges in identifying close associates of PEPs. Furthermore, the blanket application of EDD to all NPO customers, based solely on organisational type, reflects a misapplication of the risk-based approach.
- e) FIs and DNFBPs are aware of their ML and TF reporting obligations, and the majority of them have signed up to the FIU's electronic reporting portal. However, subjective UTR reporting levels are higher for FIs including MTCs, while casinos and high-risk DNFBPs, such as jewellers and real estate agents, report significantly fewer subjective UTRs.
- f) FIs and DNFBPs have systems in place for sanctions screening and understand their TFS reporting obligations. However, delays in the communicating updates of designated lists by the CBCS (up to seven days) create gaps in the timely implementation of obligations.
- g) FIs and DNFBPs generally develop and implement internal controls and procedures to comply with AML/CFT obligations, including at the group level. However, there is a need for more information sharing with the jewellery sector from the FIU.
- h) VASPs were only recently brought under the AML/CFT regime; the effectiveness of their implementation of preventive measures could not be determined.

Recommended Actions

- a) Supervisors should ensure that FIs and DNFBPs are made aware of their TF risks and evolving ML/TF risk and AML/CFT obligations on an ongoing basis. FIs and DNFBPs should keep their risk assessments up to date and consider the NRA findings when doing so. Curaçao should ensure that FIs, VASPs and DNFBPs are made aware of the risk associated with NPO customers to ensure a risk-based approach to preventive measures for NPOs.
- b) Curaçao should ensure FIs and DNFBPs continue to apply mitigating measures in line with their risk assessments and national risks and improve their internal controls to maintain up-to-date BO information.
- c) The country should bolster its supervisory framework to ensure that smaller FIs and DNFBPs can effectively implement AML/CFT measures. This includes providing more targeted support

- in the areas of CDD and ongoing monitoring, ensuring that these entities can apply preventive measures in a manner proportional to their size and risk profile.
- d) Curaçao should provide ongoing guidance on identifying and reporting subjective UTRs to all reporting entities ensuring, that particular focus is placed on smaller institutions that may lack the internal expertise to effectively meet their reporting obligations.
 - e) The country should work on improving the mechanisms to update FIs and DNFBPs on changes to the sanction lists. This will help ensure the timely and effective implementation of TFS measures across the financial sector and DNFBPs.
 - f) The country should implement processes to better utilise the data collected from UTR submissions, compliance inspections and independent testing in strategic AML/CFT planning. This includes assessing the quality and utility of the information reported, compliance/non-compliance trends and internal and external audits to ensure that these effectively contribute to the development of a broader AML/CFT supervisory framework.
 - g) Curaçao should take action to ensure VASPs are made aware of their ML/TF risk and AML/CFT obligations and ensure VASPs effectively implement preventive measures in line with R.15.

326. The relevant Immediate Outcome considered and assessed in this chapter is IO.4. The Recommendations relevant for the assessment of effectiveness under this section are R.9-23, and elements of R.1, 6, 15 and 29.

5.2. Immediate Outcome 4 (Preventive Measures)

327. The findings of IO.4 are based on interviews conducted with representatives from the private sector, professional associations and sector representative organisations. The assessment team received and reviewed sample documents submitted by interviewees, including internal training material provided for staff and compliance officers, excerpts of compliance manuals outlining internal CDD and EDD controls, sanctions screening and reporting procedures, EDD procedures for PEPs, record keeping policies and transaction monitoring procedures. Samples of the following documents were also provided: guidance memos issued to staff to address high risk scenarios, risk assessment methodologies, compliance and sanctions newsletters issued to staff, outcomes of automated sanctions screening, customer and transaction information provided to competent authorities upon request, break downs of customer bases, records of UTRs reported to the FIU and fraud alerts. The assessors also considered compliance levels recorded for land-based casinos resulting from the compliance inspections and risk assessments conducted by the GCB. Similar compliance information was not equally available for other supervised sectors.

5.2.1. Understanding of ML/TF risks and AML/CFT obligations

328. FIs and DNFBPs in Curaçao exhibited different levels of understanding of their ML risks and AML obligations between sectors. This understanding is predominantly based on information shared from the 2023 NRA, insights obtained from participation in the exercise by completing questionnaires and contributing to relevant working groups, as well as continuous collaboration with the FIU, GCB, and CBCS throughout the process. FIs and DNFBPs also have a functional understanding of risks through actively applying a risk-based approach to their internal controls, conducting risk assessments and ongoing training to effectively identify and mitigate ML risks and meet AML/CFT obligations. Additionally, supervisors facilitate periodic targeted meetings to enhance the understanding of ML risk among FIs and DNFBPs. As it relates to understanding and awareness of AML/CFT obligations, most FIs and DNFBPs are aware of their general AML/CFT obligations. However, the depth of understanding varies. Banks, TCSPs and land-based casinos demonstrate strong compliance mechanisms, including regular staff training and independent audits. However, sectors such as real estate and DPMS exhibited less stringent compliance mechanisms in

place. FIs and DNFBPs demonstrated a limited understanding of the TF risks and a basic understanding of their CFT obligations.

FIs and TCSPs

329. In 2022, the CBCS issued updated provisions and guidelines mandating regular training on ML/TF risks and the maintenance of training logbooks. FIs and TCSPs are required to maintain training logbooks and furnish evidence of training upon request by the CBCS. This requirement ensures that the institutions remain current on their ML/TF risks and AML/CFT obligations. Additionally, the International Bankers Association (IBA) and the Curaçao Bankers Association (CBA) collaborate closely with the CBCS to ensure their members are informed about new guidelines and regulations, emphasising compliance with both domestic and international standards. For instance, international banks, which cater exclusively to foreign clients, strictly adhere to international standards while complying with local requirements. Specific guidance documents, such as the Systematic AML/CFT/CFP Risk Assessment Guidance Paper (SARA), assist FIs in performing risk assessments aligned with their business operations. The SARA provides CBCS supervised entities with specific steps to be taken and factors to be considered when conducting their risk assessments, as well as guidance on determining the entity's risk appetite and developing a sustainable risk management process. FIs and TCSPs are mandated to conduct independent testing of their AML frameworks annually, with findings reported to the CBCS to ensure compliance and understanding of their AML/CFT obligations. FI and TCSPs' participation in the NRA enhanced their existing understanding of ML risks. Sector-specific working groups facilitated detailed discussions to identify sector-specific vulnerabilities.

330. Domestic banks have a well-developed understanding of their ML/TF risks. During the interviews, representatives of domestic banks who are also part of the CBA indicated they were aware of the inherently high ML risk in the banking sector, for example, the geographical risk. However, these banks indicated that they have implemented proportionate mitigating measures and controls that place residual risk at a medium level. Domestic banks primarily cater to a domestic retail customer base with the main product and service offered being mortgages, motor vehicle loans and credit cards. This accounted for approximately 72.3 % of local banking activity during the period under review. The majority of the customer accounts have assigned salary payments as the main source of funds. An average of 18% of retail customers are non-resident and non-national, and an average of 27% of all customers are commercial customers. The banks interviewed indicated that non-national and non-resident retail customers usually have some link to Curaçao and are mostly Dutch nationals who have purchased property in Curaçao. Foreign commercial customers must also establish and prove some connection to Curacao in order to acquire a local bank account with most foreign commercial customers are connected to the Netherlands. In these cases, EDD is conducted, and local banks have invested in tools for sanctions screening and risk-based customer management.

331. International banks in Curaçao operate under a distinct licensing framework and serve exclusively non-resident clients, primarily corporate clients from countries such as Venezuela, Argentina, the United States of America, and the Netherlands. The banks interviewed demonstrated a sound understanding of their ML risks, particularly those related to the use of complex legal entity structures and cross-border transactions. This understanding is reinforced by robust internal compliance frameworks and their active participation in the NRA process, which clarified sector-specific vulnerabilities within Curaçao. However, the international banks' understanding of TF risk is less developed. As with other sectors in Curaçao, the TF risk is not perceived as significant or actively assessed. These banks are generally not exposed to higher-risk sectors like e-zone entities, gaming, or VASPs, and also adhere to the AML/CFT measures of their home countries.

332. The MTCs interviewed had a good understanding of their ML risks and identified structuring and smurfing as the highest threats to their business. The MTCs indicated that most of the clients were foreign workers residing in Curaçao who send money back to their home countries, and only customers who appear

in person can send or receive funds. The majority of transaction activity was sent transactions, which accounted for an average of 85% of transactions, with Colombia, Dominican Republic, Jamaica, and Haiti being the top receiving countries. Additionally, MTCs have daily monetary limits set at NAf 5,000 (USD 2,793), but typical daily individual transactions range between NAf 250 and NAf 500 (USD 140 and 279). The MTCs indicated that, due to the high-risk nature of their business, regular monitoring was a common practice. Regular training was common among the MTCs interviewed, as well as measures such as compliance newsletters and memos issued to staff to provide guidance in specific higher-risk scenarios. For example, one MTC issued a memo, guiding staff to ask additional questions about the nature and purpose of transfers when conducting transactions involving countries flagged as a result of monitoring activities.

333. During the interviews, the TCSPs indicated that their sector is well established and has been in operation in Curaçao for over 25 years. TCSPs displayed a good understanding of their ML risks and have been implementing AML/CFT measures in line with legislation to mitigate their risks. The interviews revealed that although TCSPs generally understood their ML risks and AML/CFT obligations, there is a variation in risk appetites among TCSPs. Some TCSPs interviewed indicated a very low risk tolerance, while others had a moderate to high risk tolerance. They also indicated that the variety of services offered to local entities, such as directorship, financial services, administrative services, and corporate secretarial functions, makes structuring the most significant risk for Curaçao's TCSPs. Therefore, when establishing business relationships, it is especially important to understand the client, the rationale behind structures, sources of wealth, and money flows.

334. Compliance officers of TCSPs are responsible for annual staff training to provide general knowledge, to bridge knowledge gaps and update on evolving risks. Interviews are conducted with staff to identify training gaps, and training sessions are tailored to staff at different levels. The training sessions cover areas such as UTRs, sanctions screening, and fraud, and also include case studies to enhance their effectiveness. The CBCS' supervisory activities also require TCSPs to submit risk assessment questionnaires annually and regular reports on the incorporation and cessation of clients, along with information verified via a centralised portal. The CBCS actively communicates regulatory changes to TCSPs, maintaining effective two-way communication.

Casinos

335. Online gaming operators demonstrated a good understanding of their ML risks and obligations, while land-based casinos had a more comprehensive understanding of their ML risks and obligations. For example, land-based casinos identified foreign nationals as a high-risk factor, and online casinos identified geographical risk (customer base includes players located in Turkey) and the non-face-to-face element of their business as the highest risk factors. Both land-based casinos and online gaming operators' understanding of risk is broadly based on their participation in the NRA and their thorough understanding of their business operations. For example, land-based casinos mostly offer slot machine games and have fewer tables offering poker, blackjack and roulette, to a predominantly local clientele (95%). Online casinos provide online game services such as bookmaking for horse racing events. Additionally, both land-based and online gaming operators conduct risk assessments and supply this information to the GCB upon request. In the case of land-based casinos, each casino conducted risk assessments with individual guidance from the GCB, including guidance on specific risk categories that require greater focus. Online gaming operators indicated they were in the process of finalising their risk assessments and did not submit risk assessments to the GCB at the time of the onsite.

336. Land-based casinos developed training plans, conducted staff training and kept training logs, based on the GCB's requirements. Training was conducted internally by senior staff or by an external training provider. During the interviews, the GCB confirmed that this requirement is verified during onsite examinations, and compliance with this requirement increased from 25% to 67% during the period. The

GCB also observed improvements in casinos' ability to refuse high-risk customers and implement risk-based customer due diligence (CDD) measures. For instance, a casino terminated a business relationship with a patron whose source of funds could not be verified, demonstrating enhanced risk awareness. Further, another case example highlighted how a casino identified a high roller whose declared source of wealth was inconsistent with their observed financial activity. The compliance officer conducted an independent verification, leading to a report being filed with the FIU.

Other DNFBPs

337. Notaries have a good understanding of ML risk and AML/CFT obligations. Notaries perform some of the activities typically performed by gatekeepers, such as holding of funds and property transfer for real estate transactions, and the creation of legal persons, foundations and associations. The notaries interviewed highlighted the inherent risk associated with the nature of their work and indicated the thorough review of customer documents as a key risk-mitigating element of their work. However, the increase in client numbers caused notaries to outsource elements of their compliance function, such as document verification, to ensure such processes continue to be conducted efficiently. They are personally liable for their work; therefore, understanding and assessing ML/TF risks associated with their services and clients, as well as their associated obligations, is important. To develop their understanding, notaries conduct training 1-2 times a year, sometimes with the support of the FIU to cover areas such as CDD, reporting requirements, risk assessments and counterfeit documents.

338. Lawyers and Accountants demonstrated a moderate understanding of their ML risk and a good understanding of AML/CFT obligations, although less than 10% of the activities conducted by these sectors are those identified by the FATF. The activities defined in R.22 specifically criterion 22.1 (d) are generally performed by notaries. For example, lawyers generally perform litigation and advisory services and may draft contracts for real estate transactions. However, notaries draft deeds and handle property transfers. The sectors' understanding is significantly influenced by participation in the NRA process. The accountants interviewed indicated increased interaction with the FIU, while at the same time, the Curaçao Bar Association worked closely with the FIU and CBCS to conduct joint seminars on AML/CFT obligations and sanctions screening, which enhanced their understanding of their obligations.

339. Jewellers demonstrated a moderate understanding of their ML risks and AML/CFT obligations. For example, jewellers noted the risk related to high-value cash transactions and the risk of their products being purchased with proceeds of crime. The core business of operators in the sector is the wholesale purchase of jewellery and watches, for retail sales to a customer base that is 40% nationals and 60% tourists. The product prices range from USD 10 to USD 100,000. Products in the highest value range account for under one per cent of sales and are sold to tourists most of the time. During the interviews, the assessment team was informed that jewellers are able to fulfil their AML/CFT obligations due to their advanced understanding of their sector. For instance, jewellers consider specific risk factors such as customer risk (e.g. PEP) or geographic risk (high-risk jurisdictions) but place greater focus on transaction values to ensure appropriate due diligence measures are applied based on the transaction risk. Most large transactions are conducted via wire transfer or credit card, which are considered lower risk. The sector is aware of its obligation to report through the FIU's goAML portal, including the obligation to submit objective reports based on the mandatory reporting threshold of NAf 20,000 (USD11,173.18).

340. Real estate agents also demonstrated a moderate understanding of their ML risk and AML/CFT obligations. Real estate agents in Curaçao cater to customers in three markets: local residential properties, residential investments (70%-80% of the market) and commercial properties. The customer base comprised mainly of Dutch nationals (60%-65%) seeking to purchase a vacation or investment property in Curaçao. American, Canadian and Curaçaoan customers account for approximately 15% to 20% of the customer base, and the remaining customer base consists of Belgian, German and other Caribbean nationals.

Representatives of the sector understood the ML risk associated with the use of property purchases for laundering and pay particular attention to transactions involving foreign buyers or entities from jurisdictions with higher ML/TF risks and apply appropriate CDD measures and utilise technology for verification. The real estate agents have taken steps to align their internal processes with national risks by refining CDD and BO verification processes.

341. Representatives of the Curaçao's Fintech Association attended the onsite interview; however, the members of the association did not represent any of the VASPs operating in or offering services in Curaçao. As a result, the assessors were unable to determine VASPs' understanding of their ML/TF risks and AML/CFT obligations.

342. FIs and DNFBPs' risk understanding is informed in part by the NRA; however, supervisors also provide training and guidelines to supervised sectors to ensure compliance with AML/CFT obligations, enhance the understanding of ML/TF risks and guide the implementation of effective preventive measures (see analysis of core issue 3.6). The ML risk understanding varies across sectors and FIs, and DNFBPs generally did not have an understanding of TF risk. Compliance officers undergo periodic AML/CFT training, often facilitated by sectoral associations like the Compliance Association of Curaçao (ACCUR), which include case studies and address sector-specific vulnerabilities. This has also contributed to the sector's understanding of its ML risk and AML/CFT obligations.

5.2.2. Application of risk mitigating measures

FIs and TCSPs

343. FIs and TCSPs in Curaçao apply risk-based approaches to their operations, tailoring their mitigation measures to the complexity and nature of their business and updated CBCS AML/CFT Provisions and Guidelines. Larger FIs, particularly banks, have extensive internal controls, including dedicated compliance departments, while smaller FIs may engage external auditors to assist in ensuring compliance. Major banks have introduced advanced transaction monitoring systems to detect unusual patterns, such as frequent large deposits inconsistent with client profiles and apply EDD for non-resident clients, such as foreign nationals purchasing real estate. TCSPs apply mitigating measures by maintaining comprehensive AML/CFT policies and procedures and conducting rigorous screening before a client is accepted. To mitigate the risk of being used to set up shelf companies, entities are monitored to ensure that the business activities align with the information provided at onboarding. Periodic reviews are also conducted to determine whether there have been changes to customer profiles. The vulnerabilities identified in the NRA prompted TCSPs to enhance their BO identification measures by cross-checking information with external data sources and conducting additional due diligence for complex structures. FIs and TCSPs conduct training for compliance officers who oversee the implementation of a risk-based approach to mitigating measures, such as EDD for high-risk clients and transactions, verification of the source of funds and ongoing monitoring.

344. Most MTCs in Curaçao operate under an international Money and Value Transfer Service (MVTS) provider and must incorporate the AML/CFT requirements of these international MVTS providers with their domestic obligations. They use IT tools and manual analysis to monitor transactions, detect structuring, and identify unusual transactions for reporting. These monitoring activities identified countries with high scam risks, and as a result, internal policies were updated to include mandatory EDD measures for transactions in these countries, particularly when the customer profile is not aligned with the transaction type. MTCs also conduct training and provide awareness material to staff, with one MTC providing training for the compliance officer and staff up to twice per annum, to ensure staff understand their ML risk and AML/CFT obligations. MTCs report notable success in identifying structured transactions aimed at circumventing reporting thresholds, and UTR reporting levels remain largely in line with MTCs' risk.

Casinos

345. Casinos in Curaçao, both land-based and online, apply mitigating measures commensurate with the nature of their business and in accordance with the NOIS, NORUT and the GCB AML/CFT regulations. They apply stringent customer identification and verification procedures and monitor transactions to detect unusual activities. Land-based casinos use technological tools to check customer information against multiple sources, including international sanctions lists. Online casinos conduct regular CDD and KYC checks, with periodic re-evaluation of customer profiles based on risk. Between 2019 and 2023, there were several instances where services were rejected. The casinos also have dedicated compliance staff to ensure internal controls are consistently and effectively implemented. To address the specific risks posed by their cash-intensive nature, land-based casinos have implemented enhanced monitoring of large cash transactions, real-time customer profiling, and transaction thresholds that trigger additional review. For example, casinos conduct CDD for transactions exceeding the reporting threshold of NAf 5,000 (USD2,793).

Other DNFBPs

346. Lawyers, accountants and notaries implement risk-based measures to mitigate ML/TF risks and conduct CDD, verify BO and conduct ongoing monitoring of client relationships. Notaries, in particular, implement internal controls which include detailed procedures for conducting CDD, including customer verification using information obtained from domestic and European registries and reporting UTRs, including maintenance of comprehensive records of investigations and decisions regarding subjective UTRs. In order to mitigate the risk associated with the gate-keeping activities they conduct, notaries are not allowed to place third-party reliance on TCSPs, lawyers or real estate agents. Larger accountants, particularly those with international affiliations, conduct AML screening on clients, in line with the international affiliate's requirements as well as domestic AML/CFT obligations, before client engagement. New client engagement letters are sent to repeat clients, and customer profile updates and monitoring are conducted at this time. Lawyers perform CDD even when their involvement in transactions is limited to an advisory capacity or a draft of contracts.

347. Jewellers implement AML/CFT CDD measures, including CDD, transaction monitoring, and UTR reporting. The measures are applied predominantly based on the value of the items and the type of customer. Customer due diligence is conducted on all transactions NAf 2000 (USD1,117.32) and over, and customer identification is obtained for all credit card transactions, cruise ship customers and tourists.

348. Real estate agents in Curaçao follow documented procedures to mitigate ML risks by implementing measures, including verifying customer identities, verifying the source of funds and using commercial software to screen clients and beneficial owners. Real estate agents generally utilise lists for screening clients before they are onboarded, and properties are listed. For example, checklists are posted on the agents' website outlining specific documents required for different customers. Buyers must provide identification and source of wealth before onboarding, and agents use cadastral information to verify sellers before properties are listed. Transactions involving foreign customers require notarised documents from the country of origin, and all information is stored in an archive accessible to and managed by the compliance officer. Companies purchasing property must provide information on shareholders, BOs, and the person incorporating the entity. Contracts are managed by paralegals, and notaries execute additional compliance checks based on the documents provided by agents.

5.2.3. Application of CDD and record-keeping requirements*FIs and TCSPs*

349. In Curaçao, FIs and TCSPs applied their documented CDD and record-keeping measures as stipulated in the legislation (NOIS) and sectoral AML/CFT/CFP Provisions & Guidelines. These measures include verifying customers' identities, refusing business where CDD is insufficient and maintaining records for at least five years whilst ensuring that customer information is accurately documented and accessible to competent authorities.

350. Banks interviewed establish and verify the identity of their customers and BOs before establishing a business relationship or conducting transactions. They also employ automated transaction monitoring systems that generate alerts based on pre-defined risk thresholds, prompting compliance staff to conduct further investigation when necessary. These systems are integrated with global watchlists and allow real-time screening against sanctions databases. The interviewees indicated that procedures were in place to suspend or terminate relationships when CDD cannot be completed. Interviewees also indicated that a very good relationship existed between themselves, supervisors and LEAs, and effective recordkeeping practices enable them to respond to requests for information typically within five days.

351. TCSPs indicated that thorough CDD is conducted when onboarding new customers, typically taking around six weeks. This process includes comprehensive KYC, identifying and verifying BOs, understanding the reason for corporate structures and the purpose of the business relationship, as well as customer risk assessments. They employ advanced verification tools such as artificial intelligence for bio-data screening and verification, as well as conducting ongoing monitoring to ensure compliance. TCSPs interviewed indicated that they travel to meet foreign customers face to face, before onboarding can be completed. TCSPs maintain comprehensive records of all client information and transactions, which are reviewed and updated regularly. If CDD cannot be completed, the business is refused, and such instances are reported to the FIU and CBCS. Between 2019 and 2023, TCSPs reported terminating 19 business relationships due to incomplete CDD. Some TCSPs also reported challenges in obtaining BO information from foreign jurisdictions, leading to delays in client onboarding.

352. MTCs conduct CDD, including obtaining adequate information on originators and beneficiaries and keep records for five years. First-time clients must provide customer identification, evidence of employment or sources of income, physical and email address and general information on the average amounts they intend to send/receive and information on all their intended beneficiaries. One MTC indicated that all foreign customers must present valid passports to conduct transactions.

Casinos

353. Land-based casinos apply CDD and record-keeping requirements, with measures in place to verify player identities and continuously monitor transactions. CDD is performed on customers applying for membership or for a wagering card (entering a business relationship). Customers present a valid passport, identification card or a local driver's license, which includes the address and, as such, verifies the address of the patron. In the case of higher-risk customers, more effort is made to also have a source of wealth of the customer on file. Customer identification is also undertaken for transactions (bets) of NAf 5,000.00(USD 2,793) or over. Records are kept for five years in both digital and physical formats to allow for the reconstruction of transactions, if necessary, to support the investigation and prosecution of criminal activities. During on-site examinations, the GCB identified instances where casinos terminated business relationships with patrons who failed to comply with CDD requirements, demonstrating some effective application of CDD measures. Online gaming operators interviewed have customer management teams responsible for conducting CDD when setting up new customers' profiles. Several levels of approval are required before an account is activated. One online gaming operator indicated that in the case of high-net-worth individuals, only one customer is onboarded per year, and the onboarding process includes face-to-face interviews, sanctions screening and police checks in the clients' home country.

Other DNFBPs

354. Notaries conduct thorough CDD, including beneficial ownership identification and verification and ongoing monitoring of client relationships. The onboarding process includes the use of a CDD checklist to ensure comprehensive KYC, as well as conducting a client risk assessment. Notaries incorporate new companies and draft incorporation documents, collect CDD information for natural persons, including all natural persons involved in a company. Due to the increase in the number of clients, some notaries outsource aspects of their compliance functions to maximise the use of electronic screening platforms for sanctions and PEP screening. This allows for screening of multiple data sources, including sanctions lists, World Check, PEP databases, companies' registries and open sources. Notaries indicated that records are kept for up to 30 years. Lawyers and accountants obtain customer identification information even at the advisory stage of a transaction. Accountants who operate as branches of international companies have access to electronic screening tools and adhere to stringent group CDD standards. Lawyers also implement CDD measures at onboarding, and all clients and beneficial owners undergo PEP, sanctions and risk screening.

355. Jewellers apply CDD based on transaction values typically for sales NAf 20,00 (USD1,117.32) or over, identification is obtained. Business is not typically refused due to incomplete CDD; however, transactions will not be completed if a customer fails to produce an identification for point-of-sale card transactions. Due to the nature of their business, jewellers rarely implemented CDD for BOs. Real estate agents implement CDD measures to verify customer identities (conduct background checks) by using software, as well as manual checks by the compliance officer. Clients must submit identification information, proof of residence and/or address and sources of income/wealth. Real estate agents place reliance on TCSPs for some elements of CDD (for example, to obtain BO information) for customers who are legal persons but verify the information with the CoC.

5.2.4. Application of EDD measures

356. In Curaçao, all entities offering services under Art. 1 paragraph 1 of the NOIS are mandated to perform EDD in higher-risk situations, such as, engaging in business with PEPs and clients from higher-risk countries. These measures ensure that entities maintain a heightened level of scrutiny and apply additional safeguards to mitigate the risks associated with these relationships. By adhering to these requirements, entities in Curaçao can better protect themselves and the financial system from potential ML and TF risks. During the interviews, FIs, notably the banking and MTC sectors, as well as DNFBPs such as real estate agents, notaries, and casinos, predominantly demonstrated their capability to identify high-risk situations or relationships.

357. Entities apply EDD at onboarding or throughout the lifecycle of the customer/business relationship based on set rules or triggers. EDD measures include customer background checks, information on purpose of accounts and business relationships, expected volume and value of transactions, source of wealth and source of funds, customer's occupation, audited financial statements, references, information related to primary and secondary business activities, and additional information on individuals connected to PEPs or other high-risk clients.

358. Most of the banks, MTCs, real estate agents and casinos interviewed utilise compliance screening software, while some entities, such as notaries, opt to outsource such compliance functions. Use of screening software allows for daily transactions, PEP and sanctions screening and EDD is routinely performed on clients flagged as high-risk. Banks apply EDD measures for high-risk customers, including PEPs and clients from high-risk jurisdictions, review customer files annually and conduct ongoing transaction monitoring.

359. The assessment team noted an overapplication of EDD for NPO customers by banks and TCSPs based solely on the organisational type. This stems from either the lack of understanding of NPOs' ML/TF risks, financial institutions' and TCSPs' interpretation of CBCS guidance or a robust risk-averse business culture.

Politically Exposed Persons

360. All FIs and some DNFBPs, including casinos, TCSPs, notaries and real estate agents interviewed, demonstrated knowledge of EDD requirements for PEPs as outlined in the Provision and Guidelines issued by the respective AML/CFT supervisors, which require screening to identify PEPs. PEP screening is common across financial institutions and DNFBPs such as casinos, notaries, TCSPs and real estate agents, who utilise technology/compliance screening software to conduct PEP screening. Some entities screen on a daily basis or in real-time using various commercial screening tools across platforms, such as PEP Caribbean, World-Check and internet searches to identify potential PEPs, particularly foreign PEPs. Domestic PEPs are identified more easily as the jurisdiction is relatively small and domestic PEPs are commonly known. It was noted that across FIs and DNFBP sectors, there are different approaches to onboarding PEPs. Some entities require management approval prior to the establishment of a relationship and/or conducting transactions with PEPs. In other cases, approval by a compliance/onboarding committee was required where the client or accounts were classified as high risk, due to the involvement of a PEP. FIs and some DNFBPs, particularly TCSPs, real estate agents and notaries, also indicated that CDD documents of PEP are regularly updated as part of their EDD procedures.

361. FIs, specifically larger banks and MTCs, have policies and procedures in place for the onboarding and monitoring of PEPs. Information such as the source of wealth is required, and the activity on the account is subject to ongoing monitoring. All PEPs are classified as high risk by these FIs. Land-based casinos and online gaming operators reported having different mechanisms for identifying PEP, due to the face-to-face and remote nature of their respective operations. However, land-based casinos and online gaming operators apply EDD measures when dealing with PEPs and obtain full KYC details, including source of wealth and source of funds. Where the PEP is unable or unwilling to provide the necessary information, the casino promptly discontinues all interactions with the individual.

362. Interviews conducted indicate that most casinos and real estate agents have a limited number of PEPs as customers or have not rendered any services to PEPs within a full calendar year. Some entities, such as TCSPs, casinos, notaries and real estate agents, also require customers to declare whether they are PEPs when completing KYC forms as part of the CDD process. The challenge for such entities is identifying the close associates of PEPs. The self-declaration method for PEP identification creates the potential for misapplication of EDD measures. Moreover, the challenges associated with identifying close associates may weaken the jurisdiction's ability to mitigate PEP-related risks comprehensively.

Correspondent Banking

363. Banks in Curaçao do not offer correspondent banking services but make use of correspondent banks outside of the jurisdiction (predominantly in the USA). Curaçao International Financial Centre, the International Banking Association (IBA) and Curaçao Banking Association (CBA) all confirmed that correspondent banking in Curaçao has undergone significant changes over the past two decades, influenced by international financial regulations and economic shifts. Historically, the sector was robust, with 30 banks operating in 2007, contributing 10% to the GDP. However, recent years have seen a contraction, with only 18 banks remaining in 2024, and their contribution to GDP declining to an estimated 3.5%. This reduction aligns with the increased regulatory scrutiny and tax information exchange agreements aimed at increasing transparency and reducing tax evasion. These changes imposed more stringent compliance requirements on financial institutions, leading many to scale back their operations or exit the market altogether.

364. In 2023, in an effort to update correspondent banking information, the CBCS issued a survey and a questionnaire to the banks in Curaçao. The survey collected data on the types of providers, values, volumes and corridors of correspondent banking transactions and other relevant information. The questionnaire collected data on the nature of the relationships between banks in Curaçao and their correspondent service providers, and the methods used by banks in Curaçao to assess and manage their correspondent banking relationships. The CBCS concluded that most banks take the following measures to address correspondent banking concerns: (i) strengthen compliance programs, (ii) restrict business in certain markets and with certain clients, (iii) timely reporting of audited financial statements, updated and approved policies, procedures and strategic plans, (iv) submission of internal and external audits and client's risk assessments and (v) reinforce client selection process, documentation process of all transactions and increase regular contact with correspondent banks. Banks have also taken the following measures to ensure continued access to the international payment system: (i) ensure appropriate customer identification program, (ii) limit new accounts of high-risk sectors and PEPs, (iii) enhanced due diligence on clients and transactions, (iv) perform periodic screening on sanction list, (v) implement tailor made training program, (vi) prioritise requests of the correspondent banks and (vii) regular communication with the correspondent banks.

New Technologies

365. The assessors note that Curaçao has implemented AML/CFT measures related to the integration of new technologies. Art. 5d of the NOIS requires FIs and DNFBPs to pay special attention to AML/CFT/CPF risk related to new or existing technologies that promote anonymity. The assessors were advised that prior to the implementation or use of new technologies, FIs and DNFBPs have engaged with their respective supervisors, resulting in a collaborative approach to mitigate associated risk. None of the industry representatives interviewed indicated providing services to entities that trade in or utilise VAs. Most interviewees indicated their apprehension and risk aversion on matters related to these types of technologies. However, during the period, one DNFBP and one casino sought advice from the CBCS and GCB, respectively, regarding new technologies. In the case of the CBCS, a DNFBP sought advice on digitalising its operations, including record-keeping processes. Advice was provided to ensure that transitioning from hardcopy to digital records continued to meet the requirements of the NOIS and NORUT to provide information to competent authorities upon request. The GCB also provided advice to one casino seeking to implement a mobile gaming application. The application presented risks associated with anonymity and easy conversion of credits into cash. Based on the GCB's guidance, the risks were mitigated by only allowing non-cash convertible points to be accumulated via the application. However, points could be converted to slot machine credits. The risk of anonymity was addressed by requiring point conversion to be conducted only through the use of a casino player card.

Wire Transfers

366. FIs and MTCs in Curaçao have established comprehensive policies and procedures to ensure the transparency and traceability of wire transfers. These measures mandate the inclusion of specific information about the originator and beneficiary in cross-border wire transfers. During the interviews, MTCs exhibited enhanced knowledge of the AML/CFT risk faced by their sector, and all agreed with the risk identified in the NRA. All indicated that post the NRA, they updated their respective policies and procedures to address the risk identified. For example, there has been increased transaction monitoring activity, creation of high-risk customer lists for enhanced monitoring, deeper and more frequent analysis of transaction patterns and requests for additional information when customers are flagged in the system.

Targeted Financial Sanctions and High-Risk Countries

367. Curaçao has established a legislative framework and systems that facilitate the implementation of targeted financial sanctions (TFS) in line with Recommendation 6, particularly concerning designations

under United Nations Security Council Resolutions (UNSCRs) 1267/1989, 1988, and 1373. Curaçao has not identified or frozen any assets belonging to individuals or entities designated by the UN, nor has there been any domestic proposals for designation or freezing or any proposals submitted by other countries.

368. FI's and DNFBPs conduct screening and transaction monitoring against the lists of high-risk individuals and countries provided by OFAC, the EU and the FATF, which is integrated into their daily operations. Larger FIs, including banks and MTCs, as well as DNFBPs, have implemented measures to screen against the names of persons and entities designated by the UN, or where the compliance function is outsourced, screening is performed by the relevant third party.

369. However, the assessment team noted that CBCS' TFS notifications are sent to FIs and DNFBPs in writing within seven days after the sanction list has been updated. This process creates a gap in the timeliness of communicating updates, where FIs and DNFBPs rely on this update to perform their TFS reporting obligations.

5.2.5. Reporting Obligations and Tipping off

370. FIs and DNFBPs are aware of their reporting obligations and are required to submit objective and subjective UTRs to the FIU via the electronic reporting portal, which replaced the existing system in 2021 (See table 3.4). Objective UTRs are associated with threshold reporting (NAf 20,000.00/USD11,173.18 or over). However, the threshold for reporting is set lower for casinos at NAf 5,000.00 USD2,793. This is seen as a baseline of AML/CFT vigilance since these reports ensure that transactions meeting specific criteria are automatically flagged for review, thus providing a systematic approach to monitoring and compliance. Subjective UTRs are related to red flags or suspicious indicators built into the electronic reporting system. Most FIs and DNFBPs are registered with the FIU to access the reporting platform; however, some reporting entities are yet to transition from the old system. The reporting/compliance officer of the respective FIs and DNFBPs manages access to the portal.

371. Banks met their reporting obligation during the period and filed 156,081 objective UTRs and 3,186 subjective UTRs. Banks submit subjective UTRs by relying on well-established, automated transaction monitoring systems and risk-based frameworks, despite the high volume of transactions. The volume reflects the sector's scale, automation, and maturity of AML/CFT systems, which incentivises them to adopt more structured methods for UTR filings.

372. The MTC sector, which faces high risk due to cash handling and remittances involving jurisdictions like Colombia, reported 3,862 objective UTRs and 1,033 subjective UTRs. The high number of submissions is in line with the high risk identified for the sector. The significantly high number of subjective UTRs indicates MTCs' compliance with their reporting obligations, understanding of customer profiles, as well as their ability to monitor and analyse customer behaviour and transaction patterns to identify unusual transactions. This reflects active engagement in risk-based reporting, aligned with their assessed risk.

373. Online casinos filed a total of 214,332 UTRs between 2019 and 2023 as a result of addressing backlog reporting. Of these, 214,260 were objective UTRs and 72 were subjective UTRs. During the period, land-based casinos filed a total of 9,976 UTRs; of these, 9,949 were objective and 27 were subjective. The extremely low number of subjective UTRs from both sub-sectors raises concerns, especially as casinos are classified as high-risk due to their cash-intensive nature. Casino representatives interviewed demonstrated knowledge of sector-specific indicators to detect suspicious activity. However, the level of subjective UTR reporting suggests a possible need for additional training or increased transaction monitoring.

374. Real estate agents, TCSPs, lawyers, accountants and notaries collectively submitted a total of 200 UTRs. Of these, 172 were subjective UTRs and 28 were objective UTRs. While the subjective proportion

is high, the overall volume is very low, especially considering the risks identified in the NRA, e.g., the use of legal persons for ML, the abuse of escrow accounts, and real estate transactions. Notably, jewellers did not submit any UTRs during the period, despite being cash-based.

375. Despite the presence of robust reporting infrastructure and legal obligations, the effectiveness of the reporting system is constrained by disproportionate level of objective UTR reporting in high-risk sectors (e.g., banks, casinos); very low reporting levels of high-risk DNFBPs, particularly real estate agents; and lack of evidence that UTR data informs broader AML/CFT efforts.

Tipping off

376. Legislative requirements prohibit legal representatives and employees of FIs and DNFBPs from disclosing the submission of a UTR. The assessors noted that, particularly FIs and MTC's, are cognisant of the legal prohibition against disclosing information related to the filing of UTRs. These institutions are also aware of the potential penalties for non-compliance with their statutory obligations. Financial institutions and DNFBPs have authorisation requirements embedded in their reporting procedures to prevent unpermitted access to such information. The FIU electronic reporting portal also allows for access management, which depends on the role of each individual in the reporting process. In 2020 and 2021, the GCB provided guidance to its supervised entities on tipping off through multiple cases on this topic.

377. FIs and DNFBPs have implemented comprehensive training programs for their staff, including board and frontline employees, focusing on obligations related to identification, reporting, and non-disclosure of UTRs. FIs and DNFBPs also incorporated non-disclosure provisions into their internal policies and procedures. Generally, FIs and DNFBPs demonstrate reporting autonomy given to the MLROs/compliance officers, who are typically responsible for reporting and management of client relationships post-reporting, to ensure confidentiality and mitigate the risk of third-party disclosure. To date, no sanctions have been imposed for tipping-off or violations of the non-disclosure provisions, suggesting a high level of compliance.

5.2.6. Internal controls and legal/regulatory requirements impending implementation

378. FIs, inclusive of banks and MTCs, as well as DNFBPs such as casinos and TCSPs in Curaçao, generally maintain internal AML/CFT/CFP policies and procedures. However, the robustness of these controls varies across sectors. Larger FIs typically employ a team of qualified compliance professionals with dedicated staff and resources within a specialised department. They utilise specialised AML/CFT/CFP technology to support the effective execution of their duties and address AML/CFT/CFP matters such as vetting prospective clients during onboarding, implementation of CDD and EDD measures, monitoring existing clients' accounts, tracking AML/CFT/CFP trends for potential threats and vulnerabilities, and regularly updating compliance manuals, policies, procedures, and training programs. In smaller institutions, these functions are performed by the compliance officer rather than a full department.

379. The majority of the larger FIs employ both internal and external auditors to ensure proper adherence to AML/CFT/CFP functions. These audits are typically conducted annually, and the findings are reported to the CBCS. Financial institutions are required to document and implement incident reporting procedures and provide the CBCS with data on internal controls during the sectoral risk assessments annually. Many DNFBPs, such as larger casinos and TCSPs, also engage external auditors to review their AML/CFT/CFP compliance framework. Some of these entities have also established internal audit functions.

380. DNFBPs that are part of larger international organisations, such as some TCSPs and accountants, as well as some casinos, have implemented compliance frameworks and appointed dedicated compliance officers or departments. All DNFBPs are mandated to appoint a Compliance Officer/MLRO, and the

assessors noted that all interviewees complied with this requirement as the notaries, casinos, real estate agents, lawyers, TCSPs and accountants interviewed have appointed in-house compliance officers/MLROs who oversee the implementation of their internal controls/compliance manuals. DNFBPs, including some real estate agencies and notaries, have compliance functions that are either performed by staff members with other primary responsibilities or outsourced to experienced compliance service providers. Larger casinos typically have an established compliance function with full-time compliance officers. Internal audits for DNFBPs such as casinos and TCSPs include an examination of compliance materials, training and development plans, training logs, and UTR filing logs.

381. The assessors noted that some real estate agents and jewellers reported having basic controls and procedures in place, which is common for single-owned and small DNFBPs. The majority of DNFBPs, including casinos, notaries, and TCSPs, appear to have adequate resources to perform their AML/CFT/CFP functions. Those lacking in-house expertise or resources, such as some real estate agents, notaries and small casinos, engage external consultants to assist with compliance functions. These consultants also provide AML/CFT/CFP training to staff members and sanctions screening services, enhancing the overall compliance capabilities of these entities. Preventative measures implemented by VASPs operating in Curaçao could not be determined since VASPs did not participate in the onsite interviews.

Overall conclusion on IO.4

382. FIs and DNFBPs generally demonstrated a good understanding of ML risk and AML obligations. Banks, TCSPs, and land-based casinos exhibit the most robust compliance frameworks, with strong internal controls, staff training, and independent audits. However, the understanding of TF risks is limited across all sectors. Compliance is weaker in sectors such as real estate agents, jewellers, and some smaller law and accounting firms.

383. Risk-based approaches are widely applied by banks and TCSPs, which use transaction monitoring systems, EDD, and regular training. Casinos also apply CDD and monitor transactions, but the number of subjective UTRs remains low. Notaries, as well as internationally affiliated accounting firms and larger law firms, follow structured compliance procedures. By contrast, independent real estate agents, jewellers, and solo-practising lawyers noted basic or ad hoc compliance systems and often rely on external consultants for AML support.

384. CDD and record-keeping measures are generally in line with legal requirements. EDD is implemented in higher-risk scenarios involving PEPs or clients from high-risk jurisdictions, but practices vary across sectors. Most entities, including banks, casinos, and TCSPs, using commercial databases, though identifying close associates of PEPs remains a challenge.

385. Correspondent banking services are not offered by local banks in Curaçao, but they rely on international correspondent banks. Due to global regulatory pressures, the sector has shrunk in recent years. Institutions have enhanced compliance to retain access to the international financial system. The use of new technologies is approached cautiously; when adopted (e.g., by one TCSP and one casino), it is done under regulatory guidance to mitigate anonymity risks.

386. FIs and DNFBPs report transactions via the FIU reporting portal, though reporting levels vary. Banks and MTCs submitted high volumes of both objective and subjective UTRs. However, casinos, despite their high-risk and cash-intensive nature, reported disproportionately few subjective UTRs. Notaries and TCSPs made some reports, but jewellers submitted none during the review period, raising concerns.

387. Tipping off is prohibited by law. FIs and MTCs in particular demonstrated awareness of these rules, incorporating them into staff training and internal procedures to ensure the confidentiality of reports.

388. Internal controls are well developed among banks, TCSPs, and larger casinos, which often employ dedicated compliance teams and conduct internal and external audits. DNFBPs with international affiliations such as some accounting firms and TCSPs also maintain formal compliance structures. In contrast, individual real estate agents, jewellers, and some notaries tend to have limited resources and often outsource compliance functions. This reliance on external consultants is common for risk assessments, training, and sanctions screening.

Curaçao is rated as having a moderate level of effectiveness for IO.4.

Chapter 6. SUPERVISION

6.1. Key Findings and Recommended Actions

Key Findings

- a) Curaçao has established a sound AML/CFT supervisory framework through the CBCS and the GCB, all of which have documented risk-based supervisory policies. However, the FIU Supervisory Department has not developed or implemented a risk-based supervisory framework, and the supervisory approaches for VASPs and the online gaming sector are yet to be implemented.
- b) The CBCS has implemented a stringent licensing process for FIs and TCSPs, which includes thorough fit-and-proper testing to prevent criminals from entering the market. The GCB also applies robust licensing and fit-and-proper requirements for the gaming sector, ensuring that operators meet high standards of integrity. This process has contributed to maintaining a controlled and compliant gaming environment. However, the FIU's registration process for DNFBPs does not include a fit and proper vetting process to prevent criminals and their associates from owning or controlling DNFBPs, which is compounded by resource constraints.
- c) Supervisors demonstrated varying levels of risk understanding. The CBCS has a general understanding of risk and has developed tools to conduct risk assessments for its supervised sectors, but has not demonstrated its implementation. The GCB has a reasonably strong understanding of risk for land-based casinos and is still developing its understanding of risk for the online gaming sector. It conducted risk assessments for each casino and received risk assessments from each casino it supervises. The FIU supervision department demonstrated a general awareness of sector risks, but does not apply a structured risk assessment system.
- d) On-site inspections by CBCS and FIU were limited in coverage, especially for high-risk sectors such as banks and real estate. The CBCS inspected only a small proportion of institutions annually (0.6% to 4.2%). Several other sectors, including securities intermediaries, asset managers and investment institutions, received no inspections during the review period. The FIU also conducted very few on-sites and did not demonstrate the application of a risk-based approach. The inconsistency in applying risk-based supervision across all sectors could lead to vulnerabilities, particularly in areas not receiving adequate attention. The GCB applied comprehensive risk-based supervision for all land-based casinos; however, no inspections were conducted on online gaming providers since the supervisory framework was still in its nascent stages at the time of the onsite.
- e) The CBCS, GCB, and FIU have made significant efforts to enhance understanding of AML/CFT obligations among their supervised entities through training, workshops, and the issuance of guidelines. However, further outreach is needed, especially in sectors such as real estate agents and jewellery that are less engaged or where risk understanding needs improvement.
- f) Supervisors underutilise sanctions, reducing the dissuasiveness of the AML/CFT sanctioning regime. The CBCS and GCB rely heavily on informal remediation, and the FIU has not applied administrative penalties despite identifying non-compliance. This collaborative approach may reduce the effectiveness of enforcement and fail to deter repeat offences. There are also documented follow-ups to assess risk mitigation or remediation.

Recommended Actions

- a) Curaçao should take steps to implement a supervisory approach for VASPs and the online gambling sector to ensure they comply with AML/CFT obligations and address the current supervision gap. The FIU Supervision Department should develop and implement a risk-based supervisory approach to effectively supervise the sectors under its regulatory remit.
- b) Additional resources should be allocated to the FIU's Supervision Department to strengthen its capacity for supervising DNFBPs, particularly its ability to conduct comprehensive fit and proper tests for DNFBPs. The supervision department should also develop and implement measures to prevent criminals and their associates from holding a significant or controlling interest or holding a management function in or being the beneficial owner of a DNFBP under their regulatory remit.
- c) The CBCS should implement the risk assessment tools and measures developed to ensure an ongoing understanding of risk in and across supervised sectors. The FIU and GCB should develop and implement measures to identify, assess, and understand risk in and across the DNFBP and online gambling sectors, respectively.
- d) The CBCS and FIU should comprehensively extend their risk-based supervision approaches to cover all high-risk sectors, ensuring consistency in applying AML/CFT supervisory measures across all supervised entities. Both CBCS and FIU should implement measures to ensure the number and intensity of inspections are commensurate with the size and risk of the supervised sectors. The GCB should implement measures to enable effective compliance inspections in the online gambling sector.
- e) The supervisors should continue to expand their training and outreach efforts to ensure that all supervised sectors are fully informed of their AML/CFT obligations and ML/TF risk, including emerging risks. Supervisors should develop structured training strategies to ensure that sectors that face medium-high risk understand and apply AML/CFT obligations effectively.
- f) Supervisors should make greater use of the available sanctions in cases of non-compliance to enhance deterrence and ensure the effectiveness of their enforcement actions.

389. The relevant Immediate Outcome considered and assessed in this chapter is IO.3. The Recommendations relevant for the assessment of effectiveness under this section are R.14, 15, 26-28, 34, 35 and elements of R.1 and 40.

6.2.Immediate Outcome 3 (Supervision)

390. Curaçao's AML/CFT supervisory functions are carried out by three supervisory authorities. The CBCS is responsible for AML/CFT supervision and monitoring of FIs and TCSPs. The FIU is responsible for the supervision and monitoring of DNFBPs, and the Gaming Control Board is responsible for the supervision and monitoring of land-based and online casinos

391. The assessors interviewed each supervisor to determine the scope, intensity and application of risk-based supervisory strategies. Greater focus was placed on understanding the effectiveness of supervision for FIs (particularly banks and MTCs) and DNFBPs (particularly TCSPs and online casinos) based on the ML/TF risks associated with these sectors, materiality (size and importance of the sectors) and the impact on the global financial system.

392. There is no prohibition of virtual assets and/ or VASPs in Curaçao. Before enacting the ordinance for AML/CFT/CFP supervision of VASPs, the CBCS took proactive steps to gather information on VASP operations and virtual asset activity within the jurisdiction. These efforts were made in anticipation of including VASPs under the AML/CFT supervision framework through amendments to the NOIS and NORUT. The amendments to these ordinances, which took effect in May 2024, formally placed VASPs under the CBCS's supervision for AML/CFT compliance. As a result, the VASP sector was not subject to AML/CFT supervision or oversight in line with the requirements of R.15 between 2019 and 2023. Given the absence of supervision during the review period, it was not possible to assess the effectiveness of measures concerning VASPs under Immediate Outcome 3. Consequently, this chapter does not include further analysis of VASPs. The Technical Compliance Annex assesses Curaçao's compliance with R.15.

6.2.1. Licensing, registration and controls preventing criminals and associates from entering the market

CBCS

393. The CBCS oversees the licensing and supervision of FIs and TCSPs. All FIs operating in or from Curaçao must obtain a license, dispensation, or registration from the CBCS. This is mandated by various supervisory National Ordinances, such as the National Ordinance on the Supervision of Banking and Credit Institutions (NOSBCI), the National Ordinance on the Supervision of Insurance Companies (NOSII), and others. Service providers supervised by the CBCS, such as credit institutions, insurance companies, and MTCs, have specific licensing requirements outlined in their respective ordinances.

394. To prevent criminals and their associates from being BOs or holding significant or controlling interests in an FI, all candidate policymakers and holders of qualifying interests in FIs are subject to integrity and suitability testing following the CBCS's Policy Rule on Integrity Testing. Applicants must provide comprehensive data for the CBCS to assess their eligibility. Overall, the CBCS has established a detailed process for licensing FIs and TCSPs, designed to ensure that only entities meeting the highest standards of integrity, competence, and financial soundness are approved. However, as evidenced by the data, the implementation of this process is not always evident in practice, as there were few rejections across most sectors, e.g., high-risk ones like trust service providers and insurance. Table 6.1 below includes statistics on integrity and suitability testing by the CBCS.

- a) *Step 1—Application Submission:* Applicants must submit a comprehensive application form that includes detailed information about the institution's structure, ownership, business activities, and financial standing. For both financial institutions and TCSPs, additional documents required include the curriculum vitae and copies of valid passports for key personnel, an extract from the trade register of the Chamber of Commerce for legal entities, notarised copies of Articles of Association for legal entities, and the names and addresses of shareholders and key decision-makers. TCSPs are further required to provide partnership agreements detailing the partners and their roles.
- b) *Step 2—Document Verification:* The CBCS verifies the authenticity and completeness of all submitted documents. If the initial submission is deemed insufficient, additional information will be requested to ensure the applicant provides all necessary details.
- c) *Step 3—Evaluation Process:* During the evaluation process, the CBCS conducts thorough due diligence on UBOs, direct and indirect shareholders, and key persons. The assessment includes evaluating the competence and integrity of the applicants based on the CBCS's Policy Rule on Integrity Testing, as well as their financial health and stability to ensure sustainable operations. The applicants' technological infrastructure and operational procedures are also scrutinised to ensure they meet the required standards for security and fairness.
- d) *Step 4—Decision Making:* After completing the evaluation, the CBCS decides whether to grant or deny a license.

- e) *Step 5—Post-License Monitoring:* Post-license monitoring involves continuous oversight of licensed entities to ensure compliance with AML/CFT requirements. This is achieved through a combination of automated and manual assessments. In the case of financial institutions, this includes regular financial and operational audits to ensure ongoing compliance with regulatory standards. TCSPs must continuously update the CBCS on any significant changes in business operations, such as changes in shareholders or key personnel, and submit annual accounts and statements confirming the availability of required client data.

395. The Cross Supervision department of the CBCS consists of ten employees and focuses on supervisory activities conducted similarly across different sectors. The department coordinates the licensing process, including overseeing the voluntary revocation of licenses and conducting fit and proper tests. The licensing process ensures that institutions meet high integrity and financial standards before entry into the market, as shown in Table 6.1. Additionally, it advises on supervisory measures Account Supervision takes when formal intervention in ongoing supervision is warranted. The department also responds to illegal operations detected by the CBCS or reported by third parties. For example, in 2018, the CBCS identified a pyramid scheme through open sources and addressed the institution's representatives and urged them to immediately cease operations. While the institution ceased operations, three weeks later, they started using another website and name again. The CBCS issued a public warning on its website and in local newspapers, urging the public not to engage in this business and to be vigilant for similar schemes.

396. While the overall licensing process is similar for FIs and TCSPs, there are specific distinctions. The application requirements for financial institutions are outlined in specific ordinances, whereas TCSPs must provide detailed partnership agreements. Additionally, the CBCS makes licensing decisions for TCSPs within 60 days of receiving a complete application or further requested information. Post-license requirements also differ, with FIs focusing on regular audits and TCSPs required to submit annual AML/CFT questionnaires and maintain up-to-date client data.

397. After obtaining a license or dispensation, FIs must continue to comply with the regulatory requirements set forth in the respective supervisory National Ordinances. They must report regularly to the CBCS and are subject to on-site and off-site examinations to ensure ongoing compliance. The CBCS prohibits FIs from engaging in or maintaining relationships with shell banks. FIs must ensure that their foreign correspondents do not permit their accounts to be used by shell banks.

398. Licensed institutions must obtain written approval from the CBCS before appointing new policymakers, co-policymakers, or holders of qualifying interest at the point of market entry and when institutional changes are made. Integrity and fitness testing is conducted for these individuals in a supervised entity at the time of market entry and on an ongoing basis to ensure that individuals in key positions meet necessary integrity standards. The CBCS conducts extensive background checks on BOs, directors, and senior management, and employs a cross-sectoral supervisory approach utilising information from public agencies, open and other sources to ensure the legitimacy and integrity of these individuals.

399. Applicants must submit comprehensive documentation, including information on shareholders, policy makers, and BOs, along with a notarised personal questionnaire for all relevant persons. The integrity testing at market entry involves comprehensive background checks, including candidate screening of criminal, financial, tax, supervisory, and other relevant records. The CBCS also uses external bureaus and relevant competent authorities (both local and foreign) to provide additional information on applicants. Applicants are also assessed on their knowledge and competence for their respective positions. The CBCS will not issue a license if applicants do not pass the fitness and integrity tests.

Table 6.1. Integrity and suitability testing by the CBCS 2019-2023

| Sector | Applications Received | Applications Processed | Applications Approved | Applications Rejected | Applications Pending Approval |
|---|-----------------------|------------------------|-----------------------|-----------------------|-------------------------------|
| 2019 | | | | | |
| <i>Banks (local/international/credit unions)</i> | 29 | 29 | 29 | 0 | 0 |
| <i>Life Insurance</i> | 36 | 36 | 36 | 0 | 0 |
| <i>Insurance Brokers</i> | 6 | 6 | 5 | 1 | 6 |
| <i>Securities Intermediaries & Asset Managers</i> | 2 | 2 | 2 | 0 | 0 |
| <i>Investment Institutions</i> | 9 | 9 | 9 | 0 | 0 |
| <i>Trust & Company Service Providers</i> | 25 | 25 | 25 | 0 | 0 |
| <i>Money or Value Transfer Services</i> | 0 | 0 | 0 | 0 | 0 |
| 2020 | | | | | |
| <i>Banks (local/international/credit unions)</i> | 21 | 21 | 20 | 1 | 0 |
| <i>Life Insurance</i> | 49 | 49 | 49 | 0 | 0 |
| <i>Insurance Brokers</i> | 1 | 0 | 0 | 0 | 1 |
| <i>Securities Intermediaries & Asset Managers</i> | 5 | 5 | 5 | 0 | 0 |
| <i>Investment Institutions</i> | 10 | 10 | 10 | 0 | 0 |
| <i>Trust & Company Service Providers</i> | 11 | 11 | 11 | 0 | 0 |
| <i>Money or Value Transfer Services</i> | 0 | 0 | 0 | 0 | 0 |
| 2021 | | | | | |
| <i>Banks (local/international/credit unions)</i> | 60 | 60 | 49 | 10 | 1 |
| <i>Life Insurance</i> | 56 | 56 | 49 | 3 | 4 |
| <i>Insurance Brokers</i> | 2 | 3 | 2 | 0 | 2 |
| <i>Securities Intermediaries & Asset Managers</i> | 34 | 34 | 27 | 2 | 5 |
| <i>Investment Institutions</i> | 2 | 2 | 1 | 0 | 1 |
| <i>Trust & Company Service Providers</i> | 38 | 38 | 38 | 0 | 0 |
| <i>Money or Value Transfer Services</i> | 0 | 0 | 0 | 0 | 0 |
| 2022 | | | | | |
| <i>Banks (local/international/credit unions)</i> | 103 | 103 | 85 | 11 | 7 |
| <i>Life Insurance</i> | 45 | 45 | 34 | 2 | 9 |
| <i>Insurance Brokers</i> | 1 | 1 | 1 | 0 | 1 |
| <i>Securities Intermediaries & Asset Managers</i> | 22 | 22 | 21 | 0 | 1 |
| <i>Investment Institutions</i> | 29 | 29 | 10 | 6 | 13 |
| <i>Trust & Company Service Providers</i> | 48 | 48 | 43 | 1 | 4 |
| <i>Money or Value Transfer Services</i> | 0 | 0 | 0 | 0 | 0 |
| 2023 | | | | | |
| <i>Banks (local/international/credit unions)</i> | 56 | 56 | 31 | 5 | 20 |
| <i>Life Insurance</i> | 79 | 79 | 56 | 3 | 20 |
| <i>Insurance Brokers</i> | 3 | 2 | 1 | 0 | 3 |
| <i>Securities Intermediaries & Asset Managers</i> | 8 | 8 | 2 | 0 | 6 |
| <i>Investment Institutions</i> | 3 | 3 | 2 | 0 | 1 |
| <i>Trust & Company Service Providers</i> | 43 | 43 | 29 | 4 | 10 |
| <i>Money or Value Transfer Services</i> | 1 | 1 | 1 | 0 | 0 |

400. CBCS also monitors the integrity and fitness of approved policy makers, co-policy makers and (direct or indirect) holders of a qualifying interest on an ongoing basis by conducting periodic integrity testing every three years, or more frequently if warranted by specific triggers. If an individual's integrity or fitness is questioned, the CBCS has the authority to prevent that person from holding or continuing to hold positions or being active in the financial sector of Curaçao and Sint Maarten. For example, the CBCS has

the authority to request the resignations of such persons. The CBCS has taken proactive measures to regulate the VASP sector, promoting awareness of AML/CFT obligations through public consultations, training, and awareness sessions even before formal legislation was enacted. This includes exploring the use of blockchain analytics to enhance supervision.

Box 6.1. Integrity not beyond doubt

During the review period, the CBCS identified, using the registry of the Commercial Register, a person appearing as a policymaker of an FI for which the CBCS had not approved to act as such. The CBCS addressed the FI and requested submission of the required documents to perform the integrity testing and the fit and proper test. Upon review of the personal questionnaire and documents, the CBCS noticed that the applicant failed to report an incident in which it was involved. The CBCS was duly aware of this since another financial institution had reported the incident.

The CBCS addressed the issue with the applicant, and the latter could not provide the CBCS with a satisfactory answer as to why it failed to disclose the incident to the Bank. Therefore, the applicant's integrity was not found to be beyond doubt to be active in the financial sector supervised by the CBCS. The CBCS's judgment was based on the outcome of the document review and the person's failure to report the incident.

Considering that the person voluntarily resigned from the position in question, there was no longer a need to issue a formal decision on the request for permission to appoint the person as a policymaker of the financial institution.

GCB

401. The GCB oversees licensing in the gaming sector. Land-based casinos are granted a license for a period of three years. In cases where applicants meet integrity test requirements but have minor conditions outstanding, provisional licenses are granted for up to six months. The license application process includes both a casino license application and a personal license application, which must be submitted by all applicants along with the relevant supporting documents. The casino license application form is accompanied by information regarding the applicant, the hotel operations, the casino operations, AML/CFT procedures and policies and the games available at the casino. The licensing department, which is responsible for the process, assesses the applications and distributes the information for further processing to other relevant departments. During the period under review, the GCB received 12 license applications, 11 of which represented renewals, and one of which represented a new license application. All applications were approved.

402. Personal licenses pertain to specific casino licenses. They are required for any natural or legal person holding a direct or indirect financial interest in the casino and apply to every shareholder (natural or legal person). The GCB conducts fit and proper tests for (natural or legal) persons holding a direct or indirect financial interest in the casino, persons holding management positions and the casino manager. Checks on criminal and financial history and level of expertise are conducted to determine: (i) whether a person has a criminal background, is suspected of criminal practices or have links with criminals; and (ii) persons financial history and standing, including whether they have ever been declared bankrupt, placed under financial guardianship or held a management or policy maker position of an organisation that has been in financial difficulties and the extent of their role. The casino manager's expertise, professional knowledge and experience are also tested, and the casino manager must submit a curriculum vitae along with copies of diplomas and certificates.

403. Once the applicant has provided all the relevant information and satisfied the application requirements, the licensing department advises the GCB's Board of Directors whether an applicant is eligible for a casino license and the related personal licenses. The GCB's Board of Directors can reject an application based on the assessment results.

Table 6.2. Integrity and suitability testing by the GCB 2019-2023

| Supervised sector | Applications Processed | Applications Approved | Applications Rejected | Applications Pending Approval |
|---------------------------|------------------------|-----------------------|-----------------------|-------------------------------|
| 2019 | | | | |
| <i>Land-based Casinos</i> | 9 | 9 | 0 | 0 |
| <i>Online Casinos</i> | 0 | 5 | 0 | 0 |
| <i>Lotteries</i> | 25 | 25 | 0 | 0 |
| 2020 | | | | |
| <i>Land-based Casinos</i> | 16 | 16 | 0 | 0 |
| <i>Online Casinos</i> | 0 | 5 | 0 | 0 |
| <i>Lotteries</i> | 25 | 25 | 0 | 0 |
| 2021 | | | | |
| <i>Land-based Casinos</i> | 50 | 50 | 0 | 0 |
| <i>Online Casinos</i> | 8 | 5 | 0 | 0 |
| <i>Lotteries</i> | 25 | 25 | 0 | 0 |
| 2022 | | | | |
| <i>Land-based Casinos</i> | 10 | 10 | 0 | 0 |
| <i>Online Casinos</i> | 8 | 5 | 0 | 0 |
| <i>Lotteries</i> | 23 | 23 | 0 | 0 |
| 2023 | | | | |
| <i>Land-based Casinos</i> | 15 | 15 | 0 | 0 |
| <i>Online Casinos</i> | 42 | 51 | 0 | 17 |
| <i>Lotteries</i> | 2 | 2 | 0 | 20 |

404. Prior to November 2023, the GCB issued master licenses to online gaming operators who could then issue sub-licenses to other online gaming operators. In this case, the GCB did not have direct regulatory oversight of sublicense holders, and the master license holder was responsible for ensuring sublicense holders met their AML/CFT obligations. At the time of the onsite, Curaçao was in the process of changing its gaming legislation. In anticipation of changes to the gaming legislation, the Minister of Finance of Curaçao authorised the resumption of online gaming license issuance. However, the current online gaming legislation, the NOOGH, was still in force and effect. On this basis, the GCB could grant licenses directly to all operators, effectively discontinuing the practice of master licensees issuing sublicenses. The new policy gives the GCB direct oversight of all operators, in line with the pending legislative changes, to enhance regulatory control and further mitigate ML/FT risks to foster a more sound and reliable online gaming industry.

405. In transitioning from the old to the new licensing policy, five online master license holders were granted licenses before November 2023. The GCB received seven applications for extensions of existing master licenses and approved six. The license extension process included a detailed process as outlined below:

- a) *Step 1—Application phase:* Applicants submit an extension request letter.
- b) *Step 2—Assessment phase A:* The GCB's licensing department reviews and assesses the application and approves the supporting documents. The licensing department may request additional information from the applicant where necessary.

- c) *Step 3—Assessment phase B - Fit and Proper Test:* A fit and proper test is conducted for any (natural or legal) person holding a direct or indirect financial interest in an online gaming license and persons holding management positions in online gaming businesses.
- d) *Step 4—Decision phase—Extension of the online gaming license:* Based on the results of the above assessments, the GCB's Board of Directors can approve a one-year extension or reject the application if the applicant is not eligible.

406. As part of the transition process, the GCB issued an initial deadline for existing sublicensees' applications by April 30, 2024. At the initial deadline date, the GCB received 741 license applications. Approximately 60% were from existing sublicense holders, while the remaining were from new operators. The GCB indicated that a second opening for applications from sub-licensees and new applicants will occur on July 15, 2024. The GCB intended to complete processing the initial set of applications by January 2025, and the second set of applications by April 2025 and indicated that the new policy has already shown positive effects, such as improved visibility over operators' AML/CFT policies and the ability to address issues promptly. Apart from applications received due to the transition process, the GCB received 16 online gaming license applications in 2023, of which one license was granted in February 2024.

407. Under the new online gaming policy, gaming operators must register through the GCB's proprietary online portal, which requires detailed KYC and BO information. All operators must be a Curaçao-based entity and must now submit three forms along with supporting documents through the GCB's online portal. These submissions must include detailed information on the corporate applicant via the Online Licensing Application Form (relating to the applicant's intended business), a Personal History Disclosure Form (relating to key persons) and Corporate Disclosure Form (relating to funding, business structures, ownership, finances and projections) as well as provide supporting documentation. The GCB ensures all submitted documents are complete and accurate, verifies the information submitted, and decides to grant or deny a license.

408. The application evaluation process includes thorough due diligence on UBOs, direct and indirect shareholders, and key persons. The financial health and stability of the operators are assessed, as well as the viability of operations. Additionally, the technological infrastructure of the operator is evaluated to ensure it meets the required standards for security and fairness. The personal license application process (fit and proper) in place for land-based casinos is also applied to online gaming license applicants. However, the GCB also examines persons' criminal and financial backgrounds and expertise using online screening platforms and public sources. The financial and expertise test reviews: (i) management and/ or audited accounts to verify the financial robustness of the company, (ii) three-year projections, and (iii) the senior management team's experience regarding prudent financial management, as well as wider executive knowledge and experience in the online gaming sector.

FIU

409. The FIU supervises DNFBPs (except for TCSPs and Gaming Sector), who are required to be registered with the FIU. These are notaries, lawyers, accountants, tax consultants, administrative offices, real estate agents and dealers in precious metals and stones. According to existing procedures, entities must complete the registration form with the following details: the official and trade name of the entity, address and contact information, the registration number from the Chamber of Commerce, the names of the owner(s), directors and/or compliance officer. The registration must be submitted to the FIU Supervision Department via mail along with a copy of the legal identity document (passport, ID) of the entity's owner(s)/director(s) and the compliance officer and a copy of the original extract of the Chamber of Commerce (CoC) signed and stamped by CoC, dated within the last six months. The registration procedures indicate that, once the documents are assessed and approved, a confirmation letter should be issued to the registering entity,

indicating that the entity must also register with the analysis department within 10 working days to access the FIU electronic reporting portal.

410. The FIU conducted a non-registration project in conjunction with the PPO, which targeted unregistered DNFBPs through presentations to the sectors, posting updated information on the website and flyers aimed at raising ML/TF awareness and informing them of their AML/CFT obligations. This project aimed to promote knowledge of the NOIS and NORUT and ensure compliance with the registration requirements. The project was conducted for the real estate sector in 2017 and 2019, targeting entities not registered with the Supervision Department and the Analysis Department. The FIU indicated that the action taken had a positive outcome since entities responded positively by registering with the FIU Supervision Department. Details on the number of entities registered due to the project were not provided.

411. During the onsite visit, the FIU Supervision Department informed the assessors that the FIU Supervision Department does not deny any registration in practice. Applicants are generally required to be licensed by licensing authorities such as the Ministry of Justice for the lawyers, the Governor of Curaçao for the notaries, the Ministry of Finance for accountants and other authorities such as the Chamber of Commerce and the Ministry of Economic Development when applying for registration with the FIU (see table 6.3). Furthermore, the FIU screens the names of managing directors and compliance officers of DNFBPs through commercial databases to identify links to sanctions lists, PEPs, or adverse media. However, this form of name screening does not constitute a fit and proper assessment, as it does not evaluate the individual's competence, qualifications, or integrity. The FIU does not perform fit and proper testing for the DNFBPs it supervised, which may limit the effectiveness of oversight over key functionalities

412. The assessment team noted that the FIU Supervision Department does not deny any registration and that fit and proper tests are not conducted for DNFBPs. The above findings create a vulnerability whereby criminals and their associates may own and/or hold significant interests in a DNFBP. The assessment team weighed this heavily given that the real estate sector, and to a lesser extent the notary sector which are supervised by the FIU, are highly important and face high ML risk. While notaries are subject to certain professional and integrity requirements by virtue of their regulated status, no formal fit and proper test is applied by the FIU in the context of AML/CFT supervision. Furthermore, the FIU faces challenges due to limited resources, with only three staff members in its Supervision Department.

Table 6.3. DNFBP licensing/registration arrangements

| Supervised sector | AML/CFT Supervisor | License/Registration |
|---|------------------------|--|
| Lawyers (Attorneys) | FIU (Supervision Dept) | Must be admitted to the Bar / registered at the Joint Court of Justice (professional requirement). |
| Precious Metals and Stone Dealers (Jewellery Companies) | FIU (Supervision Dept) | Must hold a business license from the Ministry of Economic Development (and, if foreign owned, the Ministry of Justice). |
| Notaries | FIU (Supervision Dept) | Appointed by the Governor in the name of the King (limited number of "seats"). |
| Accountants | FIU (Supervision Dept) | "Name-protected" (CPA/RA) under Curaçao law; subject to professional/ethical rules. |
| Real Estate Agents | FIU (Supervision Dept) | Must hold a business license from the Ministry of Economic Development (and, if foreign owned, the Ministry of Justice). |

6.2.2. Supervisors' understanding and identification of ML/TF risks

413. The understanding of ML risk varies among supervisors in Curaçao. Supervisors' understanding of risk is based on their participation in the NRA, ongoing risk assessment activities and information collected from compliance audits.

CBCS

414. The CBCS demonstrates a general understanding of ML risk mainly through the findings of the 2023 NRA, for example, by identifying high-risk sectors such as banking, money transfer companies, and insurance. This was crucial in shaping the CBCS's approach to supervision and prioritising supervisory activities to ensure that high-risk entities receive focused and intensive oversight.

415. In 2022-2023, the CBCS gradually introduced an AML/CFT/CPF Questionnaire to assess the supervised institutions' ML/TF/PF risks. The AML/CFT/CPF Risk questionnaires are designed to be the fundamental step in understanding ML/TF risk. They are sent to supervised institutions annually to collect information about inherent risks related to clients, distribution channels, geography, products and services. Before 2022, only TCSPs had to submit these questionnaires on the institutions' ML/TF framework, including annual reports. The data from the questionnaires is supplemented by data from a range of other sources, such as the NRA, the FIU, supervisory findings, foreign supervisors and the PPO, to inform the risk assessments further. The CBCS indicated 150 questionnaires were sent to supervised entities during the review period. The CBCS presented sample interface captures of the Supervisory Inquiry Application (SIA), which was developed to house and analyse the data collected from the questionnaires and contains weighting tables for each supervised sector. However, no overview of the results of this analysis was provided.

416. The CBCS understanding of risk informs a tiered supervisory approach whereby there is an integral approach for high-risk entities, a risk-based approach for medium-risk entities and a reactive approach for low-risk entities. For example, investment institutions and trust service providers undergo biannual risk assessments to determine the scope and frequency of onsite inspections. The assessors noted that this approach allows the unique risks associated with each sector to be adequately understood and addressed while allowing the CBCS to allocate supervisory resources efficiently and adjust the degree of supervision based on the risks posed by supervised institutions. Furthermore, the assessors also noted that this framework can inform off-site monitoring, onsite inspections, enforcement actions, and continuous training for supervisors. However, the CBCS did not provide any outcomes or statistics on the number of institutions classified as high, medium, or low risk, or how these risk assessments inform supervisory decisions, such as onsite inspections

417. Therefore, while the CBCS has developed tools and processes to support risk-based supervision, it did not provide evidence of their operational use in practice. As such, risk understanding between different sectors, types of institutions, and individual institutions was not demonstrated.

418. During the on-site visit, Curaçao's understanding of ML/TF risks in the VASPs sector remained very early, as outlined in the analysis under Recommendations 1 and 15. While the 2023 ML NRA broadly acknowledges the risks inherent in technology-driven sectors, it does not comprehensively address the specific vulnerabilities associated with VASPs. Based on these findings, assessors conclude that the CBCS has not achieved an understanding of ML/TF risks in the VASPs sector.

GCB

419. Understanding of the land-based casinos' risk is reasonably strong, in part due to the small size of the sector, the fact that the GCB has knowledge of all participants and based on data collected from previous AML/CFT audits, financial assessments and Minimal Internal Control Standards. The small sector size allowed the GCB to maintain full coverage of all entities, perform frequent and detailed assessments, and react promptly to any changes, contributing to a stronger and more accurate understanding of risk at both the individual and sectoral levels. In 2023, the GCB updated and documented ML risk assessments of the eight land-based casinos under its supervision to optimise the allocation of supervisory resources. Data

from casino operators' annual financial statements, findings from on-site and off-site AML/CFT assessments, interviews with compliance officers, casino managers and management boards and license fee declarations were analysed to ensure that supervisory efforts are effective and impactful.

420. The GCB developed an overall understanding of the sector risks for land-based casinos by conducting risk assessments from August 2023 to May 2024. The assessments considered the sector size, including the revenue, the inherent risk of the entity, customer, product and services (types of games offered) and transaction risk faced by the land-based casinos. The limited number of casinos, combined with similar business models and consistent regulatory oversight, allows the GCB to benchmark performance across the sector and easily identify deviations. The outcomes of the assessments are documented, and the risk of each category for each casino is identified and rated, with six casinos being rated as having medium inherent risk and three having low inherent risk. These risks were cross-referenced against the casinos' mitigation measures to determine the residual risk (1-high, 4-medium, 4-low). Additionally, the GCB incorporates the casinos' risk assessment findings into its risk assessment to amend AML/CFT frameworks where necessary. This approach enables the GCB to maintain a detailed understanding of the unique ML risks within the gaming industry.

421. The GCB has a developing understanding of risk and has made efforts to understand the ML risk in the online gambling sector, particularly since being officially mandated as the supervisor in 2019. The GCB acknowledged the risk in the sector related to the issuance of sublicenses by master license holders. In this case, an account could be opened on a gaming provider's website to enable cash-in and cash-out activities. Introducing the new licensing framework has since mitigated this type of risk. This framework discontinued the practice of master license holders issuing sublicenses and having the responsibility to oversee the compliance of the sub-license holders, thus granting the GCB direct oversight of all license holders.

FIU

422. The FIU shows a foundational awareness of risks in key sectors such as real estate and notaries based on the NRA and its outputs. Additionally, the FIU conducted outreach sessions and on-sites where DNFBPs shared information on their risks. However, despite these outreach sessions and on-sites, the overall understanding of risk is not sufficiently detailed, updated, or operationalised to support effective, risk-based supervision. The supervisory approach remains reactive and rules-based, with no evidence of a structured, risk-informed strategy or resource prioritisation. The risk assessments conducted on the real estate sector and notaries in 2019 are acknowledged. During the onsite visit, the assessors were informed that the FIU receives sufficient information during audits and meetings to identify the selected entities' degree of risk with regard to ML and TF. However, the FIU did not provide evidence of updated sectoral and institutional risk assessment or demonstrated risk understanding within other supervised sectors. No documentation or outputs of such risk analyses were presented. The assessors found no evidence that the information obtained from these engagements was incorporated into risk profiles, sectoral classifications, or prioritisation tools that would guide risk-based supervisory planning.

423. Lastly, while the NRA presented cases in the real estate and jewellery sectors (e.g., a 2020 conviction of a real estate agency for failing to investigate the origin of funds), the assessors found no evidence that such cases were used to reassess sector risks, issue risk advisories, or update supervisory priorities.

6.2.3. Risk-based supervision of compliance with AML/CFT requirements

CBCS

424. The CBCS's supervision department is organised into several sectors, each responsible for different aspects of supervision, namely Supervision Regulation (legislation and policy), Account Supervision (institutions' point of contact), Expert Supervision (risk assessments), and Cross-Sectoral Supervision (licensing and fit and proper testing). This structure allows for a specialised focus on different types of institutions based on their respective risk profiles. The department has 93 staff members, 70 of whom have AML/CFT/CFP activities, which are coordinated to ensure comprehensive oversight of approximately 300 supervised entities.

425. The CBCS's risk-based AML/CFT/CFP supervision is guided by a detailed policy and procedures manual (*Handbook of Policy & Procedures Risk-Based Supervision*), which includes a process for selecting entities for onsite and offsite examinations. However, the CBCS did not demonstrate implementation of the SIA or allocation of risk ratings to supervised entities. Therefore, the risk-based selection of entities for examinations was not demonstrated. For example, the assessors were not provided with an overview of the ratings for the institutions in the different sectors, indicating the level of risk and the responding action as indicated in the policy and procedure manual.

426. The frequency of onsite inspections varied over the five years under review. In 2019, a small number of on-site inspections were conducted across multiple sectors, including banks, money transfer companies, and TCSPs. In 2020, the COVID-19 pandemic significantly restricted the ability of CBCS to conduct on-site examinations, resulting in a shift towards off-site supervision methods, such as questionnaires and desk reviews. This trend continued in 2021, with only two onsite inspections conducted that year. By 2022, onsite inspections resumed, particularly for banks, which received six inspections, and life insurance companies, which received two. In 2023, onsite inspections were conducted for banks and TCSPs, reflecting the continued prioritisation of these higher-risk sectors. However, sectors such as insurance brokers, microfinance companies, and securities intermediaries remained largely outside the scope of onsite supervision. The assessors consider that the onsite inspections represent a very small proportion of the registered entities annually (ranging from 0.6% to 4.2%). Furthermore, there is no evidence that the supervisory frequency or intensity is aligned with the sectoral or institutional risk levels. Lastly, the declining inspection trend indicates a low level of effectiveness and undermines the credibility of the RBA.

427. Examination reports are issued to the supervised institutions and outline findings (shortcomings/violations) and instructions of corrective measures to be taken within a stipulated timeframe. Independent testing is another supervisory tool used to collect and review the number and severity of findings from internal and external audits. The timeframe to remedy the breaches depends on the gravity and frequency of the breaches. For each supervised entity, findings are logged and tracked in the CBCS' electronic monitoring system. Follow-up examinations are conducted, where necessary (e.g. at banks and insurance companies), to ascertain the status of progress made relative to prior examination findings and breaches identified by internal and external audit reviews. Generally, the CBCS noted that compliance levels improved during follow-up visits, as evidenced by fewer deficiencies and a reduced number of recommended corrective actions.

Table 6.4 CBCS on-site inspections

| Supervised Sector | 2019 | | 2020 | | 2021 | | 2022 | | 2023 | |
|---------------------------------|------|---------|------|---------|------|---------|------|---------|------|---------|
| | Reg. | On-site |
| Banks, local and international | 38 | 10 | 36 | 2 | 35 | 1 | 33 | 6 | 32 | 3 |
| Specialised Credit Institutions | 4 | 0 | 4 | 0 | 4 | 0 | 4 | 0 | 4 | 0 |

| Supervised Sector | 2019 | | 2020 | | 2021 | | 2022 | | 2023 | |
|--|------------|-----------|------------|----------|------------|----------|------------|----------|------------|----------|
| | Reg. | On-site | Reg. | On-site | Reg. | On-site | Reg. | On-site | Reg. | On-site |
| Insurance companies (life) | 10 | 2 | 10 | 0 | 10 | 0 | 10 | 2 | 10 | 0 |
| Insurance brokers | 39 | 1 | 38 | 0 | 36 | 0 | 34 | 0 | 36 | 0 |
| Money transfer companies | 3 | 2 | 3 | 0 | 3 | 1 | 3 | 1 | 3 | 0 |
| Securities Intermediaries and Asset Managers | 12 | 0 | 14 | 0 | 17 | 0 | 21 | 0 | 21 | 0 |
| Companies (trust) service providers | 177 | 4 | 163 | 1 | 158 | 0 | 143 | 0 | 140 | 3 |
| Microfinance companies and pawn shops | 40 | 0 | 36 | 0 | 35 | 0 | 34 | 0 | 31 | 0 |
| Investment institutions | 13 | 0 | 11 | 0 | 9 | 0 | 8 | 0 | 6 | 0 |
| Credit unions | 7 | 0 | 7 | 0 | 7 | 0 | 7 | 0 | 7 | 0 |
| Fund administrators | 11 | 1 | 10 | 0 | 10 | 0 | 9 | 0 | 9 | 0 |
| Securities exchange | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 |
| Factoring Companies | 2 | 0 | 2 | 0 | 1 | 0 | 1 | 0 | 0 | 0 |
| Total | 357 | 20 | 335 | 3 | 326 | 2 | 308 | 9 | 300 | 6 |
| % of on-site from registered | 5.60% | | 0.90% | | 0.61% | | 2.92% | | 2.00% | |

Table 6.5 Compliance trends and follow-up actions

| Supervised Sector | 2019 | | | 2020 | | | 2021 | | | 2022 | | | 2023 | | |
|---------------------|------|----|----|------|----|----|------|---|---|------|---|----|------|-----|-----|
| | T | O | X | T | O | X | T | O | X | T | O | X | T | O | X |
| Local Banks | 21 | 3 | 18 | 0 | 0 | 0 | 0 | 0 | 0 | 37 | 6 | 31 | 17 | 0 | 17 |
| Intl. Banks | 34 | 9 | 25 | 23 | 1 | 22 | 3 | 3 | 0 | 7 | 4 | 3 | 5 | 0 | 5 |
| TCSPs | 27 | 28 | 1 | 9 | 36 | 27 | 0 | 9 | 9 | 0 | 0 | 0 | 25 | 25 | 0 |
| Administrators | 10 | 10 | 0 | 0 | 0 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Insurance Companies | 4 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 13 | 7 | 6 | N/A | N/A | N/A |

T = Total Deficiencies/Identified O = Open/In Progress X = Remediated/Closed

Box 6.3. Strengthening risk and compliance functions in banks

During the 2019 review period, the CBCS identified significant shortcomings at Bank I related to its risk management framework and compliance with the NOIS. Specifically: (i) It was determined that Bank I lacked an (independent) risk function, which is a key requirement for sound risk governance. (ii) A review of client files revealed that Bank I was non-compliant with NOIS, with several deficiencies noted in identifying and verifying beneficial owners, conducting due diligence on ownership and control structures, and understanding the purpose and intended nature of business relationships. In response, the CBCS addressed these issues with Bank I, emphasising the importance of compliance with regulatory requirements.

During the 2022 onsite examination, the CBCS noted that Bank I had appointed a Risk Manager to establish an independent risk function within the institution. The Central Bank confirmed that Bank I had fully adhered to the requirements of NOIS, the NORUT, relevant guidelines, and financial sanctions. The client file review demonstrated that Bank I was now properly identifying and verifying BOs and beneficiaries, conducting due diligence on ownership and control structures, and understanding the business relationships' purpose and intended nature. Based on these findings, the Central Bank determined that Bank I had effectively addressed the identified deficiencies and brought its compliance framework in line with regulatory expectations.

In 2019, the CBCS identified several key deficiencies at Bank II, including (i) the absence of an operational transaction monitoring tool, a fundamental component of an effective AML/CFT framework. (ii) A need for enhanced AML/CFT training for the Internal Audit Department (IAD) to ensure alignment with industry standards and emerging regulatory developments. (iii) Significant concerns regarding the resources available within the Compliance Department, particularly regarding the adequacy of support for the designated Compliance Officer (CO). The CBCS engaged with Bank II to address these concerns, emphasising the importance of strengthening its AML/CFT framework and ensuring adequate staffing and training.

By the 2022 examination, Bank II had taken corrective actions. Specifically, the transaction monitoring tool was fully implemented, effectively addressing the previous deficiency. The Bank arranged for the IAD department to participate in specialised AML/CFT training to ensure its knowledge remained current with industry and regulatory expectations.

Bank II took concrete steps to enhance the capacity of its Compliance Department by hiring additional staff, thereby addressing the previously identified resource constraints. Considering these measures, the Central Bank concluded that Bank II had successfully complied with its regulatory expectations and had addressed the shortcomings noted in the 2019 examination.

GCB

428. The GCB supervises and regulates the gaming sector, including land-based and online casinos. The GCB employs a risk-based approach to supervising land-based casinos and conducts regular on-site visits to all land-based casinos, focusing on the adequacy of internal controls, policies, and procedures of supervised entities. This includes analysing slot machine data and conducting interviews with key staff, reviewing compliance documentation, and verifying the effectiveness of internal and external reporting of UTRs. The selection of casinos for compliance examinations is based on risk assessments conducted to determine customer demographics, transaction patterns, and product offerings. The residual risk level assigned to each entity determines the frequency and depth of supervisory actions, ensuring that high-risk entities receive more targeted attention. Using internal control systems to track transactions above certain thresholds further enhances the GCB's ability to oversee compliance effectively. The GCB's organisational structure supports its supervisory activities through dedicated teams that handle different licensing, monitoring, and enforcement aspects.

429. The GCB also collaborates with foreign supervisory bodies to gain expertise, enhance its supervisory capabilities, and mitigate ML/TF risks associated with online gaming. The introduction of direct licensing under the new online gaming regulatory framework in November 2023 has further enhanced GCB's control and oversight capabilities, allowing for more stringent AML/CFT compliance. However, legal and regulatory limitations have constrained the GCB's ability to fully implement risk-based supervision, particularly in the online gaming sector. Until 2023, the GCB did not have direct control over online gaming license holders, which hindered its ability to conduct full-scale AML/CFT compliance inspections.

Furthermore, despite these advancements, no on-site inspections were conducted for online gaming operators between 2019 and 2023, leaving a significant regulatory gap in a high-risk sector. The GCB expressed plans to conduct risk-based inspections for online casinos starting in 2025, but this delay creates a potential vulnerability in AML/CFT oversight.

Table 6.6 GCB on-site inspections

| Supervised Sector | 2019 | | 2020 | | 2021 | | 2022 | | 2023 | |
|-------------------------------------|---------------|----------|---------------|----------|---------------|----------|---------------|----------|---------------|----------|
| | Reg. | On-site |
| Land-based Casinos | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 9 | 9 |
| Online Casinos | 5 | 0 | 5 | 0 | 5 | 0 | 5 | 0 | 5 | 0 |
| Total | 13 | 8 | 13 | 8 | 13 | 8 | 13 | 8 | 14 | 9 |
| % of on-site from registered | 61.54% | | 61.54% | | 61.54% | | 61.54% | | 64.29% | |

430. The GCB faces challenges adapting to the rapidly evolving online gaming sector and ensuring that all operators comply with AML/CFT regulations. While the introduction of direct licensing strengthens oversight, the backlog of online gaming applications (seventeen pending approvals in 2023) indicates potential difficulties in processing and monitoring new entrants effectively. Continuous improvements in its supervisory framework and increased international cooperation are essential to address these challenges effectively.

FIU

431. The FIU demonstrated an incomplete application of a risk-based approach to supervision due to the absence of a structured risk-ranking system and unclear prioritisation criteria for supervisory interventions. While the FIU has taken steps to enhance compliance awareness and engage high-risk sectors mentioned in the NRA, the lack of a formalised methodology for assessing risk and conducting supervision based on risk undermines the overall effectiveness of its AML/CFT oversight.

432. The FIU supervision department did not provide a statistical overview or a clear methodology to the assessment team outlining how it determines sectoral and institutional risk classifications. While the 2023 ML NRA identified certain high-risk sectors, the FIU supervision has not demonstrated how it systematically applies these findings to guide its supervision.

433. The absence of a documented risk-ranking framework for supervised institutions raises concerns about the consistency and effectiveness of their risk-based allocation of supervisory resources and conduct of risk-based supervisory activities. Without such a framework, it is unclear whether the FIU's supervision department prioritising high-risk entities aligns with actual ML/TF vulnerabilities.

434. During the on-site visit, the FIU supervision department had three staff members to supervise 343 entities, including entities not defined by the FATF but that pose ML risk. At the time of the onsite, three vacant positions were to be filled in the FIU Supervision Department. The FIU Supervision Department has increased its audit activity since 2020, particularly for sectors such as real estate. These efforts align with the NRA findings, which classify this sector as medium-high risk for ML.

435. The FIU conducted onsite inspections at the eight notaries in 2021. However, the assessors noted that sectors identified as medium risk in the NRA, such as dealers in precious metals and precious stones, accountants, and tax advisors, received limited or no direct supervisory engagement. Additionally, while the FIU conducted onsite inspections during the period under review, it is not evident that these were

systematically targeted based on a formalised risk assessment process, further highlighting inconsistencies in applying a risk-based supervisory approach.

Table 6.7 FIU on-site inspections

| Supervised Sector | 2019 | | 2020 | | 2021 | | 2022 | | 2023 | |
|--------------------|------|----------|------|----------|------|----------|------|----------|------------|----------|
| | Reg. | On-site | Reg. | On-site | Reg. | On-site | Reg. | On-site | Reg. | On-site |
| Lawyers | n/a | 0 | n/a | 0 | n/a | 1 | n/a | 1 | 62 | 2 |
| DPMS | n/a | 0 | n/a | 0 | n/a | 0 | n/a | 0 | 3 | 0 |
| Notaries | n/a | 0 | n/a | 0 | n/a | 8 | n/a | 0 | 10 | 0 |
| Accountants | n/a | 0 | n/a | 0 | n/a | 0 | n/a | 0 | 13 | 1 |
| Real Estate Agents | n/a | 0 | n/a | 3 | n/a | 0 | n/a | 0 | 159 | 3 |
| Total | n/a | 0 | n/a | 3 | n/a | 9 | n/a | 1 | 247 | 6 |

Box 6.4. Supervision of a Notary Office

The FIU's Supervision Department reviewed three client files maintained by a notary office from January 1, 2018, to December 31, 2020. The inspection found serious deficiencies in customer due diligence, identifying BOs, verifying fund sources, and overall file organisation. These issues prevented the FIU from reconstructing transactions or confirming whether mandatory reports were submitted.

Additionally, the notary office lacked an adequate AML/CTF compliance program. There was no comprehensive internal risk assessment, the procedures were general and incomplete, and no permanent staff training or independent audits had been implemented. Previous internal efforts were deemed insufficient.

In its supervisory role, the FIU issued recommendations, including improving due diligence, documentation, staff training, and conducting regular audits. The violations were considered substantial, prompting referral to the enforcement officer for sanctions. A follow-up audit was needed to confirm whether corrective actions were taken.

6.2.4. Remedial actions and effective, proportionate, and dissuasive sanctions

436. The approach of supervisors in Curaçao is to form collaborative relationships with the sectors, thereby increasing understanding of their obligations and reducing the need to apply administrative fines. However, legislative provisions allow supervisors to apply proportionate and dissuasive sanctions to FIs, DNFBPs, and their directors and senior managers when necessary. Curaçao's sanctions regime includes enforcement instruments, such as letters of instruction, name and shaming provisions, warning letters, penalties, administrative fines, license revocation, and imprisonment after a criminal trial. This balanced approach ensures that while the primary focus is on fostering compliance through education and cooperation, a robust enforcement framework remains. By combining guidance with the potential for strict penalties, supervisors achieve compliance while minimising punitive actions. Based on information gathered during on-site interviews, case studies provided, and statistical data, the assessors note that, with regards to sanctions, Curaçao has a culture of administrative remediation as an alternative to administrative fines.

437. Using warning letters as the primary sanction for AML/CFT non-compliance addresses minor breaches or first-time offences. Additionally, warning letters and alternative measures, such as requiring remedial action plans or enhanced compliance monitoring, can encourage entities to improve their practices without imposing undue financial burdens. However, for serious or repeated violations, the underutilisation of

administrative fines may create a perception of leniency, which could undermine the regime's proportionality by failing to reflect the gravity of the offence adequately. The assessors noted that this practice may weaken the overall effectiveness and credibility of the sanctioning framework.

CBCS

438. The CBCS has the authority to impose sanctions that are proportionate and dissuasive, as outlined in its policy rule on the Violation of Anti-Money Laundering, Financing of Terrorism and Proliferation Legislation and Provisions & Guidelines, 2023.

439. The CBCS remedial actions include letters of instruction, follow-up inspections, management meetings and enhanced monitoring. Entities with identified deficiencies are closely monitored, which includes issuing follow-up letters and requesting updated reports on outstanding actions. The CBCS also holds meetings with the managing board as part of the integral follow-up action. If an entity fails to meet the required actions, the CBCS issues letters of intention to impose a fine or penalty. Before imposing the fine, the entity is given one final opportunity to remediate and comply. In most cases, entities comply and avoid heavier sanctions. Overall, when deciding on whether measures should be imposed and if so, which remedial action or punitive measure should be taken the CBCS considers specific factors, such as the extent of the violation, disgorgement, the extent of the offender's cooperation, voluntary disclosures by the offenders, and how long the violation continued.

440. The assessors acknowledged the enforcement process and sanctioning tools available to the CBCS. While the CBCS provided two case examples involving license revocations, there were no broader details on the types of breaches commonly identified across the supervisory population or the range of institutions committing such breaches. Therefore, the effectiveness, dissuasiveness and proportionality of the sanctions applied during the period could not be determined. Table 6.1 outlines the CBCS's use of enforcement instruments during the period.

Table 6.8. Use of enforcement instruments by the CBCS

| Enforcement instrument | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|------|------|------|------|------|
| <i>Letter of instruction</i> | 15 | 3 | 1 | 9 | 21 |
| <i>Warning letters</i> | 2 | 0 | 0 | 0 | 1 |
| <i>License revocation</i> | 2 | 0 | 3 | 0 | 0 |
| <i>Criminal Fines</i> | 0 | 0 | 0 | 0 | 0 |
| <i>Whether action led to compliance</i> | Yes | Yes | Yes | Yes | Yes |

GCB

441. Due in part to the size and operational footprint of the land-based casino sector in Curaçao, the GCB maintained an active and continuous supervisory presence. This was achieved primarily through regular on-site inspections and targeted follow-up remediation exercises to address identified deficiencies. As a result of this proactive and collaborative supervisory approach, the GCB did not escalate to formal enforcement actions. Instead, supervised entities have generally demonstrated compliance with AML/CFT obligations once deficiencies are identified, allowing the GCB to achieve compliance outcomes through dialogue, monitoring, and structured remediation plans. The GCB communicated remedial actions for 76 compliance failures by the land-based casinos to the management and boards of the respective casinos during the period. These remedial actions were communicated verbally in the first instance. Casinos with repeated compliance failures were issued remedial action plans formally in writing that must be signed by the casino board.

442. The enforcement framework also ensures that breaches are addressed appropriately, maintaining the integrity of the gaming sector and mitigating financial crimes. The GCB's processes are designed to identify potential breaches and implement a follow-up action plan to mitigate them, as shown in Box 6.5. Where breaches are discovered, the GCB issues instruction letters to the respective casinos, requiring them to complete the necessary actions within two weeks. Failure to comply results in the application of administrative fines.

Box 6.5. Written Instructions

In two consecutive 2023 AML/CFT assessment reports issued to a casino (February 28, 2023, and October 11, 2023), this casino was instructed to comply with the requirement in the GCB 2016 AML/CFT regulation, to issue a policy statement and a signed and dated job description of its compliance officer. In the second AML/CFT assessment report, a deadline of October 30, 2023, was included for compliance with the above. The casino did not comply with this deadline and, as a result, the GCB issued a written instruction on November 10, 2023, requiring the casino to comply with providing information no later than November 20, 2023. On November 18, 2023, the casino complied by submitting both documents to the GCB. After review of the submitted information, these were found acceptable with a few recommendations for improvement.

FIU

443. The FIU has a documented enforcement strategy outlining the enforcement processes it will utilise when applying sanctions. The strategy provides the FIU with three administrative enforcement instruments: imposing an order subject to a penalty, imposing an administrative fine, and giving instructions. Additionally, statutory sanction mechanisms are outlined in R.35 and non-statutory enforcement instruments, including written warnings and holding norm-transmitting conversations. The assessors noted no use of these administrative sanctions for failure to implement AML/CFT measures.

444. The non-registration project was conducted by the FIU's Supervision Department in 2017 and 2019, the Supervision Department, together with the PPO. The number of companies registered with the FIU has increased significantly because of the campaign. However, while receiving several reminders, companies that refused to abide were turned over to the PPO for sanctioning of registration violations. The PPO imposed over 40 fines of about NAf 1,500.00(USD 837.99) on entities supervised by the FIU, including real estate agents. The project was repeated in 2020 in collaboration with the CoC. The CoC assisted the FIU in identifying several companies, including real estate firms, that were non-compliant in their obligation to register with the FIU online reporting portal. These matters were reported to the PPO for criminal prosecution. Two years later, the Court of First Instance convicted five companies, three of which were real estate firms. A fine of NAf 2,500.00 (USD 1,396.65) was issued for failure to register at the FIU. The assessors note the availability of a range of sanctions. However, the sanctions' effectiveness, proportionality, and dissuasiveness were low due to their limited use during the period.

6.2.5. Impact of supervisory actions on compliance

445. Supervisory actions in Curaçao aimed at private sector compliance by fostering a proactive compliance culture through guidance and training. Supervisory bodies sought to enhance understanding of AML/CFT obligations among reporting entities by issuing tailored guidance, conducting workshops, and providing feedback during inspections. These efforts have led to some improvements, including increased filing of

UTRs, reduced non-compliance rates, enhanced customer due diligence processes, and strengthened risk management frameworks aligned with the NRA.

CBCS

446. The CBCS issued updated provisions and guidelines, conducted periodic meetings with supervised sectors and conducted training and information sessions to provide information on AML/CFT obligations, submitting institutional risk assessments and developments in the financial sector. These actions have positively contributed to the compliance levels of FIs and TCSPs. Engagements with the supervised sectors also included speakers from supervised sectors who shared experiences on conducting risk assessments. The CBCS indicated that effective AML/CFT programs have significantly improved the quality of internal controls and governance frameworks, as seen during on-site inspections and desk-based reviews. The quality of CDD documents, risk assessment information, and ongoing monitoring has also improved. Notably, where deficiencies were identified, most institutions remediated them and provided timely updated reports to the CBCS.

447. During the on-site interviews, supervised sectors indicated that engagements with the CBCS have resulted in increased awareness of AML/CFT obligations and NRA findings. The FIU's implementation of its electronic reporting platform has also resulted in increased awareness of reporting obligations and UTR reporting.

GCB

448. The GCB employs a combination of onsite inspections, compliance officer training, and the monitoring of UTRs to ensure gaming operators comply with AML/CFT regulations. These supervisory actions increased compliance and improved AML/CFT practices within the gaming sector. Between 2019 and 2023, land-based casino compliance levels of the compliance function improved from 13% to 89%, UTR reporting compliance rose from 38% to 89%, and screening and training compliance increased from 25% to 67%. The GCB confirmed the implementation and efficiency of land-based casinos' compliance practices during onsite inspections. During this period, casinos implemented internal training programs for all relevant staff members, employed compliance officers to manage their operational AML/CFT risk, conducted risk assessments, demonstrated notable improvement in the quality of record-keeping and customer due diligence files, and implemented internal technology solutions to manage the reporting mechanism, including slot machine reporting and increased customer screening. By conducting thorough onsite supervision and maintaining rigorous oversight of land-based casinos, the GCB could enforce corrective measures effectively and enhance the overall compliance levels of land-based casinos, increasing the average compliance levels of the sector from 41% to 65%.

449. The GCB's ability to ensure AML/CFT compliance in the online gaming sector has been limited. Until 2023, it lacked direct supervisory authority, and no on-site inspections were conducted between 2019 and 2023. Although a new licensing framework was introduced in late 2023, and inspections are planned for 2025, there was no evidence that AML/CFT measures have been effectively implemented or monitored.

FIU

450. The FIU conducted activities to enhance the effectiveness of the compliance functions by holding meetings, conducting audits, making presentations, and publishing information via the website and newsletters. However, the FIU focused its supervisory efforts on registering supervised entities in 2019. As a result, the greatest increase in compliance levels was related to the increase in DNFBP registrations, as detailed earlier in this chapter.

6.2.6. Promoting a clear understanding of AML/CFT obligations and ML/TF risks

CBCS

451. During the period under review, the CBCS conducted various activities to promote a clear understanding of AML/CFT/CFP obligations and ML/TF risks. The CBCS issued an updated AML/CFT/CFP Provisions & Guidelines (AML/CFT/CFP P&Gs) for the different sectors under its supervision, which further clarified AML/CFT obligations outlined in the NOIS, NORUT and sanctions legislation and also incorporated best practices in line with guidance papers issued by the FATF. The provisions and guidelines also include relevant examples to assist in implementing measures to meet AML/CFT/CFP legislative requirements. There was consultation with the representative organisations and the private sector in developing new legislation and provisions, as well as guidelines published on the CBCS website after adoption. In 2023, when the AML/CFT/CFP Risk Questionnaire was being implemented to determine how well supervised institutions understand their ML/TF/PF risks and AML/CFT obligations, a committee consisting of the CBCS and private sector representatives was formed to test whether the questions would serve the purpose.

452. Additionally, the CBCS held regular meetings with representative organisations and the compliance officers of the different sectors to share information relevant to AML/CFT obligations (see Table 6.11). The CBCS also provided training seminars and outreach sessions and issued circulars addressing parts of the regulations. Other sessions organised by the CBCS to enhance knowledge of AML/CFT/CFP obligations include: a sanctions seminar hosted in April 2022 in cooperation with the FIU and the GCB; an AML/CFT/CFP seminar on June 27, 2023, presenting the results of the NRA and updates to the AML/CFT/CFP Provisions & Guidelines; a presentation to the Association of Compliance Officers Curaçao (ACCUR) in June 2023; a sector-specific session with Securities Intermediaries and Asset Management Companies in October 2023; and a presentation on transaction monitoring for all sectors, with a focus on the banking sector, in November 2023. Quarterly newsletters regarding supervisory updates were issued to supervised institutions, such as the updated Policy Rule, which defines the sanctions that can be applied to supervised financial institutions and individuals for compliance failures or violations. Supervised institutions were also welcomed to contact the CBCS with questions regarding legislation and regulations.

Table 6.9. CBCS Periodic meetings with sector representatives

| Sector | 2022 | 2023 | 2024 |
|-----------------------------------|----------------------------|----------------------------------|--------|
| Local Banks | May 24 and Sep 30 | May 11 and Nov 24 | May 21 |
| International Banks | Apr 26 and Nov 3 | Apr 20 and Oct 26 | Apr 26 |
| Credit Unions | May 17 | Apr 26 | Apr 25 |
| TCSPs and Investment Institutions | Mar 10 and Aug 31 | Jun 22 | Feb 27 |
| TCSPs | Mar 3 and Sept 8 | Jun 29 | - |
| Insurance | Apr 1 and Jan 24 | Jun 29 | Apr 26 |
| Insurance | Jun 24 | Aug 17 | Jun 20 |
| Insurance | Mar 24 and Sep 1 | May 30 and Nov 16 | May 30 |
| Securities Exchange | Sept 28, Oct 25 and Dec 15 | Feb 8, Jun 21, Aug 14 and Oct 24 | - |

GCB

453. The GCB has effectively promoted understanding of AML/CFT obligations and risks in the gaming sector by guiding land-based casinos during on-site assessments; discussing draft onsite assessment reports with the compliance officer, casino manager and/or managing board of the casino, providing training sessions and reviewing training material (internal and outsourced) for training provided to casino staff.

During the period under review, the GCB conducted outreach sessions with land-based and online casinos to promote awareness of AML/CFT obligations and ML/TF risks as detailed in Table 6.12.

Table 6.10 Number of GCB outreach activities

| Sector | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------|------|------|------|------|------|
| Land-based Casinos | 1 | 0 | 0 | 2 | 2 |
| Online Gaming | 1 | 0 | 0 | 2 | 3 |

454. Through their collaboration with the GCB, the casino sector in Curaçao has developed and implemented comprehensive strategies to understand and manage ML/TF risks, demonstrating a strong commitment to AML/CFT obligations. Furthermore, the GCB has demonstrated a collaborative posture—working with the CBCS and FIU on joint initiatives, including a 2022 UN and EU sanctions seminar and ongoing consultations within the Dutch Kingdom AML/CFT supervisory network. These activities reflect an institutional commitment to raising awareness of AML/CFT issues across the gaming sector, even though implementation in the online segment is still in progress.

Table 6.11 Outreach by FIU for the period 2019-2023

| Year | Content | Parties Involved |
|------|---|--|
| 2019 | During NRA sessions, the Supervision Department informed and educated DNFbps on their AML/CFT obligations and FIU guidelines. | DNFBPs |
| 2020 | During the year, there were contacts with external partners (digital) to address the following areas: - Compliance manuals - Compliance with AML/CFT obligations | Accounting firm Real estate firm |
| 2020 | The FIU held meetings with partners on cooperation and information-sharing. During COVID restrictions, it allowed supervised entities, especially notaries and attorneys, to manage notarised client identification more flexibly. Outreach continued through online sessions on the electronic L reporting portal, as no physical presentations were possible. | DNFBPs |
| 2020 | Presentations were given to the notarial sector to exchange information on specific AML-compliance-related topics. | Notaries |
| 2022 | The audits performed on the notarial sector were broad and project based. Attention was given to the sector's AML/CFT regulations and guidelines, supported by specific outreach to this sector. | Notaries |
| 2022 | Presentations were given to the lawyers (in association with <i>de Orde van Advocaten</i>) and the car dealers association (CCDA). | Lawyers |
| 2022 | The FIU Supervisory Department published an adjoining newsletter for its supervised entities concerning the UN sanctions imposed and what actions need to be taken in case a sanctions hit occurs. | FIU Supervision |
| 2023 | Presentations were given to all the DNFBP sectors | FIU Supervision Department, FIU Analysis Department Representative organisations of DNFBPs |

FIU

455. The FIU has made ongoing efforts to promote awareness of AML/CFT obligations and improve sector engagement across DNFBPs. From 2019 to 2023, the FIU engaged in structured outreach to multiple sectors, including notaries, lawyers, real estate agents, accountants, and jewellers. These efforts included sector-specific presentations, seminars, digital consultations, newsletters, and training via the FIU electronic reporting platform, often in collaboration with the CBCS and GCB. In particular, the FIU provided tailored outreach during sector audits (e.g., notarial sector in 2022) and adapted engagement strategies during COVID-19 restrictions. Additionally, the FIU consulted with compliance firms and

conducted joint events across the Dutch Kingdom, reflecting active cooperation within the AML/CFT supervisory community.

456. These engagements show that the FIU has made notable efforts to raise general awareness and improve communication of AML/CFT obligations. However, despite this activity, the FIU has not yet demonstrated whether these efforts have resulted in a clear and practical understanding of risk-based obligations within supervised sectors. There is no evidence that the FIU has evaluated the effectiveness of its outreach or adjusted its supervisory strategy based on observed misunderstandings or sector-specific risk profiles. The FIU does not provide data indicating how well sectors apply AML/CFT measures in practice, nor are examples of improved risk-based behaviour following outreach.

Overall conclusion on IO.3

457. Curaçao has developed a generally sound legal and institutional framework for AML/CFT supervision, particularly through the CBCS and GCB, which documented risk-based supervisory policies and dedicated staff for AML/CFT supervisory purposes. The FIU has not documented a risk-based supervisory framework. However, the activities during the period have not demonstrated implementation of the framework. The CBCS and GCB have well-developed and effective market entry controls in place, have implemented conduct fit and proper testing, enforced licensing requirements, and issued updated provisions and guidelines to promote compliance. Changes to the online gaming legislative and licensing frameworks mark a significant step forward in improving direct market entry and supervisory oversight to reduce ML/TF risks faced by the sector. The FIU has a registration process, but no fit and proper/integrity testing process is in place to prevent criminals and their associates from owning or controlling a DNFBP.

458. The CBCS and FIU have conducted some compliance inspections which are not necessarily based on risk, on a small ratio of entities they supervise. Both supervisors would benefit from consistent application of a risk-based approach through regular onsite and offsite inspections in the higher risk FI and DNFBP sectors. Increased supervisory activity (onsite, off-sites, thematic reviews, conducting sectoral or entity risk assessments etc.) in sectors that face medium risks it would be helpful in broadening the supervisory reach and deepening the understanding of risks across sectors. The FIU's supervisory activities would benefit from implementing the risk based supervisory framework already developed to conduct compliance inspections. The GCB has effectively supervised the land-based casinos by conducting compliance inspections and risk assessments on all nine casinos and providing feedback and guidance through regular monitoring. However, supervision of the online gaming sector was still in its nascent stages at the time of the onsite.

459. There are legislative and administrative sanctioning tools available to all supervisors. However, they were utilised to a limited degree during the period given Curaçao's collaborative approach to address compliance breaches. There was some impact from supervisory efforts, particularly from the GCB. However, the CBCS and FIU can benefit from implementing measures to record and monitor compliance trends in supervised sectors, as this information may assist in informing risk based supervisory strategies. The supervisors have made good efforts in conducting activities to inform supervised sectors of their AML/CFT obligations and ML/TF risks and should continue to allocate resources to these activities and keep detailed records of the various engagements.

Curaçao is rated as having a low level of effectiveness for IO.3.

Chapter 7. LEGAL PERSONS AND ARRANGEMENTS

7.1. Key Findings and Recommended Actions

Key Findings

- a) Curaçao has a limited understanding of the vulnerabilities and misuse of legal persons for ML/TF. The 2023 ML NRA lacks a comprehensive analysis of inherent vulnerabilities, and neither did the 2024 TF Risk Assessment cover them.
- b) While basic information on legal persons is publicly accessible through the Chamber of Commerce (CoC), mechanisms to ensure timely updates and accuracy are lacking. The Ultimate Beneficial Ownership (UBO) register is in its initial phase, and its effectiveness in maintaining accurate and current BO information is yet to be determined. A deficiency also exists for trustees without legal obligations to identify or retain basic information.
- c) Basic information is obtainable in a timely manner, while BO information is accessible within 10 days locally and varies from one to ten months for MLA requests. Additionally, this information needs to be kept accurate and current.
- d) The country has a range of measures to protect legal persons and arrangements from misuse for ML/TF; among these, bearer shares have been prohibited in Curaçao, eliminating a common method for concealing BO and enhancing transparency.
- e) Curaçao has demonstrated to a limited extent that it effectively, proportionately and dissuasively applies available sanctions against persons who do not comply with information requirements.

Recommended Actions

Curacao should:

- a) Conduct a comprehensive assessment of ML/TF vulnerabilities related to legal persons and how they can be or are misused for these purposes. Based on the assessment, relevant competent authorities should ensure a cohesive understanding and implement efficient mitigatory measures.
- b) Implement measures that ensure that basic and BO information on legal persons and arrangements is kept accurate, current and readily available to fulfil domestic and international requests for such information
- c) Expedite the development of an online portal for the UBO register, integrating cross-verification mechanisms with the Commercial Register and Tax Office to enhance data accuracy.
- d) Enhance mechanisms to identify violations of obligations to register basic and BO information on legal persons and arrangements in the respective registers and utilise a wide range of available administrative and criminal sanctions to address AML/CFT non-compliance, ensuring that sanctions are effective, proportionate, and dissuasive to promote adherence to regulations.
- e) Address the deficiencies identified under R.25, specifically requiring trustees to hold basic information on other regulated agents and service providers.

460. The relevant Immediate Outcome considered and assessed in this chapter is IO.5. The Recommendations relevant for assessing effectiveness under this section are R.24-25 and elements of R.1, 10, 37, and 40.³³

7.2. Immediate Outcome 5 (Legal Persons and Arrangements)

7.2.1 Public availability of information on the creation and types of legal persons and arrangements

461. Information on the creation and types of Curaçaoan legal persons and arrangements is widely available publicly. Incorporators can form companies (private, public, and shareholder-managed), partnerships (public and private), foundations, associations (with full and limited legal capacity), member-based legal persons, and foreign legal entities. Trusts and private foundations are the two legal arrangements that can be settled in the country. Section 1.4.5 of Chapter 1 details the nature of these legal persons and arrangements and their numbers.

462. These legal persons and arrangements and their creation procedures are outlined in legislative texts, as established in [Book 2 of the CC](#) and reforms to Book 3 to provide for [partnerships](#) and [trusts](#),³⁴ available at [gobiernu.cw](#).³⁵ The provisions specify incorporation procedures for all of them, which provide a structured legal framework that is publicly accessible. Additionally, the Curaçao Investment & Export Promotion Agency, CINEC, includes guidance on incorporating investment-oriented legal persons (i.e., companies, foundations, private foundations, and partnerships) on its [website](#). The [CoC's website](#) refers to such information and provides an overview of tax incentives and the export regime applicable to companies that are active internationally.³⁶

7.2.2 Identification, assessment and understanding of ML/TF risks and vulnerabilities of legal entities

Efforts to identify and assess ML/TF risks and vulnerabilities

463. Curaçao's understanding of vulnerabilities associated with legal persons and their potential to be misused for ML/TF purposes is limited. The 2023 ML NRA does not identify and assess the ML vulnerabilities associated with the features of all types of legal persons in Curaçao. For example, the inherent vulnerabilities of legal persons involved in international trade and finance and private foundations are not the subject of specific analysis in the risk assessment. This gap is expressed in Subsection "Implications for AML/CFT" of Section 1.4.5 of Chapter 1, which limits the ability to develop comprehensive mitigating measures.

464. On the other hand, the 2023 ML NRA identifies instances of legal person misuse in specific financial activities and non-financial sectors, contributing to understanding the extent to which legal persons created in Curaçao can be or are being misused for ML. In this regard, the risk assessment includes relevant local

³³ The availability of accurate and up-to-date basic and BO information is also assessed by the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes. In some cases, the findings may differ due to differences in the FATF and Global Forum's respective methodologies, objectives and scope of the standards.

³⁴ The Hague Convention of 1 July 1985 on the Law Applicable to Trusts and on their Recognition applies to Curaçao. Curaçao, as part of the Kingdom of the Netherlands, is covered under the ratification of the Convention by the Netherlands.

³⁵ The website [gobiernu.cw](#) is the official portal for the government of Curaçao. It provides comprehensive public services and information for residents, visitors, and businesses and hosts updates on local regulations. The site supports multiple languages, including Papiamentu and Dutch, to accommodate a diverse audience.

³⁶ The legislation has no distinction between companies owned by local or foreign shareholders. The CoC regards a company as active internationally if ninety per cent or more of its business profit results from transactions with foreign clients.

and transnational cases involving legal persons. The risk assessment acknowledges that companies and trusts are sometimes misused to facilitate or conceal illegal activities such as tax evasion, illicit gold smuggling, fraud and ML. Moreover, legal persons operating as retail and service providers, e.g., shops, auto repair services, or hotels, have been found in ML schemes involving shell companies, underground banking and falsified transactions. At the same time, transnational cases have involved legal entities incorporated and operating abroad, smuggling gold through Curaçao.

465. The 2023 ML NRA also provides valuable insights into how legal persons can be misused for ML when analysing the risk factors associated with TCSPs, lawyers, notaries and accountants; these gatekeepers were rated medium to medium-high. TCSPs establish and manage legal persons, such as international companies, which are services vulnerable to misuse for ML, mainly through the setup of private foundations that can conceal illegal proceeds and hide the actual beneficiaries.

466. Lawyers and notaries, on the other hand, assist customers in setting up legal arrangements and managing legal entities, which are services vulnerable to misuse in laundering money through the concealment of BO or criminal funds. Indirectly, the risk assessment highlights the accounting sector's involvement in complex transactions such as the buying, selling, and merging of entities and its exposure to high-risk customers like PEPs and legal entities, where identifying BOs can be difficult.

467. According to the 2023 NRA, two ML cases involved TCSP employees being investigated for possible involvement in ML schemes; however, these cases were dismissed. The NRA further indicated that the TCSP sector seems to have been implicated in four ML cases in the review period. Additionally, there was one case where a lot was purchased by a private fund foundation and then transferred to a habitual money launderer

468. In contrast, the briefings on the 2024 TF NRA do not indicate that competent authorities identified and assessed the vulnerabilities and the extent to which legal persons created in the country can be or are being misused for TF; hence, there is still a need to develop an understanding of legal persons' exposure to TF in Curaçao.

469. During the on-site visit, the AML/CFT/CPF Committee indicated that the country is conducting a sectoral risk assessment on legal persons and arrangements to enhance its understanding of vulnerabilities and possible misuse of ML/TF; this assessment is yet to be completed.

Understanding of ML/TF risks and vulnerabilities of legal persons

470. Understanding vulnerabilities and potential misuse of legal entities for ML and TF varies among competent authorities, according to the interviews conducted by the assessment team. Each authority tends to focus on specific aspects within their areas of expertise, leading to a limited overall understanding. For example, the PPO expressed awareness of the involvement of legal persons in transnational financial crime cases based on its experience providing international cooperation and CURINDE³⁷ expressed understanding of the need to capture BO information, which legal persons applying to set up in e-zones need to provide, and focused monitoring so that legal persons operating in e-zones do not engage in illicit activities, are directly referenced in tax investigations.

471. The Tax Office showed an awareness of the ML/TF risks associated with the misuse of legal entities, particularly in obscuring the identity of the true owners behind illicit financial activities. It explained that the absence of BO information can hinder the detection and prosecution of such activities. Accordingly, the

³⁷ CURINDE is the Curaçao Industrial & International Trade Development Company. It manages and develops the island's e-zones and industrial parks.

Tax Office proactively collects BO data that can support investigative functions and shares this information with the PPO, LEAs and the FIU upon request, reflecting its risk-based approach to addressing the misuse of legal persons.

472. The GCB also demonstrated a developing understanding of the risks posed by legal persons in the gaming sector, especially the potential for sub-licensees to be used as vehicles for ML/TF. Recognising that a lack of transparency in the ownership and control of casino sub-licensees increases these vulnerabilities, the GCB has introduced a requirement for the separate registration of sub-licensees and grant them individual licenses. However, delays in implementing this process—and the fact that many casino sub-licensees are not incorporated in Curaçao—undermine the effectiveness of this response and leave ongoing gaps in beneficial ownership transparency.

473. The FIU of Curaçao expressed reliance on the CoC for corporate information during the registration process, including the director's identification. Still, it did not independently verify or collect BO information. This reliance on third-party data without robust BO verification regime creates gaps in oversight to ensure that their BO registries are complete and accurate and that there are measures in place to prevent criminals or their associates from being BO of legal persons or arrangements. The absence of direct BO data collection also places additional pressure on the FIU's ability to respond effectively to UTRs or financial crime investigations involving legal entities.

474. Furthermore, during the assessment period, the FIU did not conduct independent fit-and-proper assessments on registered DNFBPs, instead relying on licensing procedures performed by other government agencies. While such licensing frameworks establish entry requirements, they do not inherently substitute the need for continuous risk-based due diligence by the FIU, which would also afford the FIU the ability to identify and mitigate vulnerabilities during such a process. This approach introduces vulnerabilities, as it assumes that all licensing bodies apply uniform, rigorous due diligence standards, which may not always be the case. For instance, the oversight of accountants as DNFBPs exemplifies this gap, as the Ministry of Finance is the licensing authority responsible for overseeing accountants in relation to professional standards, i.e., not directly for AML/CFT purposes, but for their overall operation and legitimacy (see Section 6.2.1 of Chapter 6). These factors collectively indicate a fragmented approach to beneficial ownership transparency and DNFBP supervision, highlighting systemic weaknesses that could be exploited for financial crime activities in Curaçao.

475. The assessment team found no evidence of a coordinated national strategy or strategic approach among competent authorities informed by a granular understanding of legal persons being abused for ML. Authorities have not translated risk identification into risk-responsive policies, prioritisation mechanisms, or supervisory and enforcement frameworks driven by a sufficiently in-depth or holistic understanding of how legal persons are misused for ML/TF. The PPO, CBCS, GCB or FIU did not indicate an applied targeted strategy focused on the abuse of legal persons for ML/TF purposes, which could have clearly evidenced their understanding of the risk and vulnerabilities for misuse of LPs and LAs.

7.2.3 Mitigating measures to prevent the misuse of legal persons and arrangements

Registration and identification of legal persons and arrangements

476. Public and private companies, cooperatives, mutual insurance companies, foundations, private foundations, and associations must be registered in the CoC's Commercial Register. This applies equally to foreign legal entities operating in Curaçao and foreign companies with branch offices in the country. Trusts must also register in the Commercial Register. The information maintained by the CoC is publicly accessible. Anyone can obtain an excerpt of the registration, or a full and certified copy of all records registered in the entity's file from the CoC for a fee. There may be some restrictions on the availability of

the register's information based on privacy protection policies, which can be enforced by a national decree in specific cases. Competent authorities, including the LEAs and the FIU, have access to the commercial register's information, as Section 3.2.1 of Chapter 3 indicates.

477. In 2019, the PPO initiated an investigation into an ex-minister due to allegations based on information available within the CoC. According to the CoC information, the ex-minister had a management function in three legal persons. The ex-minister omitted this information, which was required during the screening process. Following the screening, the ex-minister resigned as a board member of the legal persons. The entities were eventually dissolved. The findings led to legal and administrative consequences for the ex-minister. The assessment team noted that this case study did not provide any qualitative information indicating that the nexus was because of an ML/TF risk mitigative strategy to prevent misuse, but one that was based purely on the operational function of the PPO.

478. Furthermore, upon registration, each legal entity receives a registration number, ensuring that each legal person can be clearly distinguished from others. This is important for tracking ownership and registration status. The registration number also facilitates access to the information maintained by the CoC, as it can be used to find detailed information through the CoC's website [search function](#). This registration includes key information such as the entity's name, legal form, date of incorporation, address, and details of directors or trustees.

Ultimate Beneficial Owner Register (UBO Register)

479. Curaçao established its UBO Register in 2024. Following the implementation of the National Ordinance on the Registration of Ultimate Beneficial Owners, the register came into effect in March 2024 and was operational in June 2024.

480. Based on the current framework, legal persons and partnerships in Curaçao must register their UBOs. The information maintained by this register is fully available to competent authorities, including the PPO, CBCS, FIU, and the Tax Office, without restrictions or needing to notify the legal person involved. Financial institutions and DNFBPs may access UBO data only for CDD purposes and must register their request and justify the reason for accessing the data.

481. Before establishing the UBO Register, Curaçao operated without a centralised system for recording BO. It relied on FIs and DNFBPs to collect and maintain BO information as part of their CDD obligations under the NORUT. This information was only accessible to competent authorities upon request. The CoC maintained a register of legal persons and their representatives but did not record BO.

482. Currently in its initial phase, the register functions as a manual system, with UBO registration forms available on the CoC website. During the on-site visit, the CoC indicated a three-tier approach would be employed. The information required includes personal details and documents that establish a person's position as a UBO or reflect another form of involvement. A 25% ownership threshold is used to determine BO. However, even if this threshold is not met, registration is still required in certain circumstances. For instance, in the case of a foundation, individuals who exercise decision-making power must also be listed as BO. If no individual meets the 25% threshold, authorities must identify the next most relevant person, such as the individual in whose name the account is held, the person who carried out the incorporation, or the legal officer associated with the entity.

483. Due to its recency, the register's effectiveness in achieving its core objectives—maintaining and facilitating access to BO information for competent authorities—remains to be determined. Plans are being made to develop an online portal to access the register and integrate a cross-verification mechanism with the Commercial Register to enhance the accuracy of UBO data and with the Tax Office, which is legally

required to have accurate BO information. Accessing the register is restricted to key authorities, including the PPO, the CBCS, the FIU, and the Tax Office.

Bearer shares prohibition

484. Between 2010 and 2022, Curaçao implemented a phased legal and supervisory framework to eliminate bearer shares and certificates. The process began with the National Decree (N.G. 2010 no. 36), requiring the immediate immobilisation of bearer shares and issuing a declaration identifying the owner. In 2011, Book 2 of the Civil Code was amended to prohibit the issuance of bearer shares at incorporation. The CBCS enforced compliance through supervision and penalties, achieving full adherence by 2017.

485. In 2020, bearer shares were completely prohibited in Curaçao. According to the latest amendments to Book 2 of the CC (National Ordinance Additional Revision of Book 2 of the Civil Code, N.G. 2020, no. 163), bearer shares are no longer allowed in Curaçao. Hence, Bearer shares and certificate holders can no longer use them to claim ownership unless converted to registered shares. Article III of the Civil Code's transition provisions governed this process. The CoC did not identify breaches of the Civil Code's amendment and, consequently, did not impose sanctions.

486. By 2022, reviews conducted by the CoC confirmed that bearer shares were no longer accepted or recognised in the jurisdiction. In conformity with legal requirements, the nominal capital of companies and the type and value of shares as registered with the CoC confirm no bearer shares in the jurisdiction. All companies only registered shares in the CoC, marking a full transition to the current ownership structure.

FIs and DNFBPs as a line of defence

487. According to Section 5.2.3 of Chapter 5, FIs and DNFBPs comply with CDD and BO requirements for customers, including legal persons and legal arrangement managers. Authorities have positioned FIs and DNFBPs as key lines of defence against ML risks associated with legal persons and arrangements as follows:

- a) *Implementation of CDD measures:* Curaçao's AML/CFT framework assigns significant responsibilities to FIs and DNFBPs to perform CDD and EDD, ensuring the verification and accuracy of BO information. However, the FIU, in enforcing compliance among DNFBPs, has infrequently applied sanctions; in comparison, the CBCS has taken a more proactive approach, enforcing sanctions for non-compliance within the financial sector to strengthen the integrity of its defences against ML risks.
- b) *Notaries' role:* Incorporation processes require the submission of a notarial deed to verify the identities of persons involved in the company, along with other critical information such as proof of naturalisation, address, and shareholder details. Additionally, notaries are essential in verifying and collecting beneficial ownership and director information while forming legal persons. Notaries also ensure the legitimacy of acts requested by customers.
- c) *TCSPs collect BO and director information:* TCSPs collect detailed information on directors and BOs during the incorporation process, ensuring that all key parties involved in the company are identified.
- d) *TCSPs' risk assessment and rating:* TCSPs conduct risk assessments for every entity they serve. Each client is assigned a risk rating based on various factors, including the nature of the business, geographic location, and the profile of the directors and beneficial owners. Higher-risk entities undergo enhanced due diligence, including more stringent monitoring and documentation requirements.
- e) *TCSPs implement procedures in case of losing contact with a director:* In instances where a director becomes uncontactable or passes away, TCSPs are expected to take formal action. This includes reaching out to the beneficial owner to ensure continuity of management. If this effort fails, TCSPs may consider filing a UTR with the FIU and resign from providing services to the entity, thereby

reducing exposure to non-compliant or high-risk clients. Resignation also triggers the CoC to review the records and, where appropriate, remove the entity from the Companies Register.

- f) *TCSPs' mitigation of risks related to director absence*: The framework put in place by TCSPs, in collaboration with notaries and other supervisory bodies, ensures that entities do not remain on the company register without active management for extended periods. The monitoring and compliance processes and the ability to escalate issues by contacting UBOs or filing UTRs act as a safeguard against potential misuse of the corporate structure for ML or TF activities.

488. While Curaçao's AML/CFT framework assigns significant responsibilities to FIs and DNFBPs to perform CDD and EDD, ensuring the verification and accuracy of basic and BO information, the application of sanctions for non-compliance is limited. The FIU has infrequently applied sanctions, but has referred cases to the PPO that have resulted in fines. In contrast, although the CBCS has a wide range of enforcement tools and has revoked licences in several cases, it did not impose any administrative penalties or fines between 2019 and 2023. However, it has relied primarily on non-punitive measures such as letters of instruction and warning letters. This suggests that while supervisory engagement exists, the FIU and CBCS could enhance their use of proportionate and dissuasive sanctions to strengthen compliance with requirements related to the obtention and maintenance of basic and BO information for legal persons and arrangements.

Dissolution and cancellation of legal persons

489. The CoC has the authority to dissolve legal persons for various reasons, including failure to provide some types of basic information. For example, in the case of legal persons for which no directors have been registered for at least one year and no registration statement has been made or if, despite having registered directors, all of them are either deceased or proven to be unavailable at the legal entity's registered address. In 2022 and 2023, the COC dissolved 122,535 legal persons for reasons other than not providing accurate or maintaining updated basic information of legal persons.³⁸

490. In addition to dissolving entities, the CoC may petition the Court of First Instance to order the cancellation, addition, or amendment of a company's, legal entity's, or branch's registration if it believes the submitted information is incorrect, incomplete or improperly registered. This measure aims to ensure that the register remains a reliable source of information, as money launderers may create shell companies with incorrect or incomplete information to obscure the BO and purpose of the entity. Notwithstanding that the CoC indicated that cancellations are frequently utilised, there are no known cancellations related to ML, predicate offences or TF cases.

491. Detecting breaches that may result in dissolutions and cancellations largely depends on passive triggers, such as unpaid annual fees, rather than proactive manual or automated monitoring mechanisms. This reactive approach is not appropriate to ensure the system's ability to prevent the misuse of legal persons for ML/TF.

492. The assessment team noted that the actions taken by authorities largely appear to be operational in nature and not driven by a strategic, risk-based understanding of how legal persons and arrangements may be misused for ML/TF. While some measures, such as dissolution and registration oversight, are in place, there is limited evidence that these are being applied proactively or systematically in response to risk. There was no demonstrated alignment between the authorities' actions and the vulnerabilities identified in the ML

³⁸ Instances of dissolutions included: liquidation, merger/ demerger, bankruptcy, statutory seat transfer/Conversion, partnership termination.

NRA. This suggests that public sector responses are largely reactive and procedural rather than part of a comprehensive, coordinated strategy to mitigate misuse of legal persons and arrangements.

7.2.4 Timely access to adequate, accurate and current basic and beneficial ownership information on legal persons

493. In Curaçao, access to basic information on legal persons varies. There is timely and immediate public access to basic information on legal persons through the CoC's online register search; however, this information may not always be accurate. While there is a requirement for data to be kept up-to-date and accurate, there is no system in place to ensure this is the practice. On the other hand, the CBCS may obtain basic information from supervised entities required to conduct CDD and, where necessary, EDD measures and retain that information, which must be produced on request to other competent authorities. However, there is no statistical data about its use.

494. Regarding BO information on legal persons, companies must record BO information under the NOGNT for tax purposes, and the Tax Office can request such information. Since 2020, the Tax Office has also retained BO information through filed annual tax returns. The PPO and LEAs can request BO information from the Tax Office; during the onsite visit, the Tax Office indicated that the period to provide the requested information was a maximum of ten days. The CBCS can also request BO information obtained through the performance of CDD from service providers. These agencies did not have records of providing or requesting this information over the period under review.

495. Between 2019 and 2023, i.e., before the UBO Register, LEAs such as the KPC requested basic and BO information from FIs and DNFbps. These authorities indicated that obtaining the requested information on legal persons could take about five working days for complex requests, but this timeframe was shorter for more straightforward requests. However, the authorities did not systematically track or maintain records on the timeliness of these responses. While the estimated response times may be adequate for standard cases, they are unlikely to meet the operational needs of urgent, high-risk ML/TF investigations where swift access to information is essential to take proactive measures. Without a structured mechanism to expedite responses based on risk or priority and without supporting data to verify consistency or performance, the system's effectiveness in providing timely access remains limited.

496. In Curaçao, TCSPs play a primary role in gathering and maintaining BO information, collecting ownership and control details at the onboarding stage and throughout the business relationship when changes to BOs are reported. This process extends to capturing information on the nature and type of business and the activity linking the UBO to the entity. TCSPs can provide basic and UBO information promptly. The CoC did provide basic information upon request, as well as information that was publicly available via the website. However, it could not provide UBO information in a timely manner as there was no obligation to collect UBO details. UBO information would have only been collected where it was similar to shareholder or director details, which were the primary data points maintained by the Chamber.

497. Notaries, for instance, collect UBO information from TCSPs at the point of registration with the CoC, but this is a one-time collection to support the deed of incorporation. There is no ongoing obligation for notaries to verify or update UBO details unless triggered by specific events, such as a shareholder change, land transaction, or other risk-based criteria. Similarly, the Tax Authority collects BO data at the initial registration of an entity, including the UBO's tax identification number, and later receives annual filings from TCSPs. However, the absence of a formal mechanism to notify the Tax Authority of interim changes in BO creates significant gaps in ensuring BO records remain current and reliable. The assessment team questioned how UBO information collected at onboarding remains relevant if changes occur shortly after registration, given that there is no legal obligation for updates to be communicated across agencies in real time.

498. Despite a multipronged approach—where TCSPs, Notaries, the CoC, the Tax Authority, and the PPO each played a role in collecting UBO data—there was no structured verification process across these stakeholders over the period under review. Apart from TCSPs, no entity conducted continuous oversight of the BO information, nor was there a cross-referencing mechanism to validate the accuracy of records held by different authorities. This fragmented approach leaves fundamental questions about the reliability and completeness of the BO information available to competent authorities. Without a centralised verification framework, there was no assurance that BO data remained accurate over time, undermining efforts to ensure transparency, prevent misuse of legal persons for financial crime, and strengthen regulatory effectiveness.

499. Basic and BO information can be provided to other foreign competent authorities upon request, to the extent that it is available, through the PPO formally or through other arrangements with the LEAs, CBCS, Tax Office, and FIU with their foreign counterparts. Except for feedback provided on EOIR requests, there is no identified mechanism for providing feedback on the timeliness of the assistance provided.

7.2.5 Timely access to adequate, accurate and current basic and beneficial ownership information on legal arrangements

500. Basic information on legal arrangements is available via the CoC Registry. This information is publicly available, so there is timely access, but it is subject to the challenges discussed under 7.2.4 regarding currency and accuracy of information held. Generally, supervised FIs and DNFBPs in Curaçao must collect and maintain BO information, and thus, it may be obtained promptly. However, there is no legal obligation for trustees to identify or retain basic information as discussed in R. 25, which also affects the ability of competent authorities to request information, as it may not be available.

501. The assessment team noted that the jurisdiction did not provide sufficient information to enable a comprehensive materiality assessment of the trust sector. Specifically, data regarding the volume, types, assets under management, and risk exposure associated with trusts were not made available during the review period. This lack of information limits the ability to assess the extent to which trusts are being used for legitimate or potentially illicit purposes. It hinders the assessment team's capacity to determine the proportionality of supervisory or regulatory measures applied to this sector. Although trusts may be registered in Curaçao and are administered through licensed trust service providers, the absence of aggregate statistics, risk-based analysis, or supervisory insights prevents a clear determination of the materiality of legal arrangements in the jurisdiction's overall ML/TF risk landscape.

7.2.6 Effectiveness, proportionality and dissuasiveness of sanctions

502. In Curaçao, administrative and criminal sanctions are legally available for noncompliance with AML/CFT requirements; however, proportionate sanctions are not actively applied. Supervisors can use administrative sanctions. In the case of the FIU, where a breach of legal requirements is discovered during audits, fines and penalties can be applied to address such non-compliance. For the GCB, non-compliance can result in fines, licence revocations, and other penalties being imposed. All three supervisors can refer cases for criminal investigation and prosecution.

503. The CBCS has enforcement instruments at its disposal, such as instructions, warnings, penalties, fines, naming and shaming, revocation of licence, and imprisonment for cases referred for criminal prosecution. Most frequently, remedial actions include letters of instructions, follow-up inspections and management meetings, close monitoring, feedback and additional guidance, and updates of sectoral guidance documents.

504. The CBCS may also issue a letter of intention to impose a fine or penalty, and the institution is granted the opportunity to comply; failing which, the fine will be imposed. In most cases, this addresses the non-compliance issue, and heavier sanctions, though available, are not imposed.

505. Both administrative and criminal sanctions are available for non-compliance with AML/CFT requirements. The CBCS and the GCB can impose fines, license revocations, and other penalties on entities that fail to comply with AML/CFT regulations. The FIU can impose sanctions or refer cases to the PPO for criminal prosecution. Based on the interviews and information obtained, the assessment team considers that the range of sanctions should be more actively used as tools to ensure and promote compliance.

506. Regarding breaches in the Commercial Register, a person who intentionally submits an incorrect or incomplete declaration intended for registration in the commercial register shall be punished by a fine of the fifth category (NAf 100,000, approximately USD 55,865.92). Similarly, any person who fails to comply with their legal obligations to register in the commercial register shall be punishable with a fine of up to NAf 100,000(USD 55,865.92). Additionally, a person who is legally required to submit a statement for registration in the commercial register, if it is due to his fault that the declaration made by him or by another person is incorrect or incomplete, shall be punished by a fine of the fourth category (NAf 25,000, approximately USD 13,966). In practice, these sanctions are not applied since the preferred method of the CoC is to petition the Court for an order for cancellation, addition or amendment of registration, as it is more effective towards obtaining the desired outcome which is accuracy of information in the register This approach taken by the COC because inaccurate or incomplete information may be due to a deceased director and conflicts regarding the replacement, as opposed to cases which are criminal and require a criminal investigation.

507. For the Tax authority, which is heavily relied upon for beneficial ownership information, if an entity fails to comply with its obligations under the NOGNT to keep UBO information in its administration, it is liable to an administrative fine of NAf 25,000 (USD13,966.48). On the other hand, if the entity intentionally fails to comply with the requirements, it can be considered to have committed a criminal act and is guilty of a criminal offence and can be punished with a prison sentence of four years or a fine of the fifth category (NAf 100,000/ USD 55,865.92) or, if the offence results in too little tax being levied and the under-levied tax is higher than a fifth category fine (NAf 100,000/ USD 55,865.92), by a maximum of twice the amount of the under-levied tax, or with both penalties.

508. Based on statistics provided to the assessors, the CBCS for 2019-2023 did not apply any administrative penalties or fines; one criminal fine was applied, five licences were revoked, three warning letters were issued, and forty-nine letters of instruction were dispensed. Curaçao appears to have a culture of administrative remediation as an alternative to administrative fines to address non-compliance; however, the assessors believe that the full range of sanctions should be more actively utilised to deter non-compliance.

Overall conclusion on IO.5

509. Curaçao demonstrates a low effectiveness in preventing the misuse of legal persons and arrangements for ML/TF purposes. While certain institutional frameworks are in place, the relevant competent authorities have not demonstrated a sufficient understanding of the vulnerabilities or the extent to which legal persons and arrangements created in Curaçao are misused for ML/TF, nor have they implemented effective, risk-based measures to prevent such misuse or potential misuse.

510. Although information on the creation and registration of legal persons is publicly accessible through the CoC, the availability and accuracy of BO information remains limited. While a UBO Register has been established and is now operational, it remains in its initial phase, is not yet automated, and its functionality is untested in practice. Moreover, before the register's implementation, there was no centralised mechanism to ensure timely access to up-to-date BO information by competent authorities. Authorities continue to rely heavily on third-party data collection by reporting entities, which introduces inconsistencies and delays in access.

511. Competent authorities have not demonstrated a coordinated or strategic approach to identifying or responding to the risks posed by legal persons and legal arrangements. Actions taken by authorities have largely been operational or procedural, rather than informed by a comprehensive, shared understanding of risk. No evidence exists that legal person misuse has been prioritised in prosecutorial strategies, supervisory programs, or intelligence-led interventions. Furthermore, the application of proportionate, dissuasive, and effective sanctions remains weak. The CBCS has opted for non-punitive actions such as warning letters, with no administrative sanctions imposed during the review period. The FIU has rarely issued sanctions and relies primarily on case referrals. The CoC has mechanisms to dissolve or cancel entities for non-compliance, but these have not been applied in any known ML/TF or related predicate offence cases. Detection of breaches is largely passive, such as failure to pay fees, rather than based on proactive monitoring for accuracy or misuse.

512. In conclusion, while some foundational elements are in place, Curaçao's competent authorities have not effectively implemented preventive, supervisory, or enforcement measures that reflect a clear understanding of ML/TF risks associated with legal persons and arrangements. The absence of timely access to accurate beneficial ownership information, lack of strategic coordination, and limited enforcement response supports the conclusion that fundamental improvements need to be made by Curaçao as it exhibits a low level of effectiveness under IO.5.

Curaçao is rated as having a low level of effectiveness for IO.5.

Chapter 8. INTERNATIONAL COOPERATION

8.1.Key Findings and Recommended Actions

Key Findings

- a) Curaçao has a strong legal framework in providing MLA and extradition fort ML/TF and associated predicate offences, facilitating cooperation in a largely efficient manner. However, gaps in tracking and prioritising requests, particularly for beneficial ownership information, affect both timeliness and effectiveness.
- b) Curaçao is actively engaged in providing MLA and extradition formally and through other forms of cooperation, with competent authorities sharing information with foreign counterparts via membership in various organisations that facilitate such sharing. However, the absence of a structured feedback mechanism limits the ability to assess the quality and impact of assistance provided. Additionally, inconsistent data collection and statistical gaps (e.g. case outcomes, refusals, and processing times) hinder effectiveness.
- c) The PPO handles the country’s MLA and extradition requests. This is facilitated by the Centre for International Mutual Legal Assistance (IRC Carib), which employs a manual case management system through which requests are registered and prioritised following internal guidelines. Nevertheless, the system does not generate comprehensive statistics or systematically record reasons for refusals and pending requests, impacting oversight and effectiveness.
- d) Curaçao has demonstrated that it sought assistance in an appropriate and timely manner to pursue domestic ML and associated predicate offences, as evidenced by successful case studies such as Themis and Crow. Notwithstanding, outgoing MLA requests are not consistently aligned with all identified high-risk sectors and predicate offences, particularly in areas like tax evasion and illicit gold trade. Strengthening strategic prioritisation and timeliness in seeking assistance would enhance effectiveness.

Recommended Actions

- a) Curaçao should enhance the IRC Carib case management system, allowing the PPO to monitor the status and timeliness of MLA/extradition requests and systematically record reasons for refusals and pending requests to identify procedural gaps.
- b) Curaçao should introduce an improved structured feedback mechanism to assess the quality and timeliness of international cooperation provided by Curaçao, ensuring that competent authorities can evaluate the usefulness and efficiency of their assistance and identify challenges and areas for improvement.
- c) Curaçao should maintain comprehensive statistics for other forms of international cooperation in which it engages, especially by the LEAs for ML/TF purposes, to enhance efficiency and guide policies.
- d) Implement measures to improve the timeliness of the international exchange of beneficial ownership information.
- e) Curaçao should further enhance its proactivity by seeking international cooperation in an appropriate manner to pursue domestic ML and predicate offences which have transnational elements.

- f) Competent authorities, including the FIU Supervision Department, Gaming Control Board, and anti-corruption bodies, should more proactively use informal and spontaneous international cooperation mechanisms, such as Egmont Secure Web, ARIN-CARIB, and bilateral MOUs. Clear internal procedures should be developed to institutionalise the use of these channels for timely, proactive information exchange beyond formal MLA.
- g) The Government of Curaçao should expand the staffing and technical capacity of units tasked with international cooperation, particularly the IRC Carib and agencies frequently involved in MLA and asset recovery. Dedicated personnel and modern tools are required to ensure that increasingly complex or high-volume requests are handled swiftly and competently without overburdening current structures.

513. This chapter considers and assesses IO.2 as the relevant immediate outcome. The Recommendations for assessing effectiveness under this section are R.36-40 and R.9, 15, 24, 25, and 32 elements.

8.2.Immediate Outcome 2 (International Cooperation)

8.2.1. *Providing constructive and timely MLA and extradition*

514. Curaçao's MLA and extradition frameworks are largely effective in facilitating international cooperation, with a high success rate in processing requests and strong legal and procedural safeguards ensuring confidentiality and due process. The country generally responds to urgent requests and has a structured coordination mechanism through the IRC Carib. However, weaknesses remain, including inconsistent tracking of processing times, lack of systematic data on refusals and pending cases, and administrative gaps in tracking transfer requests. While Curaçao prioritises requests effectively and maintains strong international partnerships, these limitations affect its ability to demonstrate effectiveness fully and ensure continuous improvement in its international cooperation efforts.

MLA

515. Curaçao has a well-developed MLA framework that facilitates international cooperation, as detailed in the analysis of R.36 and 37 in the Technical Compliance Annex. MLA requests operate primarily under the Code of Penal Procedure, which outlines the conditions under which assistance is required for criminal investigations. In practice, the IRC Carib manages MLA and extradition requests, ensuring coordination.

516. Between 2019 and 2023, the PPO received 391 MLA requests, as reflected in Table 8.1, of which twenty-seven focused on executing confiscation orders and asset-sharing, as Table 8.2 shows. The PPO does not maintain detailed quantitative data readily available regarding the types of offences related to incoming MLA requests. Staff who handle these requests have developed institutional knowledge about the most common types of crimes associated with MLA and extradition requests. Based on their experience, the following list outlines the approximate types of offences covered in incoming MLA requests: drug-related crimes, money laundering, fraud, gold smuggling, and human smuggling.

517. Qualitative information provided by the PPO shows that Curaçao received a wide range of international cooperation requests across multiple categories. Witness-related requests included the hearing and judicial examination of witnesses and police witness examinations. Requests concerning suspects involved interrogations, hearings, and formal examinations (summoning).

518. Data and document requests encompassed access to bank, customs, registered companies and police records. Legal and procedural requests covered judgments and judicial information, report issuance,

document provision, and inquiries into specific past sentences. Investigative actions ranged from searches and observations to cross-border surveillance, wiretaps, undercover operations, and systematic observations using beacons. DNA-related requests included DNA comparisons and access to national or international DNA databases. Financial and asset-related requests primarily involved lifting attachments, transferring balances, conservatory attachments, and claims on bank data.

519. Other cooperation requests focused on information and data retrieval, including requests for data collection and details on criminal proceedings. Additional miscellaneous requests included providing camera images, travel data, birth registry information, medical and psychological research, and probation-related information.

520. Most incoming MLA requests, 363 (92.84%), were successfully processed, with fifteen (3.84%) being refused and thirteen (3.32%) remaining pending processing by the end of 2023. The PPO does not systematically record the reasons for refused and pending requests, a limitation affecting the MLA and extradition frameworks that require improvement.

521. Refusals were very limited, occurring only about three times per year. Based on the PPO experience, the most common reason for rejection was that the request was not of substance (e.g. fraud of only 500 euros). On the other hand, from 2019 to 2022, no MLA requests remained pending. Although there were instances where reminders were received for cases that had been incorrectly closed, these were subsequently addressed.

522. In 2023, thirteen MLA requests remained pending for final execution. The delays in processing were primarily due to the complexity of certain cases, which required extended time for investigation and execution. Additionally, capacity constraints within investigative services impacted response times. In some instances, requests may have been processed in the following year.

Table 8.1. Incoming MLA Requests

| Requests | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|-----------------|-----------|-----------|-----------|-----------|------------|------------|
| Received | 64 | 67 | 70 | 79 | 111 | 391 |
| <i>Granted</i> | 61 | 64 | 67 | 76 | 95 | 363 |
| <i>Refused</i> | 3 | 3 | 3 | 3 | 3 | 15 |
| <i>Pending</i> | 0 | 0 | 0 | 0 | 13 | 13 |

Table 8.2. Incoming international requests regarding the execution of confiscation orders and asset-sharing

| Requests | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|-------------|
| Received | 4 | 6 | 6 | 9 | 2 | 27 |
| <i>Granted</i> | 3 | 6 | 5 | 4 | 2 | 20 |
| <i>Refused</i> | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Pending</i> | 1 | 0 | 1 | 5 | 0 | 7 |
| Av. processing time (days) | 87 | 59 | 53 | 37 | 33 | 53.8 |

523. The IRC Carib began operating in 2016 and initially faced a backlog. Nevertheless, as Tables 8.1 and 8.2 show, most MLA requests have been successfully processed over the years. In all cases, the IRC Carib registered each request manually using digital tools through a workflow-based framework established in the internal IRC Carib's procedures, which involve assigning registration numbers, categorising requests (i.e. minor legal assistance, such as investigative support or document provision; extradition and transfers or asset recovery and confiscation requests), and logging them into data sheets with columns for tracking them, including the suspect's name, the requesting country, the nature of the offence, the type of request,

the responsible IRC Carib employee, and key dates (receipt, action and closure). These data sheets are not used to generate statistics and do not capture information on reasons for refusing requests or keeping them pending processing, which represents opportunities to improve IRC Carib's tracking system.

524. The PPO provided the Pyriet Case as an example of Curaçao's capability in international cooperation and effective asset recovery. In 2015, Curaçao effectively responded to an incoming MLA request from a foreign jurisdiction by seizing approximately NAf 1,000,000 (USD558,659.22) held in an account at a bank as part of an ongoing international money laundering investigation. However, in 2020, authorities discovered that the Bank had mistakenly allowed the account holder to withdraw the seized funds without authorisation. Curaçao swiftly initiated a criminal investigation against the bank, revealing further compliance failures, including delays in reporting unusual transactions to Curaçao's FIU. Curaçao facilitated the successful recovery of withdrawal funds abroad through proactive international cooperation with the requesting jurisdiction. The foreign jurisdiction subsequently secured a conviction against the account holder for money laundering.

525. The IRC Carib has only two staff members assigned, which is generally enough to coordinate processing incoming MLA requests. There is one Public Prosecutor attached to the IRC Carib who is responsible for examining incoming requests for MLA over two weeks to ascertain whether the request meets requirements, including a legal basis such as a treaty to which both countries are bound or, in the absence of a treaty, an agreement for reciprocity. The prosecutor also considers whether the legal assistance sought could lead to a violation of human rights. Each request for MLA is always tested against international treaties and Curaçao law.

526. The PPO does not maintain comprehensive statistics on the processing time of MLA requests. According to the PPO and partial statistical information provided, requests for MLA were generally processed within 100 days. The PPO explained that response times may vary depending on the complexity of certain requests, the volume of information required, and the capacity of the police or relevant agencies to fulfil the requests.

527. The PPO better tracks the processing time of MLA requests concerning confiscation orders and asset-sharing, as shown in Table 8.2. This kind of request usually comes from the Netherlands, where a request to freeze or confiscate assets can generally be realised by order of the prosecutor in Curaçao and, therefore, can be executed more swiftly.

528. Of the twenty countries that responded to the international cooperation feedback call, three provided their experience exchanging information with Curaçao through MLA requests. One respondent reported consistent, high-quality cooperation with Curaçao, emphasising swift execution of requests, strong professional relationships, and no recorded issues in MLA. Another respondent described Curaçao as prioritising urgent requests and maintaining a positive and efficient relationship. The last respondent noted delays in a request despite prior proactive assistance. Statistics reveal moderate MLA request volumes with Curaçao processing. Structural cooperation mechanisms, such as joint MLA submissions and regular inter-agency meetings, enhanced operational efficiency. Overall, Curaçao demonstrated strong performance in handling MLA requests with isolated delays.

529. The PPO has multiple layers of protection to ensure the confidentiality of incoming MLA requests, incorporating legal safeguards, access controls, and structured case management. The IRC Carib is the only unit that handles requests. The Principle of Least Privilege ensures that only authorised personnel at the PPO can access MLA case files, restricting unnecessary exposure of sensitive information. Only a designated public prosecutor and one assistant can access the IRC Carib case management system, ensuring restricted handling of sensitive information and minimising the risk of data leaks or breaches.

530. Moreover, completed legal assistance requests are sent digitally to the requesting country, with the option of mailing original documents if necessary. To enhance security, password protection and multi-factor authentication are required to access MLA request storage, preventing unauthorised access. Additionally, data transfers are encrypted to protect confidentiality. MLA-related communications occur through secure email channels, and sensitive evidence, such as phone intercepts and financial records, is encrypted before transmission to international partners. The PPO did not record any breach of confidentiality over the assessed period based on implementing these measures, demonstrating their efficiency in protecting information from incoming MLA requests.

Extraditions and Transfers

531. Curaçao has a good framework to address extradition requests, as explained in the analysis of R.39. In practice, the country distinguishes between extraditions to or from third countries, which are carried out based on treaties, and intra-Kingdom transfers, which involve moving suspects or convicts between Curaçao, Aruba, Sint Maarten, and the Netherlands.

Extraditions

532. Curaçao has two types of extradition processes: accelerated and normal. The accelerated procedure applies when the person consents to extradition, allowing for immediate surrender without the need for a court proceeding or decision. In contrast, the normal extradition process, which typically takes three to six months, is primarily handled by the court. The court reviews the case and advises the Governor, who ultimately decides on extradition. Additionally, there is a possibility of cassation, where the Supreme Court reviews the case and issues a decision with urgency.

533. Curaçao received fifteen extradition requests for the assessment period, as shown in Table 8.3, from four jurisdictions. Similar to MLA requests, the PPO does not maintain statistics about the types of offences related to extradition requests. However, institutional knowledge suggests that most of them concern drug-related cases.

534. Between 2019 and 2023, only two out of fifteen extradition requests were granted, relying on the suspect's consent and the normal extradition process. Other requests were refused because the requirement of dual criminality was not met or because the wanted persons were Dutch nationals. Pending extradition requests were attributed to factors including requests appealed before the Supreme Court, the impossibility of finding the suspect, uncertainties regarding the legal grounds under which the suspect was being held and waiting on official processes to be completed by the requesting country.

Table 8.3. Incoming extradition requests

| Requests | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|-----------------------------------|----------|----------|------------|-----------|-----------|-----------|
| Received | 0 | 0 | 10 | 3 | 2 | 15 |
| <i>Granted</i> | 0 | 0 | 0 | 2 | 0 | 2 |
| <i>Refused</i> | 0 | 0 | 4 | 1 | 2 | 7 |
| <i>Pending</i> | 0 | 0 | 6 | 0 | 0 | 6 |
| Av. processing time (days) | 0 | 0 | 115 | 20 | 13 | 49 |

535. Curaçao's average extradition processing time of forty-nine days suggests that the system functions efficiently for approved cases. In the broader context of extraditions, where cases can take months or even years in other jurisdictions, this is a fast turnaround. Only one of the cases registered by the PPO in August

2021 needed approximately seventeen months to be processed. This was due to the wanted persons who appealed to the Supreme Court, with all of them finally extradited in January 2023.

536. Of the countries that responded to the international cooperation feedback call, one of Curaçao's key international partners reported that the country successfully processed its only extradition request during the review period. This action ensured that the individual in question was extradited to face prosecution for financial crimes.

Transfers

537. Transfers operate under Art. 40 of the Statute for the Kingdom of the Netherlands allows for the smooth movement of suspects and convicted individuals between Curaçao, the Netherlands, Aruba, and Sint Maarten. Transfers differ from extraditions as they do not require diplomatic negotiations or extensive legal proceedings, making them faster and more efficient in certain cases. Curaçao received fifty-five transfer requests from 2019 to 2023.

538. The PPO successfully processed thirty-six transfer requests (72.73%), indicating an efficient system for handling intra-Kingdom transfers. Transfers ensured that individuals facing prosecution or serving sentences were easily moved to the appropriate jurisdiction, preventing delays in trial or sentence execution. For instance, in 2022, Curaçao received nineteen transfer requests from the Netherlands, all executed. The requests included suspects awaiting trial and convicted persons required to serve sentences, contributing to law enforcement efforts to dismantle criminal networks linked to predicate offences such as ML, drug trafficking, and violent crimes.

Table 8.4. Incoming transfer requests

| Requests | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|---|-----------|----------|----------|-----------|----------|-----------|
| Received | 20 | 3 | 7 | 19 | 6 | 55 |
| <i>Executed in the Same Year</i> | 4 | 1 | 5 | 19 | 0 | 29 |
| <i>Executed in a Later Year</i> | 5 | 2 | 1 | 0 | 3 | 11 |
| <i>Withdrawn, incomplete or unknown</i> | 11 | 0 | 1 | 0 | 3 | 15 |

539. Although there are no indications that the processing time for transfers is problematic, the PPO does not maintain complete data about this, making it challenging to understand this topic fully. Partial data indicates that cases were resolved in an average of ten days in 2020, while others took around fifty-seven days in 2021; however, there is no data on processing times for 2019, 2022 and 2023.

540. The last row in Table 8.4 indicates that fifteen requests (27.27%) were either withdrawn, incomplete or had an unknown status. No detailed data distinguishes how many requests fall into each category. The PPO clarified that incomplete requests were those with insufficient information, which hindered their processing, as well as cases where the suspects were medically unable to be transferred.

541. Requests labelled as having an unknown status refer to instances where there was no record or definitive information regarding the outcome of the request. The PPO noted that before 2021, personnel in other parts of the Kingdom of the Netherlands managed transfers remotely. It was only in 2021 that Curaçao appointed a dedicated employee to be stationed in the country for this purpose. Consequently, some records from earlier years are missing, incomplete, or not properly tracked.

542. The Crow case, addressed in more detail in the next section, includes one example of completing a transfer request. A key element in this process was using MLA requests, a detention and transfer request, which facilitated the formal cooperation between the two countries. Additionally, given the legal structure

of the Kingdom of the Netherlands, suspects could be transferred directly without requiring a formal extradition process, streamlining the procedure and avoiding delays. This process was further strengthened by the close coordination between Curaçao's PPO, Dutch law enforcement agencies and financial intelligence units, ensuring seamless execution.

8.2.2. Seeking timely legal assistance to pursue domestic ML, associated predicate offences and TF cases with transnational elements

543. Curaçao's approach to MLA and extradition reflects its commitment to international cooperation in combating money laundering and associated transnational crimes. While efforts have been made to streamline MLA processes through the IRC Carib mechanism, the effectiveness of these requests remains uneven. Statistical trends from 2019 to 2023 indicate active engagement, yet gaps persist in aligning MLA requests with high-risk sectors and predicate offences identified in the country's 2023 ML NRA. Additionally, the absence of granular data on the types of offenses linked to outgoing requests limits the ability to fully assess strategic alignment and impact. Similarly, while Curaçao has pursued extradition cases, gaps in case outcomes and pending requests raise concerns about procedural efficiency and enforcement effectiveness. Addressing these challenges through improved data collection and targeted prioritisation of requests would strengthen Curaçao's overall international cooperation framework.

MLA

544. Curaçao has made efforts to submit MLA requests to investigate ML and associated predicates with transnational elements. As the central authority, the PPO ensures that requests meet legal and treaty requirements before dispatching them to the relevant country. Outgoing MLA requests are handled through the PPO's IRC Carib to streamline communication and documentation. The PPO and the KPC work together to ensure the timeliness of requests, which are made based on the KPC discovering the need for information from another country and communicating with the coordinating prosecutor with oversight of the investigation, or the PPO could make that determination independently since it is *au fait* with the investigation.

545. From 2019 to 2023, Curaçao engaged in international cooperation by requesting MLA in eighteen instances from eight countries to support its efforts in combating serious financial and organised crimes. The total number of outgoing MLA requests fluctuated annually, peaking in 2023 with seven requests, with no requests being refused over the period under review. There is no separate statistical data on MLA requests for executing confiscation orders and asset sharing. Table 8.5 reflects the number of outgoing MLA requests made by Curaçao from 2019 to 2023.

Table 8.5. Outgoing MLA requests

| Requests | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|-----------|------|------|------|------|---------|-------|
| Submitted | 3 | 2 | 4 | 2 | 7 | 18 |
| Granted | 3 | 2 | 1 | 0 | Unknown | 6 |
| Refused | 0 | 0 | 0 | 0 | Unknown | 0 |
| Pending | 0 | 0 | 0 | 2 | Unknown | 2 |

546. Curaçao's outgoing MLA requests aligned broadly with its ML risk profile. However, there are notable gaps, particularly in MLA requests targeting certain high-risk sectors and predicate offences identified in the 2023 ML NRA.

547. As highlighted in Section 8.2.1, the PPO does not maintain quantitative data about the offences related to outgoing MLA requests, creating an information gap that the PPO should address. A qualitative list of

related offenses, compiled from documents provided by the PPO and interviews, includes money laundering, fraud, drug trafficking, and corruption. No outgoing requests concerned terrorism financing, which aligns with the assessors' understanding that there are no significant TF risks in the country. While these findings indicate that MLA requests were largely aligned with some of the country's risk profiles, the alignment appears partial.

548. Notably, outgoing MLA requests did not address significant threats such as tax evasion, illicit gold trade and human smuggling and trafficking, which are classified as high ML risks. Additionally, outgoing MLA requests did not cover key high-risk sectors identified in the 2023 ML NRA, including securities intermediaries, asset managers, real estate, lottery, online gambling, and e-zones. This gap suggests potential weaknesses in the country's international cooperation efforts, particularly in prioritising MLA requests that reflect the full spectrum of its ML risk profile.

549. The Themis, Crow and Pyriet cases successfully utilised MLA requests to gather information from multiple countries, leading to successful prosecution.

Box 8.1. The Themis Case

The Themis case is an extensive investigation targeting the No Limit Soldiers (NLS), a criminal organisation deeply involved in drug trafficking, money laundering, and numerous violent crimes, including multiple murders across Curaçao, Sint Maarten, and the Netherlands. The investigation brought together a joint detective team comprising members from the police forces of Sint Maarten, Curaçao, Aruba, and the RST. This coordinated effort aimed to dismantle the NLS's sophisticated and violent operations. Notably, the investigation revealed that the NLS had been operating across these regions for years, facilitating a large-scale narcotics trade and laundering the proceeds through various means.

The joint team actively sought MLA to gather crucial evidence and support its prosecution efforts in the Themis case. In early 2020, numerous MLA requests were sent to multiple jurisdictions, including the Netherlands, Sint Maarten, Aruba, Belgium, Brazil, Colombia, the Dominican Republic, France, Peru, the United Kingdom, and the United States—for example, requests made to the Netherlands in January 2020. Further requests in June and July 2020 gathered critical data from ongoing investigations. The joint team issued ninety-eight MLA requests concerning this case, from which fifty were sent to the Netherlands alone, seeking a wide range of information: financial data, intercepted communications, witness interrogations, business records, beneficial ownership information, telephone data, house searches, observations of suspects and DNA testing.

The MLA received by Curaçao played a pivotal role in the successful prosecution of several high-ranking members of the NLS. The comprehensive information and evidence obtained through MLA requests facilitated the indictment and extradition of key figures. The collaborative efforts across multiple jurisdictions significantly strengthened the legal proceedings against the NLS, leading to successful prosecutions and substantial asset seizures. Four suspects were prosecuted for participation in a criminal organisation, instigation of murder and preparations for murder, drug trafficking, firearms possession, and money laundering, with sentences imposed ranging from twenty-one months to fourteen years imprisonment.

Box 8.2. The Crow Case

The Crow case involved a criminal investigation into narcotics trafficking and ML operations. Between May and July 2022, three containers were transported from Curaçao to the Netherlands with significant quantities of cocaine. These containers were filled with stones as deck cargo and cocaine-filled stones, which were then transported to the port. The regular stones were specifically employed as a means to conceal cocaine. In the Netherlands, the cocaine shipments were seized, and the suspects involved were arrested.

In this case, MLA requests were crucial in gathering evidence and information. From December 2021 to July 2023, six MLA requests were made to France, two to Aruba, two to Colombia and nine to the Netherlands concerning this case. The MLA requests included surveillance and interrogations, observations, information on encrypted communication platforms such as Encrochat and SkyECC and details regarding container transport from Europe. Additionally, the Netherlands provided a list of visitors, intercepted communications, and forensic investigations related to the suspects. Finally, a controlled delivery was executed whereby the containers were filled with stones instead, closed, and transported to the port.

The MLA received by Curaçao proved instrumental in successfully prosecuting the Crow case. The collaborative efforts resulted in the arrest of four suspects and the seizure of large quantities of cocaine in 2023. The detailed information and evidence gathered through MLA requests, including intercepted communications, observations, and forensic data, provided a solid foundation for the prosecution.

Extraditions

550. Between 2019 and 2023, Curaçao submitted seventeen extradition requests, all of which were managed by IRC Carib. These requests were categorised, registered, and forwarded to the relevant authorities. However, no transfer requests were submitted during this period.

551. Despite the established process, the effectiveness of Curaçao's extradition system remains unclear due to several gaps in the available data. First, there is no specific information on the types of crimes associated with the extradition requests, which limits any assessment of whether the requests align with national security priorities or reflect a targeted approach to transnational crime. Second, there is no data regarding case outcomes, while five requests remain pending without available explanations. Understanding the reasons for these delays—whether due to legal complexities, diplomatic considerations, or resource constraints—would provide valuable insights into the strengths and weaknesses of the system. Additionally, the current status of some requests is “unknown,” leaving open questions about the overall success rate of Curaçao's extradition efforts.

552. Table 8.6 presents the available statistics on these outgoing extradition requests. However, a more comprehensive analysis—including case resolution, reasons for delays, and qualitative assessments—would be necessary for a meaningful evaluation of Curaçao's extradition process.

Table 8.6. Outgoing extradition requests

| Requests | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|---------------------------|----------|----------|----------|----------|----------|-----------|
| Submitted | 7 | 2 | 4 | 2 | 2 | 17 |
| <i>Granted</i> | 7 | 1 | Unknown | 0 | 0 | 8 |
| <i>Refused</i> | 0 | 0 | Unknown | 0 | 0 | 0 |
| <i>Pending</i> | 0 | 1 | Unknown | 2 | 2 | 5 |
| <i>Required persons</i> | 7 | 2 | 4 | 2 | 2 | 17 |
| <i>Persons extradited</i> | 7 | 1 | Unknown | 0 | 0 | 8 |

8.2.3. Seeking other forms of international cooperation for AML/CFT purposes

553. Curaçao's use of other forms of international cooperation in AML/CFT efforts reflects a mixed level of engagement across its supervisory, law enforcement, and financial intelligence authorities. While the country has established several MOUs and participates in various international regulatory and supervisory networks, the effectiveness and consistency of these engagements remain uneven. Supervisory authorities, such as the CBCS, have actively leveraged international partnerships, but challenges persist in timely information exchange. In contrast, the FIU-Supervisory Department and the GCB exhibit a limited use of available international cooperation channels, particularly in outgoing requests. LEAs demonstrate sporadic but valuable use of networks like Interpol and ARIN-CARIB, yet historical records and systematic tracking of these engagements are lacking. As Curaçao navigates its medium-high ML risk environment, strengthening the effectiveness of international cooperation mechanisms, it must ensure a proactive engagement, timely responses, and measurable outcomes.

Supervisors

CBCS

554. The CBCS has entered into a multilateral MOU with the Central Banks of the countries in the Kingdom of the Netherlands, the Netherlands Authority for the Financial Markets, (iii) the Caribbean Group of Banking Supervisors (CGBS), and the Caribbean Association of Insurance Companies (CAIR). Through the CGBS and CAIR, Curaçao interacts with fifteen Caribbean countries' financial and insurance authorities. Moreover, the CBCS and the National Association of Insurance Commissioners of the United States interact indirectly through international regulatory bodies, such as the International Association of Insurance Supervisors, and have occasional bilateral discussions on specific regulatory matters.

555. Additionally, the CBCS participates in supervisory colleges as necessary, particularly when dealing with institutions in financial trouble, those part of financial conglomerates, or those classified as Systemically Important Financial Institutions. Furthermore, CBCS is part of international collaboration bodies such as the Group of International Finance Centre Supervisors and the College of Dutch Kingdom Supervisors and collaborates with various Caribbean supervisory authorities as part of a supervisory college.

556. The effectiveness of these agreements in strengthening AML/CFT efforts remains unclear. A review of past interactions indicates that while MOUs have facilitated engagement, challenges remain in timely information exchange. For instance, among the twenty-eight fit and proper testing requests sent between 2022-2023, responses were received for only twenty-six, suggesting a 7% gap in feedback that could delay supervisory actions. One of the respondents to the international cooperation feedback call confirmed having received one request from the CBCS concerning fit and proper testing.

FIU – Supervisory Department

557. From 2019 to 2023, the FIU Supervisory Department did not submit outgoing requests for international cooperation. While this may indicate that relevant information was obtained through domestic channels, it could also suggest a lack of proactive engagement. Given Curaçao's medium-high ML risk profile and the relative importance of DNFBPs other than casinos (see Section 1.4.3 in Chapter 1), an absence of outgoing requests may limit the ability to detect cross-border illicit activity.

GCB

558. The GCB has collaborated with several international regulatory bodies, including the UK Gambling Commission, the Malta Gaming Authority, and the Dutch Gambling Authority. These engagements focus on licensing and AML audits. However, a review of outgoing requests from 2019 to 2023 indicates that the GCB did not formally request information from these counterparts for AML/CFT purposes. This suggests that cooperation exists but has not been actively leveraged to strengthen the GCB's supervision, considering the country's important land-based and online gambling sectors, which, in the case of the latter, have prominent international reach.

LEAs

559. The KPC can exchange information through Interpol. Statistics regarding interactions with Interpol were unavailable; however, three examples were referenced over the period. The first was a request made in March 2019 by the KPC to Interpol requesting addresses of certain suspects in an ML/money mule investigation dubbed “Gloria”; the requested information was provided on the same date. The second and third requests were made in September 2020. The second request involved information for an investigation into fraud, which was responded to in November 2020. The third request involved a drug/ML case, and a response was received in January 2021.

560. The LrC can collaborate with international bodies primarily when its investigations into government corruption intersect with broader, transnational crimes. While the LrC focuses on local government corruption, it can request the PPO to seek assistance from the KPC, enhancing the scope of its investigations through international cooperation channels. No statistics or case examples were provided to demonstrate that LrC sought forms of international cooperation different from MLA from 2019 to 2023, which could indicate that it did not actively seek international cooperation in an appropriate and timely manner for AML/CFT purposes, taking into account the medium-high cross-border ML threat for Curaçao. The same applies to the Customs and Tax Office.

561. The ARIN-CARIB network is another venue through which Curaçao's LEAs obtain international cooperation beyond MLA. LEAs do not maintain historical records of interactions through ARIN-CARIB, and they were not systematically maintained. Another challenge has been the loss of access to older communications due to the discontinuation of the Afpakteam “Confiscation” email account, which previously handled requests submitted through the network.

562. ARIN-CARIB has supported Curaçao in exchanging intelligence on financial crimes, including money laundering, fraud, drug trafficking, and cryptocurrency-related offences. In 2023, the KPC engaged in seventy-four email exchanges through ARIN-CARIB, four of which involved specific intelligence requests from the Caribbean, East Asia, and Europe. These interactions reflect the network's function in facilitating timely cross-border cooperation. The sample requests reviewed from 2019 to 2024 further illustrate how Curaçao's agencies, particularly the KPC, leveraged ARIN-CARIB to request and share intelligence with international counterparts, complementing other cooperation channels.

563. Curaçao's engagement with ARIN-CARIB has been particularly relevant in financial intelligence, including cryptocurrency-related investigations. Recent exchanges with East Asia and Latin American countries in 2023 and 2024 highlight its role in verifying financial transactions and corporate records across jurisdictions.

FIU – Analysis Department

564. Table 8.7 reflects the outgoing requests submitted by the FIU to foreign counterparts, including spontaneous disseminations received. The FIU submitted twenty-five outgoing requests between 2019-2023, with a declining trend from nine requests in 2020 to zero in 2023. This drop raises concerns about whether international cooperation efforts have weakened. Additionally, there is no data on how many of these requests resulted in actionable intelligence. There is no data about the use of spontaneous disseminations.

Table 8.7. FIU - Analysis Department outgoing requests to foreign counterparts

| Indicator | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|------------------------------------|------|------|------|------|------|-------|
| Outgoing requests | 8 | 9 | 2 | 6 | 0 | 25 |
| Information received spontaneously | 18 | 3 | 37 | 28 | 9 | 95 |
| Total | 26 | 12 | 39 | 34 | 9 | 120 |

565. Based on the international cooperation feedback, the FIU-Curaçao sent five requests to foreign counterparts between 2019 and 2022, mainly concerning narcotics trafficking, financial crimes, and corruption. Responses were provided within thirty days, except for one delayed case. Some queries resulted in actionable intelligence, including verification of travel movements and financial transactions, while others returned negative search results. Other countries received limited requests from Curaçao.

8.2.4. Providing other forms of international cooperation for AML/CFT purposes

566. The CBCS, the FIU, and LEAs engage in cross-border information exchange through multiple mechanisms; however, the effectiveness of these efforts remains inconsistent. Data limitations, response delays, and international counterparts' feedback highlight gaps in timeliness, accessibility, and overall effectiveness.

Supervisors

567. Between 2022 and 2023, the CBCS received fifty-four requests and responded to fifty of them, with an average response time of eight to nine weeks, i.e., two months. While the CBCS responded to most requests, the time taken may raise concerns regarding the timeliness of cooperation, particularly in urgent cases. Additionally, there is no available data on the international cooperation requests received by the FIU – Supervision Department or the GCB, which hinders an assessment of their role and responsiveness in facilitating information exchange. It is unclear whether these authorities are actively engaging in cooperation or if there are operational or legal barriers affecting their participation.

568. Four countries provided feedback on their international cooperation interactions with the CBCS. One maintains regular exchanges with CBCS, holding approximately eight to twelve meetings annually since 2020. Formal written correspondence typically takes two to three weeks, while emails receive faster responses. In contrast, another country reported that information exchange with CBCS remains inadequate, particularly in AML/CFT supervision, as significant supervisory matters are not communicated promptly.

569. A third respondent indicated that its financial authority engaged with the CBCS on personal questionnaire submissions in 2021 and 2022. The last respondent said it cooperates regularly with the CBCS, participating in supervisory colleges covering banking and insurance sector oversight. This collaboration included timely due diligence exchanges and adherence to multilateral MOUs for regulatory cooperation.

570. Contrasting the average time mentioned above of eight to nine weeks at the beginning of this section with the faster processing of two to three weeks mentioned in one of the previous paragraphs, it is unclear whether there are specific types of requests that take longer or are prioritised by the CBCS.

LEAs

571. There is no available data on the extent to which Curaçao's LEAs provided other forms of international cooperation beyond MLA. While Curaçao is a member of the ARIN-CARIB network, which facilitates informal information exchange, the effectiveness of this mechanism remains unclear. However, the international cooperation feedback indicates that Curaçao responded to fourteen requests from foreign LEAs utilising the ARIN CARIB Secretariat, although the quality and timeliness of such responses are unknown.

Other competent authorities

572. Competent authorities in Curaçao provide other forms of international cooperation, including spontaneous information exchange, through multiple channels such as the CBCS, Egmont Secure Web (ESW), the Extradition Decree for Aruba, Curaçao, and Sint Maarten, and the Foreign Account Tax Compliance Act (FATCA). However, the extent to which these mechanisms are effectively utilised is unclear.

573. Available data indicates that the FIU has received multiple requests and has responded, but there is limited information on whether responses were timely and met the needs of requesting counterparts, as Tables 8.8 and 8.9 show.

Table 8.8. Incoming requests for other forms of international cooperation received by the FIU - Analysis Department

| Indicator | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|------------|
| Incoming requests | 40 | 55 | 42 | 26 | 34 | 197 |
| Information provided spontaneously | 2 | 1 | 2 | 0 | 2 | 7 |
| Total | 42 | 56 | 44 | 26 | 36 | 204 |

Table 8.9. Requests received by FIU via Egmont

| Indicator | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|---|-----------|-----------|-----------|-----------|-----------|-------------|
| Incoming requests from FIUs | 62 | 38 | 34 | 23 | 28 | 185 |
| Information provided spontaneously | 12 | 24 | 47 | 32 | 18 | 133 |
| Av. response time FIU Curaçao (days) | 16 | 17 | 12 | 16 | 32 | 18.6 |

574. The data from the tables reflects a general decline in the number of incoming requests over the years, with the highest number of requests in 2020 and a notable decrease thereafter. While response rates appear stable, the effectiveness of the information provided is not evaluated. Furthermore, the average response time varied from twelve to thirty-two days.

575. Six countries provided feedback on the FIU's provision of international cooperation. One of the respondents sent four information requests to the FIU in Curaçao related to a corruption investigation involving a PEP. The FIU in Curaçao provided relevant intelligence for two requests, enhancing the requesting FIU's case analysis. The remaining two requests yielded no new leads. Responses were timely, typically within thirty days. The other respondent FIUs had minimal exchanges over the reviewed period, even of a single request. One respondent submitted ten requests, categorising eight responses from excellent to satisfactory, while two were considered of poor quality.

8.2.5. International exchange of basic and beneficial ownership information of legal persons and arrangements

576. Competent authorities in Curaçao actively exchanged basic and beneficial ownership information with foreign counterparts; however, response times show inconsistencies. While some requests were processed within a reasonable timeframe, others experienced delays of up to ten months. A systematic mechanism for tracking response efficiency and obtaining structured feedback from foreign counterparts is necessary to enhance the timeliness and quality of cooperation. Three case examples of foreign requests for cooperation in exchanging beneficial ownership information illustrate the IRC Carib's performance in this area:

Table 8.10. Exchange of basic and beneficial ownership information

| Request Date | Received Date | Action Taken (Days After Receipt) | Assistance Sought | Fulfilment Date | Time Taken for Fulfilment | Remarks |
|--------------|----------------------------------|-----------------------------------|--|-----------------|---------------------------|---|
| January 2022 | March 2022 (Diplomatic Channels) | 6 | Banking evidence of a limited company, including documents identifying controlling persons and financial transactions. | April 2022 | Just over 1 month | Timely response, relatively quick processing. |
| March 2022 | March 2022 | 4 | Identification of a company senior managing official. | December 2022 | 9 months | Significant delay despite prompt initial action. |
| July 2022 | July 2022 (via Europol) | 2 | Documents regarding a company's legal representative, bank account information and witness inquiries. | May 2023 | 10 months | Lower priority due to small values involved, resulting in extended fulfilment time. |

577. Curaçao indicated that the variance in the timeliness of the response in these cases was based on the urgency of the request. For instance, a request for legal assistance in which information is requested in a current ongoing investigation is given priority over an investigation in which information is requested about a fact that occurred several years ago. A public prosecutor makes this assessment for prioritisation.³⁹

578. During the onsite visit, it was indicated that beneficial ownership information could be provided to law enforcement agencies and the PPO within about ten days of being requested by the Tax Office. However, in each of the case examples, the requests were fulfilled outside of that period, which illustrates that beneficial ownership information may not have been readily available despite the existence of provisions requiring service providers to retain such information.

579. The Curaçao Tax Office facilitated beneficial ownership information exchange, processing 110 requests over five years, with an average response time of 87 days. While the volume of requests suggests active engagement, the prolonged response times indicate room for improvement.

³⁹ In 2022 there was no UBO Registry, as explained in the analysis of IO.5; hence, the information requested in all three cases discussed above should have been held by reporting entities and the respective companies.

Table 8.11. Exchange for information on Request

| Indicator | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|---|------|------|------|------|------|-------|
| No. of requests | 28 | 33 | 34 | 29 | 25 | 149 |
| No. of requests involving UBO information | 23 | 20 | 20 | 24 | 23 | 110 |
| Average time for response (days) | 84 | 92 | 102 | 77 | 80 | 87 |

Overall conclusion on IO.2

580. Curaçao provides constructive and timely information or assistance to a large extent when requested by other countries, though there is need for improvement as it relates to timely sharing of BO information. This is facilitated through a strong legal framework for MLA and extradition, with the PPO managing these requests via the IRC Carib system; although the process is generally efficient, timeliness varies. There is a need for a feedback mechanism to assess the quality of assistance being provided. Curaçao actively participates in international treaties and agreements, demonstrating its commitment to aiding foreign counterparts in law enforcement and legal matters. Additionally, there is information, collaboration on joint investigations and transfer of suspects and convicted persons within the Kingdom.

581. Competent authorities in Curaçao assist with requests to locate and extradite criminals and manage asset-related requests to a large extent. Extradition requests are processed through the IRC Carib, with varying success and timelines influenced by the complexity of cases. From 2019 to 2023, Curaçao managed numerous MLA and extradition requests, reflecting a robust cooperative framework. However, the need for enhanced feedback mechanisms and consistent statistical tracking remains. On the other hand, while authorities largely seek MLA to pursue criminals and their assets, evidenced by Curaçao's proactive engagement in international investigations and collaborations, such as the notable Themis, Crow and Pyriet cases, other forms of international cooperation are less frequently utilised for AML/CTF purposes.

Curaçao is rated as having a substantial level of effectiveness for IO.2.

TECHNICAL COMPLIANCE

This section provides a detailed analysis of the level of compliance with the FATF 40 Recommendations in numerical order. It does not include descriptive text on the country's situation or risks and is limited to analysing technical criteria for each Recommendation. It should be read in conjunction with the Mutual Evaluation Report.

Where the FATF requirements and national laws or regulations remain the same, this report refers to the analysis conducted as part of the previous Mutual Evaluation in 2012. This report is available on the [CFATF website](#).

Recommendation 1 – Assessing risks and applying a risk-based approach.

This new Recommendation was not evaluated in the 3rd Round of Mutual Evaluations.

Criterion 1.1 – In 2023, Curaçao published a National Risk Assessment (2023 ML NRA), which evaluates the risks associated with ML from 2018 to 2021, based on the World Bank NRA Tool. The NRA used diverse information, including surveys, supervisory, SAR, investigative, prosecutorial and MLA data, and interviews with industry experts. The NRA identified the country's overall ML risk level and the threats and vulnerabilities associated with ML. Additionally, the GCB completed a risk assessment of the land-based casino sector in August 2023, which presented a structured analysis based on interviews, documentary reviews, insights about UTRs from the FIU, and on-site inspections, which allowed the GCB to provide a reasonable conclusion of the variation of residual risk of land-based casinos.

On the other hand, Curaçao completed TF and NPO NRAs in 2024. The assessors did not have access to these assessment reports and were only provided with briefing materials outlining the methodology, information sources used, contextual considerations, and the assessment outcomes. These materials did not offer a detailed breakdown of the analysis process. Consequently, this lack of detailed information hindered the assessors' ability to evaluate the basis of the conclusions in Curaçao's TF and NPO NRAs.

Criterion 1.2 – Curaçao designated the NRA Steering Group to coordinate actions to assess risks (*Art. 2 of the National Decree No. 2017/041540 of January 15th, 2018*).

Criterion 1.3 – The 2023 ML NRA and the 2024 TF and NPO NRAs are the only risk assessments Curaçao has conducted at the national level, and there are no plans to update them. Nevertheless, the country has started taking steps to keep its risk understanding up-to-date. The GCB's land-based casino risk assessment, completed in August 2023, was scheduled to be updated in May 2024. The CBCS was tasked with conducting sector-specific interagency risk assessments in October 2023 and April 2024 (*Detailed Implementation Action Plan National ML Threat*). Furthermore, Curaçao started risk assessments focused on legal persons and arrangements, securities intermediaries, and asset managers and is planning to conduct others on Virtual Asset Service Providers and financial inclusion (*page 2 of the National Strategy and Action Plan Curaçao 2024*). However, the absence of a history of risk assessments and a systematic process for regular updates at the national level indicates that the country has yet to fully satisfy the expectation of maintaining an up-to-date understanding of risks. Continued efforts would enhance compliance with this criterion, especially in institutionalising regular updates and completing the planned risk assessments.

Criterion 1.4 – Curaçao utilised multiple methods to provide information on the outcomes of the 2023 ML NRA. Firstly, the NRA was made publicly available on the [Ministry of Finance website](#), and the results and the negative impact of ML risks were published in a [local newspaper](#). Secondly, the National AML/CFT/CPF Committee acted as the point of contact and coordinating body between the government

and supervisory agencies to ensure that they were kept informed of the results of the NRA through regular meetings. The FIU published the NRA outcomes on its website, contributing to communicating them to the DNFBP under its supervision. The FIU also conducted presentations to DNFBPs on the NRA results. Lastly, outreach sessions with the private sector on the NRA helped raise awareness of the results. There are no mechanisms to disseminate the 2024 TF and NPO risk assessments, and their results have not been shared with relevant competent authorities, financial institutions and DNFBPs.

Criterion 1.5 – Based on their understanding of ML risks, Curaçao has implemented measures to prevent ML. Some competent authorities, including the CBCS and the GCB, used the findings of the NRA Working Group in 2019 to initiate mitigatory actions before the publication of the ML NRA in 2023. Consequently, the CBCS amended several P&Gs applicable to the financial sector in 2023, and the country amended the NOIS and NORUT in 2024. The CBCS and the GCB have conducted training and outreach activities for financial institutions, TCSPs, and casinos over the years. Some other initiatives are under development, such as amending the casino legislation and enacting legislation applicable to VASPs to address the regulation and supervision of these sectors.

The "National Strategy and Action Plan Curaçao 2024" also cover enhancing the monitoring of international terrorist threats and developing a regulatory framework for the NPO sector to ensure transparency, reporting standards, oversight, and compliance monitoring, which are generally aligned with the overall low TF risk identified by Curaçao.

Moreover, the "National Strategy and Action Plan Curaçao 2024" covers resource allocation, focusing on increasing human, financial and information resources for various AML/CFT-related activities. Actions include increasing human resources for agencies responsible for investigating and prosecuting ML and predicate offences and the FIU Analysis Department; allocating human resources and investing in IT and technical capacity to the judiciary and intelligence agencies; supervising casinos; the FIU's supervisory function; training various agencies and increasing the access to open, local and commercial sources of information to support intelligence work. The document does not address resource allocations related to TF.

Criterion 1.6 – Curaçao applies all the FATF recommendations setting out requirements for financial institutions or DNFBPs, so this criterion is not applicable.

Criterion 1.7 – Financial institutions and TCSPs must incorporate the information on risks from NRAs into their risk assessments regardless of their level (*Section I.7 of the various CBCS's AML/CFT/CPF P&Gs issued by type of FI business*). Casinos must take notice of the outcomes and recommendations of NRAs and consider these when conducting their business risk assessments (*Section II.1 of the Regulations for Combating ML, TF and PF - Applicable for Curaçao casinos and providers of other online games*). Lawyers, attorneys, (candidate) notaries, accountants, tax advisors, other independent legal and tax advisors and administration offices must apply enhanced due diligence when ML/TF risks are higher, including national risks. However, this requirement does not extend to supervised entities who are dealers in precious metals and stones and those carrying out real estate business. (*Section 2.5.3.3 Financial Intelligence Unit Curaçao Regulations and Guidelines, 2017*).

Criterion 1.8 – Financial institutions, along with TCSPs, are allowed to take simplified measures for R.10 provided that they identify lower risks through a risk assessment (*Section II.2.A.1 of the various CBCS's AML/CFT/CPF P&Gs*).⁴⁰ However, the current provisions do not ensure that simplified CDD measures align with the country's assessment of its ML/TF risks. Casinos may apply simplified measures where risks are low. However, the application is not required to be consistent with national ML/TF risks (*Section II.5*

⁴⁰ Curaçao does not allow simplified measures for other requirements from the FATF Recommendations.

Regulations for Combating ML, TF and PF - Applicable for Curaçao casinos and providers of other online games). Similar requirements exist for lawyers, attorneys, (candidate) notaries, accountants, tax advisors, other independent legal and tax advisors and administration offices (*Section 2.5.2 Financial Intelligence Unit Curaçao Regulations and Guidelines, 2017*). However, this requirement does not extend to supervised entities who are dealers in precious metals and stones and those carrying out real estate business. Regarding high-risk activities requiring enhanced or specific measures as referred to in Footnote 7 of the Methodology, please refer to the analysis of R.6, 12, 13, 15 and 16 for information on the extent to which such measures are applied.

Criterion 1.9 –The CBCS, the FIU, and the GCB ensure that financial institutions and DNFBPs are implementing their obligations under R.1 (*Art. 11(1)(a) of the NOIS, Art. 22mm(1)(a) of the NORUT, and Sections I.7, II.2.F and II.6 of the various Central Bank’s AML/CFT/CPF P&Gs*).

Criterion 1.10 – Financial institutions and DNFBPs must take appropriate steps to identify, assess, and understand their ML/TF risks. **(a)** Financial institutions must document their risk assessments; however, there are no requirements in law or enforceable means for DNFBPs (except TCSPs) to document their risk assessments (*CBCS Provisions and Guidelines for Credit Institutions, Life Insurance Companies, Money Transfer Services, Self-Administered Investments Institutions and Trust Service Providers, and Section II.1 Regulations for Combating ML/TF/PF - Casinos and Online Games Providers*). **(b)** Financial institutions and DNFBPs must also consider the relevant risk factors before determining the overall level of risk and the appropriate level and type of mitigation to be applied (*Art. 2(4), (5d) and (5I) of the NOIS, Section II.2.1 of the Regulations for Combating ML/TF/PF – Casinos and online games providers, Financial Intelligence Unit Curaçao Regulations and CBCS P&Gs*). **(c)** Financial institutions and DNFBPs keep the risk assessments up to date (*Section II.2.1 of the Regulations for Combating ML/TF/PF – Casinos and online games providers, Financial Intelligence Unit Curaçao Regulations and Guidelines and CBCS P&Gs*). **(d)** Financial institutions have appropriate mechanisms to provide risk assessment information to competent authorities. However, there are no similar requirements for DNFBPs (except TCSPs) (*Section II.2.1 of the Regulations for Combating ML/TF/PF—Casinos and Online Games Providers and CBCS’s P&Gs*).

Criterion 1.11 – **(a)** Financial institutions and DNFBPs must have policies, controls, and procedures approved by senior management to manage and mitigate the risks they identify (*Art. 5f of the NOIS and Section II.2 of the Central Bank’s P&G referred to previously*) **(b)** Financial institutions, TCSPs and casinos, must monitor the implementation of their controls and enhance them if necessary (*Section II.1 CBCS P&Gs and paragraph II.2.1 Regulations for Combating ML/TF/PF - Casinos and Online Games Providers*). Other DNFBPs must ensure their compliance function is monitored for compliance with statutory and internal rules that the service provider has drawn up (*Art. 5g NOIS*). However, there is no requirement to enhance controls if necessary. **(c)** Financial institutions and DNFBPs must take enhanced measures to manage and mitigate the risks where higher risks are identified (*Art. 2(4) of the NOIS and specified in the CBCS’s P&G referred to previously*).

Criterion 1.12 – Financial institutions, TCSPs, and casinos can only apply simplified customer due diligence if lower risks have been identified. However, simplified CDD measures are not applicable if there is suspicion of ML/TF or in high-risk scenarios. *Section II.2.A.1 of the CBCS’s P&Gs and paragraph III.5 Regulations for Combating ML/TF/PF - Casinos and Online Games Providers*). There are no measures for other DNFBPs to apply simplified due diligence under this criterion. The deficiencies identified in criteria 1.10 and 1.11 cascade.

Weighting and Conclusion

Curaçao has taken action to assess ML risks and implement an RBA. However, the country provided limited information about the TF and NPO risk assessments and a risk-based approach to resource allocation. Additionally, some DNFBPs, namely real estate businesses and dealers in precious metals and stones, are not subject to certain criteria requirements. **Recommendation 1 is rated Partially Compliant.**

Recommendation 2 - National Cooperation and Coordination

Curaçao was rated PC with the requirements of this Recommendation in its 3rd Round MER. The National Committee on Money Laundering lacked a clear organisational structure, governance system, and terms of reference. Its composition also required more operationally competent authorities. Additionally, there was a need for a forum where competent authorities could collaborate on policy and legislative changes. A resource adequacy assessment was also necessary for competent authorities. By the end of the 3rd Round of MEs, Curaçao was still addressing these shortcomings.

Criterion 2.1 – Curaçao’s national AML/CFT policies are included in the "National Strategy and Action Plan Curaçao 2024", a document informed by the risks identified in the 2023 ML NRA and the 2024 TF and NPO NRAs.⁴¹ The “Detailed Implementation Action Plan National ML Threat,” which supports the "National Strategy and Action Plan Curaçao 2024 objectives," outlines a structured approach to reviewing national AML/CFT policies. This plan mandates the AML/CFT/CFP Committee to develop a national AML policy and strategy by December 2025. Additionally, the Government is tasked with formulating national policies to enhance international cooperation in monitoring terrorist threats and strengthening local capacities to combat TF. The focus will be on strategy development and risk analysis, alongside ongoing engagement through multilateral forums and regional partnerships, all to be achieved by 2025.

Criterion 2.2 – The National AML/CFT/CFP Committee is the designated authority responsible for national AML/CFT/CFP regulation and policies (*Art. 2 of the National Decree Establishing the AML/CFT Committee*).

Criterion 2.3 – Curaçao has several mechanisms to cooperate in developing and implementing AML/CFT policies. The National AML/CFT Committee comprises the CBCS, as Chair, the FIU, GCB, VDC, and other law enforcement and government authorities. The Committee drafts national AML/CFT policies and strategies and coordinates and monitors the AML/CFT activities, and advises the Government, on request or its initiative, on the implementation of the FATF recommendations on the prevention and control of ML/FT/PF by submitting to the Minister the necessary draft proposals, which include regulations, to implement the FATF recommendations (*Art. 3(1)(c) of the National Decree Establishing the National AML/CFT Committee*).

Moreover, Curaçao's legislation provides mechanisms for the Central Bank and the FIU, as supervisors, to exchange information with other competent authorities concerning the development and implementation of AML/CFT activities (*Art. 8 of the NOIS, Arts. 6, 7 and 20 of the NORUT, Arts. 78 and 78a of the NOSII and Arts. 40 and 41 of the NOSBCI*).⁴²

⁴¹ Curaçao did not have risk-based national AML/CFT policies between 2019 and 2023.

⁴² The provision of information from the Central Bank to other competent authorities is complemented by Arts. 78, 78a of the National Ordinance Supervision Insurance Industry; Arts. 20 and 20a of the National Ordinance on the Supervision of the Insurance Brokerage Business; Art. 41 of the National Ordinance on the Supervision of Banking and Credit Institutions; Arts. 18 and 19 of the National Ordinance on the Supervision of Money Transfer Companies; Arts. 23 and 24 of the National Ordinance Supervision of Trust Services Providers; Arts. 25 and 28 of the National

The ACOC is an inter-agency cooperation platform that facilitates a coordinated approach to addressing subversive crimes by combining efforts and resources from the PPO, KPC, SBAB, Customs, KMar, Coast Guard, Tax Office, FIU, VDC, among other agencies (*National Decree Of Oct. 17, 2022, no. 22/1969*). Additionally, the VDC can exchange intelligence with the PPO, KPC, and Customs, which may include information that has the potential to support the development and implementation of AML/CFT activities (*Arts. 11 and 19-21 of the National Ordinance Security Service*).

The Intelligence Centre Curaçao (ICC) is a collaborative platform housed by the KPC, comprising representatives from the KPC, RST, the Coast Guard, the KMar, Customs, VDC, and the Tax Authority. ICC facilitates sharing information to tackle local and cross-border crimes, including ML, predicate offences and TF; propose and supports investigations; identifies criminal organisations; monitors suspicious financial transactions; conducts crime and integrity assessments; recognises crime trends; and adopts an integrated approach to enforcement against criminal organisations and disruptive social phenomena (*Arts. 2, 4, 5 and 9 of the Cooperation Agreement Intelligence Centre Curaçao*).

The Structured Consultation on Financial Investigation and Information Services (GOFO, in Dutch) was an informal operational consultation platform that operated from the beginning of the period under review until the COVID-19 pandemic ensued. It aimed to enhance cooperation and information exchange to combat financial and economic crimes. It comprised the FIU, the PPO, the KPC, the RST, Customs, the Tax Office, and Interpol.

Criterion 2.4 – Competent authorities have cooperation and coordination mechanisms to combat PF (*Art. 8(3) of the NOIS and Arts. 6(1) and 20(3) of the NORUT*).

Criterion 2.5 – Curaçao’s legislation provides a substantive basis for cooperation and coordination between relevant authorities to ensure the compatibility of AML/CFT requirements with data protection and privacy rules and other similar provisions; however, provisions do not directly or indirectly address AML/CFT cooperation and coordination. These efforts would typically need to be developed through separate regulations or agreements between AML/CFT authorities and the Data Protection Authority (*College Bescherming Persoonsgegevens*) to ensure compatibility between frameworks (*Arts. 8, 8a, 8c 13, 14, 16, 23, 35, and 41-52 of the National Ordinance Protection of Personal Data*).

Weighting and Conclusion

Curaçao has developed comprehensive national AML/CFT policies through the "National Strategy and Action Plan Curaçao 2024," which has been informed by the latest risk assessments. However, the country still needs to develop a comprehensive framework for cooperation and coordination between relevant authorities to ensure the compatibility of AML/CFT requirements with data protection and privacy rules.

Recommendation 2 is rated Largely Compliant.

Recommendation 3 - Money Laundering Offence

Curaçao was rated LC with the requirements from this Recommendation in its 3rd Round MER. The legislation did not criminalise possessing the equipment, materials, or substances listed in Tables I and II of the Vienna Convention, and the Penal Code did not cover all serious crimes occurring abroad. Additionally, preparation for culpable ML was not an ancillary offence, and penalties for ML were

Ordinance Supervision of Investment Institutions and Administrators; Art. 53 of the National Ordinance of Intermediaries and Asset Management Companies; and Arts. 7 and 10 of the National Ordinance Supervision of Security Exchange.

recommended to be reconsidered. Curaçao addressed most of these shortcomings by amending the Penal Code.

Criterion 3.1 – Curaçao criminalises ML in line with the Vienna and Palermo Conventions requirements. Three ML offence categories are intentional, habitual and culpable (*Arts. 2:404, 2:405 and 2:406 of the Penal Code*). The offences in the Penal Code criminalise the concealment or disguise of the true nature or origin, disposal or transfer of an object while knowing or understanding that the object was directly or indirectly derived from any crime. “Objects” are understood to mean all property and all property rights (*Art. 2:404(2) and Art. 2:206(2) of the Penal Code*).

Criterion 3.2 – Curaçao applies an ‘all-crimes approach’ to ML predicate offences. The ML offence applies to objects that originate from any crime and, therefore, covers all designated categories of offences (*Art. 2:404(2) and Art. 2:206(2) of the Penal Code*).

Criterion 3.3 – Curaçao does not apply a threshold approach, so this criterion is not applicable.

Criterion 3.4 – The ML offences extend to any “object” deriving directly or indirectly from any offence, regardless of the value (*Art. 2:404(2) and Art. 2:206(2) of the Penal Code*).

Criterion 3.5 – No provisions in the Penal Code indicate that a person must be convicted of a predicate offence as a prerequisite for prosecuting an ML case. The court has also made decisions that indicate no requirement for a conviction for the predicate offence ([ECLI:NL:HR:2004:AP2124](#)).

Criterion 3.6 – Predicate offences for ML extend to conduct that occurred in another country, which constitutes an offence in that country, and which would have constituted a predicate offence had it occurred domestically (*Arts. 1:5 to 1:7 of the Penal Code*).

Criterion 3.7 – The ML offences include the possibility of self-laundering prosecution as the *mens rea* includes a general knowledge of the source of the object, which would apply to the predicate offender who then self-launder (*Art. 2:404 and Art. 2:406 of the Penal Code*).

Criterion 3.8 – No statutory provisions in Curaçao establish how the mental element of ML is established. The 3rd Round MER indicates that cases decided in Curaçao demonstrated that the Courts are willing to consider cases to infer the suspect's intention from objective circumstances and that the Supreme Court in The Hague confirmed in several cases the principle that the intentional element of the ML offence can be deduced from the factual circumstances, such as the behaviour of the accused.

Criterion 3.9 – Intentional ML is punishable with a maximum prison term of six years or a maximum fine of NAf 100,000 (approximately USD 55,865.92). Habitual ML is subject to a maximum prison term of nine years or a maximum fine of NAf 100,000 (approximately USD 55,865.92). Culpable ML is punishable with a maximum prison term of four years or a maximum fine of NAf 25,000 (approximately USD 13,966). The range of penalties available is proportionate and dissuasive (*Arts. 2:404, 2:405 and 2:406 of the Penal Code*).

Criterion 3.10 – Legal persons may commit criminal offences and are subject to relevant criminal sanctions. These sanctions may apply to either the legal person, the responsible natural person, or both (*Arts. 1:127, 2:404, 2:405 and 2:406 of the Penal Code*). The penalties for legal persons are the same as for natural persons, but they are neither proportionate nor dissuasive. Additionally, the criminal liability of legal persons can preclude civil or administrative proceedings concerning legal persons.

Criterion 3.11 – There are appropriate ancillary offences to the ML offence that include: attempt (*Arts. 1:119 and Art. 1:121 of the Penal Code*); preparation of a crime (*Art. 1:120 of the Penal Code*); inducing (inciting) another to commit a crime (*Art. 1:120 of the Penal Code*); participation in a crime (*Art. 1:123 of the Penal Code*); complicity (aiding and abetting) a crime (*Art. 1:124 of the Penal Code*).

Weighting and Conclusion

Curaçao's legislative framework for criminalising ML aligns with the Vienna and Palermo Conventions. The Penal Code comprehensively covers various aspects of ML and adopts an all-crimes approach to ML predicates. This framework ensures that any object derived from criminal activity can be prosecuted, regardless of its value or the necessity of a predicate offence conviction. Including provisions for self-laundering and establishing the mental element of ML further strengthens the legal framework. Although the penalties for legal persons are not fully proportionate and dissuasive, and there is ambiguity regarding parallel proceedings, the overall structure of ML offences and associated ancillary offences provides a solid legal basis for addressing ML activities in Curaçao. **Recommendation 3 is rated Largely Compliant.**

Recommendation 4 - Confiscation and Provisional Measures

Curaçao was rated LC with the requirements of this Recommendation in its 3rd Round MER. At that time, it was not possible to assess the effectiveness of the country's confiscation regime.

Criterion 4.1 – Curaçao has measures that enable the confiscation of the following, whether held by criminal defendants or by third parties: **(a)** property laundered, **(b)** proceeds of (including income or other benefits derived from such proceeds), or instrumentalities used in or intended to be used in ML or predicate offences, **(c)** property that is the proceeds of, or used in, or intended or allocated for use in the financing of terrorism, terrorist acts or terrorist organisations, and **(d)** property of corresponding value (*Arts. 1:68(1)(a), (b), (c) and (e), and (3) and 1:77 of the Penal Code*).

Criterion 4.2 – Curaçao can **(a)** identify, trace and evaluate property that is subject to confiscation (i.e., through financial crime investigations, search of premises and specific object seizures) (*Arts. 127, 136-139, and 117a-117d of the Code of Criminal Procedure*); **(b)** seize to prevent any dealing, transfer or disposal of property subject to confiscation (*Arts. 1:77 of the Penal Code and 119 and 119a of the Code of Criminal Procedure*) **(c)** take steps to prevent or void actions that prejudice the country's ability to freeze or seize or recover property that is subject to confiscation, i.e., the examining magistrate's authorisation to the prosecutor to seize of objects that belong to a third party if those objects are suspected of being transferred to hinder an execution sale and the prosecutor's power to act in the bankruptcy of the suspect or convicted person, ensuring that their actions do not hinder the state's ability to recover fines or unlawfully obtained gains (*Arts. 119a and 119d of the Code of Criminal Procedure*); and **(d)** **take** any appropriate investigative measures (please see the analysis of R.31).

Criterion 4.3 – The law protects the rights of bona fide third parties (*Art. 151 of the Code of Criminal Procedure*).

Criterion 4.4 – Curaçao has mechanisms for managing and disposing of seized or confiscated property. Seized goods may be placed under a custodian appointed by national decree or the Public Prosecutor if necessary. The Crime Prevention Fund manages proceeds from confiscated assets, including criminal profits and asset-sharing arrangements. Confiscated money is deposited into the Fund's bank account while other suitable goods are stored. The Fund and PPO assess assets for social reuse, requiring approval from the Ministers of Justice and Finance, or for public sale, with proceeds allocated to crime prevention. Hazardous or illicit objects must be destroyed (*Arts. 141 to 143 and 154 of the Code of Criminal Procedure*;

Arts. 2 to 5 of the National Ordinance on the Crime Prevention Fund; Addenda 2 to 7 of the Protocol for the Transfer of Funds to the Crime Prevention Fund; Art. 11 of the National Opium Ordinance).

Weighting and Conclusion

Recommendation 4 is rated Compliant.

Recommendation 5 - Terrorist Financing Offence

Curaçao was rated PC with the requirements of this Recommendation in its 3rd Round MER, as the offences for participation and TF did not meet the requirements of the TF Convention. Curaçao addressed these deficiencies by amending the TF offence in the Penal Code. In February 2016, the FATF revised R.5 to require criminalising travel financing for terrorist purposes.

Criterion 5.1 – Curaçao criminalises TF in line with the TF Convention. It is a crime to provide or collect funds, either directly or indirectly, with the intention or knowledge that they will be used to finance terrorist activities, whether in full or in part. The law also defines ‘funds’ as money, property, and all property rights, regardless of how they are acquired, consistent with the TF Convention. Additionally, the legislation covers terrorist offences described in Art. 2 of the TF Convention, making it illegal to finance their commission. The law also includes the ancillary TF offences required by the Convention (please see criterion 5.8 for details) (*Arts. 1:4 and 2:55 of the Penal Code*).

Criterion 5.2 – TF offences extend to any person who wilfully provides or collects funds or other assets by any means, directly or indirectly, with the unlawful intention that they should be used or in the knowledge that they are to be used, in full or in part (a) to carry out a terrorist act(s) or (b) by a terrorist organisation or by an individual terrorist (even in the absence of a link to a specific terrorist act or acts) (*Art. 2:55 of the Penal Code*).

Criterion 5.2^{bis}— Curaçao does not criminalise the financing of foreign terrorist fighters, as the text of Art. 2:55 does not directly encompass funding travel to another State to perpetrate, plan, prepare, or participate in terrorist acts or to provide or receive training.

Criterion 5.3 – TF offences extend to funds or other assets from a legitimate or illegitimate source (*Art. 2:55 of the Penal Code*).

Criterion 5.4 – The TF offence does not require that the funds or other assets (a) were used to commit or attempt a terrorist act(s) or (b) be linked to a specific terrorist act(s) (*Arts. 1:4(o) and 2:55 of the Penal Code*).

Criterion 5.5 – No statutory provisions in Curaçao establish how the mental element of an offence is established. As indicated in the analysis of criterion 3.8, Curaçao has demonstrated that this is possible based on case law.

Criterion 5.6 – A person guilty of TF is punishable by a term of imprisonment of not more than eight years or a fine in the fifth category, i.e., a maximum of approximately USD 55,865.92 (NAf 100,000) (*Art. 2:55 of the Penal Code*). The applicable penalties are proportionate and dissuasive.

Criterion 5.7 – In Curaçao, criminal liability and sanctions for the commission of TF apply to legal persons without prejudice to the criminal liability of natural persons (*Art. 1:127 of the Penal Code*). Legal persons' criminal liability does not preclude parallel criminal, civil, or administrative proceedings against them. As the sanctions applicable to natural persons are the same as those for legal persons, these are not proportionate or dissuasive.

Criterion 5.8 – In Curaçao, it is an offence to **(a)** attempt to commit the TF offence (*Arts. 1:119 of the Penal Code*) and **(b)** participate as an accomplice in a TF offence or attempted offence (*Arts. 2:79 and 2:80 of the Penal Code*). Additionally, it is an offence to **(c)** provide opportunity, resources or other information (organise) or induce (though not direct) others to commit a TF offence or attempted offence (*Arts. 1:121 and 1:123 of the Penal Code*) and **(d)** to deliberately assist in the commission of a crime or contribute to the commission of one or more TF offence(s) or attempted offence(s) by a group of persons acting with a common purpose (*Arts. 1:123 and 1:124 of the Penal Code*).

Criterion 5.9 – The TF offence is an ML predicate offence (*Arts. 2:404 and 2:406 of the Penal Code*).

Criterion 5.10 – The TF offence applies regardless of whether the person alleged to have committed the offence(s) is in the same country or in a different country from the one in which the terrorist(s)/terrorist organisation(s) is located, or the terrorist act(s) occurred/will occur (*Arts. 1:4 to 1:6 of the Penal Code*).

Weighting and Conclusion

The Curaçaoan legal framework for countering TF is mostly in line with the TF Convention. The country has criminalised TF and has broadly defined the term ‘funds’ as including money, property, and all related property rights. However, there are some areas where the legal framework does not meet the requirements. The financing of foreign terrorist fighters is not covered, although there are no indications that this is an area of significant concern in the country’s context. Additionally, the sanctions applicable to legal persons are not proportionate or dissuasive. Despite these shortcomings, the applicable penalties to natural persons are generally seen as proportionate and dissuasive, and the TF offence is an ML predicate offence. Therefore, Curaçao is mostly in line with this Recommendation, with some areas for improvement.

Recommendation 5 is rated Largely Compliant.

Recommendation 6 - Targeted Financial Sanctions related to Terrorism and TF

Curaçao was rated PC with the requirements of this Recommendation in its 3rd Round MER. Locally designated terrorists’ assets could not be frozen without delay, procedures for de-listing and unfreezing were not publicly known, there was a lack of guidance on freezing obligations, and non-financial sectors were not subject to monitoring for compliance with their freezing obligations. Curaçao addressed these deficiencies by issuing improved freezing, unfreezing and third-party protection procedures and guidance for financial institutions, DNFBCs and individuals. All these sectors also became subject to supervision with their freezing obligations.

Criterion 6.1 – Concerning designations under United Nations Security Council 1267/1989/2253 and 1988 sanctions regimes, **(a)** Curaçao, as a constituent country within the Kingdom of the Netherlands, does not independently propose names for designation to the United Nations Security Council Committees 1267/1988/2253 and 1988. The Kingdom of the Netherlands, responsible for foreign affairs, including international treaty obligations and diplomatic relations, handles such matters on behalf of all its constituent countries, including Curaçao. Hence, the Ministry of Foreign Affairs of the Kingdom of the Netherlands is the competent authority responsible for proposing designations to Committees 1267/1988/2253 and 1988 on Curaçao’s behalf. However, there is no designated authority in Curaçao to communicate targets for designation identified by Curaçao to the Ministry of Foreign Affairs (*Art. 2 of the Sanctions Act, 1977*).

(b) Curaçao does not have a mechanism for identifying targets for designation based on the designation criteria set out in the relevant UNSCRs.

(c) Curaçao does not have an evidentiary standard of proof of “reasonable grounds” or “reasonable basis” to decide whether to propose a designation.

(d) Following criterion 6.1(a), the Ministry of Foreign Affairs of the Kingdom of the Netherlands is responsible for following the procedures and standard forms for listing, as adopted by the 1267/1989/2253 or 1988 Committees on Curaçao’s behalf.

(e) Curaçao lacks regulations to provide relevant information on proposed names and a case statement with as much detail as possible on the basis for the listing. Following criterion 6.1(a), the Ministry of Foreign Affairs of the Kingdom of the Netherlands should inform the respective Committees of the Netherlands' status as a designating state.

Criterion 6.2 – Concerning designations under UNSCR 1373, (a) The Minister of General Affairs, in collaboration with the Minister of Justice and the Minister of Finance, is responsible for designating persons or entities that meet the specific criteria for designation, as outlined in UNSCR 1373 as put forward either on the country’s motion or, after examining and giving effect to, if appropriate, the request of another country. The “Committee for the Designation of Individuals and Organisations”⁴³ is established to assist the ministers in identifying and designating individuals or entities (*Arts. 2(d), 3(d) and 4(d) of the National Sanction Decree Al-Qaida, the Taliban of Afghanistan c.s., ISIL c.s., ANF c.s., and Locally Designated Persons and Organizations and Art. 1 of the Ministerial Decree of July 8th, 2016, for the Execution of Article 12 of the National Sanction Decree*).

(b) The “Committee for the Designation of Individuals and Organisations” identifies targets based on the designation criteria in UNSCR 1373 (*Arts. 2(d), 3(d) and 4(d) of the National Sanction Decree Al-Qaida, the Taliban of Afghanistan c.s., ISIL c.s. ANF c.s., and Locally Designated Persons and Organizations*).⁴⁴

(c) Curaçao does not have provisions that enable the Ministers and the Committee to make a prompt determination of whether they are satisfied that the request for designation is supported by reasonable grounds, or a reasonable basis, to suspect or believe that the proposed designee meets the criteria for designation in UNSCR 1373.

(d) The legislation does not specify the type or amount of evidence required to determine the existence of "reasonable grounds" or "reasonable basis" when designating a person or entity for a freezing mechanism in Curaçao. The National Sanctions Decree on Al-Qaida c.s., the Taliban of Afghanistan c.s., ISIL c.s., ANF c.s. states that the Minister of General Affairs, in concurrence with the Minister of Justice and the Minister of Finance, must believe that the target belongs to the group of people or organisations referred to in UNSCR 1373 and is designated as such. The forming of such “an opinion” is not prescribed. A criminal proceeding does not condition the ministers' designating function.

⁴³ The Committee comprises the Procurator General (member and Chairperson), the Head of the FIU, the Chief of Police of the KPC, the Head of the VDC and the Director of Customs.

⁴⁴ According to the manual “Process for the Freezing of Resources,” the designation of persons and entities is based on reasonable grounds of suspecting that committed acts have been designated as acts in the context of performing or preparation for a terrorist crime. For a local designation, the Committee will propose persons or entities to the Ministers of General Affairs, Finance and Justice on criteria including (i) when there is a reasonable suspicion that a person or entity is suspected of having committed a terrorist act or an attempt thereof; (ii) when there is a criminal conviction for the aforementioned criminal acts; and (iii) when the VDC provides information that based on credible indications a person (resident of Curaçao) or local entity is involved in a terrorist act or attempted commission of such an act or participation in or facilitation of such act.

(e) Curaçao does not have a framework for providing as much identifying information and specific information supporting the designation as possible when requesting another country to implement the actions initiated under a freezing mechanism.

Criterion 6.3 – (a) The Committee for the Designation of Individuals and Organizations is responsible for collecting and soliciting information on persons and entities that are targets for designation (*Arts. 2 of the Sanctions Ordinance and Art. 3 of the Ministerial Decree of July 8th, 2016, for the execution of Art. 12 of the National Sanction Decree Al-Qaida, the Taliban of Afghanistan c.s., ISIL c.s., ANF c.s, and Locally Designated Persons and Organizations*). No provisions apply to collecting or soliciting information concerning UNSCRs 1267/1989/2253 and 1988 designation targets.

(b) The National Sanction Decree Al-Qaida, the Taliban of Afghanistan c.s., ISIL c.s., ANF c.s and Locally Designated Persons and Organisations do not indicate that a person or entity must be present or consulted before a domestic designation. The authorities in Curaçao implicitly operate *ex parte* against entities or persons identified and whose designation is being considered by the Minister of General Affairs upon consultation with the Committee for the Designation of Individuals and Organizations (*Art. 2 of the Ministerial Decree of July 8th, 2016, for the execution of Art. 12 of the National Sanction Decree Al-Qaida, the Taliban of Afghanistan c.s., ISIL c.s., ANF c.s, and Locally Designated Persons and Organizations*). No equivalent provisions apply to UNSCRs 1267/1989/2253 and 1988 designation targets.

Criterion 6.4 – Designations made under Resolutions 1267/1989/2253 and 1988 are recognised as binding and applicable upon their issuance by the United Nations (*read Arts. 2 and 7 of the Sanctions Ordinance in conjunction with Arts. 2 to 4 of the National Sanction Decree Al-Qaida, the Taliban of Afghanistan c.s., ISIL c.s., ANF c.s, and Locally Designated Persons and Organizations. Also see Art. 1.37 of the Omnibus Sanctions Decree (N.G. 2024, no. 22)*). Domestic designations under Resolution 1373, determined by the Minister of General Affairs, are issued through “ministerial orders with general applicability”, which must be published in the Official Gazette to take effect to become applicable. Assessors did not find enforceable means that guarantee that the publication in the Official Gazette would occur without delay or within a set time frame, such as twenty-four hours after a ministerial designation decision (*Art. 2 and 6 of the Ministerial Decree of July 8th, 2016, for the execution of Art. 12 of the National Sanction Decree Al-Qaida, the Taliban of Afghanistan c.s., ISIL c.s., ANF c.s, and Locally Designated Persons and Organizations. Footnote 6 of the manual “Process for the Freezing of Resources” guides in this regard*).⁴⁵

Criterion 6.5 – (a) Curaçao forbids direct or indirect dealings with assets linked to designated entities and individuals, including managing, disposing of, or receiving payments. This prohibition extends to all natural and legal persons under Curaçao’s jurisdiction, fulfilling the UN’s requirements to prevent the use or transfer of such resources by or for the benefit of designees, extending to financial institutions, VASPs and DNFBPs. While financial institutions (except investment institutions and self-administered investment institutions) and TCSPs must freeze without delay and prior notice, this requirement does not extend to all other natural and legal persons in the country (*Arts. 2 to 5, 7 and 9 of the Sanction Decree Al-Qaida, the Taliban of Afghanistan c.s., ISIL c.s., ANF c.s and Section II.4 of the various CBCS P&Gs*).⁴⁶

⁴⁵ It is implicit that ministerial designations related to the freezing of funds or similar actions become officially applicable only when they are published in the Official Gazette, as this ensures transparency, accountability, and public notice.

⁴⁶ Section IV of the manual “Process of Asset Freezing of Funds” indicates that the prohibition mechanism requires a confirmation procedure. Financial institutions and DNFBPs must inform their respective supervisors of name matches, which are then communicated to the VDC to confirm whether it is a true positive; in such a case, the financial institution and DNFBP must terminate the business relationship with the designee and retain the funds or other assets. There is no timeframe for executing these steps. This suggests that asset freezing may not be completed in a matter of hours after the designation by the UN.

(b) The obligation to freeze applicable to financial institutions, VASPs, and DNFbps extends to (i) all funds or other assets that are owned or controlled by the designated person or entity and not just tied to a particular terrorist act, plot or threat; (ii) those funds or other assets that are wholly or jointly owned or controlled, directly or indirectly, by designated persons or entities, (iii) the funds or other assets derived or generated from funds or other assets owned or controlled directly or indirectly by designated persons or entities, and (iv) funds or other assets of persons and entities acting on behalf of, or at the direction of, designated persons or entities (*Art. 2 to 4 of the Sanction Decree Al-Qaida, the Taliban of Afghanistan c.s., ISIL c.s., ANF c.s.*).

(c) Curaçao prohibits its nationals and any person in its territory, thereby including financial institutions, VASPs, and DNFbps, from giving funds, assets, or financial services to designated persons and entities, including those they own or control. Exceptions are only allowed if properly licensed or authorised under the relevant UNSCRs (*Arts. 2 to 4 and 10 of the National Sanction Decree Al-Qaida, the Taliban of Afghanistan c.s., ISIL c.s., ANF c.s.*).

(d) Curaçao does not have a mechanism to communicate designations to the financial sector and the DNFbps upon such action is taken. Nonetheless, the country guides financial institutions and other relevant entities, including DNFbps, regarding their obligations when taking action under freezing mechanisms (*The manual “Process for Freezing Resources” guides on the obligations concerning implementing the prohibition with designated entities and individuals under UNSCRs*).⁴⁷

(e) Financial institutions and DNFbps must report to the FIU the discovery of a customer whose identity corresponds to a natural person, legal person, group or entity, as referred to in the provisions of the National Sanctions Ordinance and, if applicable, any frozen funds or transactions as a result. However, they are not required to report any other actions that comply with the prohibition requirements of the relevant UNSCRs (*Art. 11(1) of the NORUT*).⁴⁸

(f) While there are no provisions in the National Sanction Decree Al-Qaida, the Taliban of Afghanistan c.s., ISIL c.s., ANF c.s and locally designated persons and organisations concerning the protection of *bona fide* third parties acting in good faith when implementing the obligations under R.6, Art. 6 of the EU Regulation 881/2002 and Art. 7 of the EU Regulation 753/2011 provide for the protection of *bona fide* third parties acting in good faith. These Regulations are applicable under Art. 215 of the Treaty on the Functioning of the European Union (TFEU), which directly affects the legal systems of the EU member states, applies to the Kingdom of the Netherlands and, by extension, Curaçao through the Kingdom Sanctions Act.

Criterion 6.6 – (a) Curaçao has published procedures to submit de-listing requests to the relevant UN sanctions Committee in the case of persons and entities designated under the UN Sanctions Regimes, in the country's view, do not or no longer meet the criteria for designation. The procedures and criteria adopted by Curaçao follow those adopted by the 1267/1989 or the 1988 Committees (*Section II of the manual “Process for the Releasing of Funds”*).

⁴⁷ According to the manual “Process for Freezing Resources,” the CBCS and the FIU Supervisory Department publish links to the UN Consolidated List on their websites. The financial institutions, VASPs and DNFbps they supervise must keep abreast of changes to designations by themselves and periodically check their customer base. This does not align with sub-criterion 6.5(d), which requires countries to be responsible for establishing mechanisms for communicating designations once they are adopted.

⁴⁸ Section V of the manual “Process for Freezing Resources” indicates that an institution or organisation retaining frozen resources will inform the pertinent supervisory organisation about the type and amount of the frozen resources and actions that are undertaken to implement the sanctions order or the sanctions decree based on which the resources have been frozen.

(b) Curaçao does not have legal authorities, procedures, or mechanisms to delist and unfreeze the funds or other assets of persons and entities designated under UNSCR 1373 that no longer meet the criteria for designation.

(c) Regarding designations under UNSCR 1373, Curaçao has published procedures to allow the designee to request a review of the designation by filing a notice of objection with the Minister of General Affairs or an appeal with the Administrative Court (*Section III of the manual “Procedure for the Releasing of Resources”*).

(d) Concerning designations under UNSCR 1988, Curaçao does not have procedures to facilitate review by the 1988 Committee following the guidelines or procedures adopted by the 1988 Committee, including those of the Focal Point mechanism established under UNSCR 1730.

(e) Regarding designations on the Al-Qaida Sanctions List, the general public is informed in broad terms about the Ombudsperson’s availability through the manual “Process for the Releasing of Resources”, which was published in the Official Gazette in September 2016 and is accessible through the CBCS’s website. However, Curaçao does not have a procedure for directly informing designated persons and entities of the United Nations Office of the Ombudsperson’s availability under UNSCRs 1904, 1989, and 2083 to accept de-listing petitions.

(f) Curaçao has publicly known procedures, applicable to financial institutions, VASPs and DNFBPs, to unfreeze the funds or other assets of persons or entities with the same or similar name as designated persons or entities inadvertently affected by a freezing mechanism (i.e. a false positive) upon verification that the person or entity involved is not a designated person or entity (*Section IV of the manual “Procedure for the Releasing of Resources”*).

(g) Curaçao does not have mechanisms for communicating de-listings and unfreezing decisions to financial institutions, VASPs and DNFBPs immediately upon taking such action and providing guidance to financial institutions and other persons or entities, including DNFBPs that may be holding targeted funds or other assets on their obligations to respect a de-listing or unfreezing action.

Criterion 6.7 – The Minister of General Affairs can authorise access to frozen funds or other assets held by financial institutions, VASPs and DNFBPs, which have been determined to be necessary for basic expenses, for the payment of certain types of fees, expenses and service charges, or extraordinary expenses, following the procedures set out in UNSCR 1452 and any successor resolutions (*Art. 9 of the Sanction Ordinance, Art. 10 of the National Sanction Decree Al-Qaida, the Taliban of Afghanistan c.s., ISIL c.s., ANF c.s and Locally Designated Persons and Organisations*).⁴⁹

On the other hand, while the Sanctions Ordinance provides a general basis for the Minister of General Affairs to authorise access to funds or other assets if freezing measures are applied to persons and entities designated by Curaçao under UNSCR 1373, this is not further provided for in the *Ministerial Decree of July 8th, 2016, for the execution of Art. 12 of the National Sanction Decree Al-Qaida, the Taliban of Afghanistan c.s., ISIL c.s., ANF c.s, and Locally Designated Persons and Organizations*.

Weighting and Conclusion

Curaçao has established mechanisms to address designation and freezing requirements under UNSCR 1373 and the sanctions regimes of Resolutions 1267/1989/2253 and 1988. Still, deficiencies in key areas hinder its ability to meet Recommendation 6 requirements fully. Curaçao lacks domestic mechanisms for

⁴⁹ Section V of the manual “Procedures for the Releasing of Resources” provides guidance.

identifying targets, evidentiary standards, and timely communication of freezing or delisting actions to financial institutions and DNFBPs. The absence of provisions for prompt freezing without prior notice and the lack of clear procedures for de-listing or unfreezing funds contribute to these gaps. **Recommendation 6 is rated Partially Compliant.**

Recommendation 7 – Targeted Financial Sanctions Related to Proliferation

This new Recommendation was not evaluated in the 3rd Round of Mutual Evaluations.

Criterion 7.1 – Designations made under UNSCR 1718 on DPRK and its successor resolutions are recognised as binding and applicable upon their issuance by the United Nations (*read Arts. 2 and 7 of the Sanctions Ordinance in conjunction with Arts. 2 to 4 of the DPRK Sanctions Decree 2015. Also see Art. 1.37 of the Omnibus Sanctions Decree (N.G. 2024, no. 22).*

Criterion 7.2 – (a) Curaçao forbids natural and legal persons within the country to deal directly or indirectly with assets linked to designated entities and individuals under UNSCR 1718, including managing, disposing, or receiving payments, which is the same approach adopted for UNSCR 1267/1989/2253. This prohibition fulfils the UN's requirements to prevent the use or transfer of such resources by or for the benefit of designees, extending to financial institutions, VASPs and DNFBPs. While financial institutions (except investment institutions and self-administered investment institutions) and TCSPs must freeze without delay and prior notice, this requirement does not extend to all other natural and legal persons in the country (*Arts. 2 to 4 of the DPRK Sanctions Decree 2015 and Section II.4 of the various CBCS P&Gs*).⁵⁰

(b) The freezing obligation should extend to (i) all funds or other assets that are owned or controlled by the designated person or entity and not just those that can be tied to a particular act, plot or threat of proliferation; (ii) those funds or other assets that are wholly or jointly owned or controlled, directly or indirectly, by designated persons or entities; and (iii) the funds or other assets derived or generated from funds or other assets owned or controlled directly or indirectly by designated persons or entities, as well as (iv) funds or other assets of persons and entities acting on behalf of, or at the direction of designated persons or entities (*Arts. 2 to 4 of the DPRK Sanctions Decree 2015*).

(c) Curaçao prohibits any funds or other assets made available by their nationals or by any persons or entities within their territories to or for the benefit of designated persons or entities unless licensed, authorised or otherwise notified under UNSCR 1718 and its successor resolutions (*Arts. 2 to 9 of the DPRK Sanctions Decree 2015*).

(d) Curaçao does not have a mechanism for the financial sector and the DNFBPs, upon such action is taken. Nonetheless, the country guides financial institutions and other relevant entities, including DNFBPs, regarding their obligations when taking action under freezing mechanisms (*The manual “Process for Freezing Resources” guides on the obligations concerning implementing the prohibition with designated entities and individuals under UNSCRs*).⁵¹

⁵⁰ The manual “Process of Asset Freezing of Funds” also covers UNSCR 1718. As indicated in sub-criterion 6.5(a), Section IV of the manual, the prohibition mechanism requires a confirmation procedure that may not be completed within hours after the UN decides on a designation.

⁵¹ The manual “Process for Freezing Resources” applies to the freezing mechanism required in R.7. As noted in the footnote to the analysis of sub-criterion 6.5(d), the manual explains that supervisors publish a link to the UN Consolidated List on their websites, and supervised sectors must review them periodically and check their customer base.

(e) Financial institutions and DNFBPs must report to the FIU the discovery of a customer whose identity corresponds to a natural person, legal person, group or entity, as referred to in the provisions of the National Sanctions Ordinance, which includes UNSCR 1718 and its successor resolutions, and, if applicable, any frozen funds or transactions as a result. However, they are not required to report any other actions that comply with the prohibition requirements of the relevant UNSCRs (*Art. 11(1) of the NORUT*).⁵²

(f) There are no provisions in the DPRK Sanctions Decree 2015 concerning the protection of *bona fide* third parties acting in good faith when implementing the obligations under R.7. Nonetheless, Art. 6 of the EU Regulation 881/2002 and Art. 7 of the EU Regulation 753/2011 provide for the protection of *bona fide* third parties acting in good faith. These Regulations are applicable under Art. 215 of the TFEU, which directly affects the legal systems of the EU member states, applies to the Kingdom of the Netherlands and, by extension, Curaçao through the Kingdom Sanctions Act.

Criterion 7.3 – Curaçao designates CBCS officials to monitor and ensure financial institutions' compliance with the obligations under R.7. No equivalent measures were found in the case of the GCB and the FIU (*Art. 11 of the Sanctions National Ordinance and Art. 8 of the Statute of the CBCS*).⁵³ Criminal sanctions are available for failure to comply with the obligations from R.7 (Art. 15 of the Sanctions National Ordinance and Art. 22b of the NORUT).

Criterion 7.4 – Curaçao does not have publicly known procedures enabling listed persons and entities to petition a request for de-listing at the Focal Point for de-listing established under UNSCR 1730 or informing designated persons or entities to petition the Focal Point directly.⁵⁴

Criterion 7.5 – (a) Curaçao permits the addition to the accounts frozen under UNSCRs 1718 or 2231 of interests or other earnings due on those accounts or payments due under contracts, agreements or obligations that arose before the date on which those accounts became subject to the provisions of the resolutions, provided that any such interest, other earnings and payments continue to be subject to these provisions and are frozen (*Arts. 34(12)(b) and 36(2) of the Council Regulation (EU) 2017/1509*). (b) This criterion is not applicable. TFS set out in UNSCR 2231 ceased to apply on 18 October 2023.

Weighting and Conclusion

Curaçao has established procedures for implementing TFS relating to PF. However, the country does not have measures to implement TFS concerning PF without delay. Additionally, there are no measures for communicating de-listing to financial institutions, DNFBPs, and other persons or entities holding targeted funds or other assets of a de-listing and on their obligations to respect a de-listing or take unfreezing action. Supervisory measures and sanctions for non-compliance are also limited. **Recommendation 7 is rated Partially Compliant.**

Recommendation 8 – Non-Profit Organisations

Curaçao was rated NC with the requirements of this Recommendation in its 3rd Round MER. The

⁵² Section V of the manual “Process for Freezing Resources” applies to UNSCR 1718 designations and indicates that an institution or organisation retaining frozen resources will inform the pertinent supervisory organisation about the type and amount of the frozen resources and actions that are undertaken to implement the sanctions order or the sanctions decree based on which the resources have been frozen.

⁵³ The CBCS publishes a list of supervisors appointed to monitor compliance with the National Sanctions Ordinance at centralbank.cw

⁵⁴ Section II of the manual “Procedure for the Releasing of Resources;” however, these are specific to UNSCR 1267/1989/2253 designations.

deficiencies were not addressed by the end of the 3rd Round of Mutual Evaluations.

Criterion 8.1 – (a) The summarised information provided on the 2024 Non-Profit Organisation (NPO) NRA indicates that Curaçao has taken steps to identify the NPOs that fall within the FATF definition. However, Curaçao has not demonstrated whether the NPOs identified are at risk for TF. **(b)** Curaçao has not demonstrated that the nature of threats posed by terrorist entities to at-risk NPOs has been identified or demonstrated an understanding of how terrorist actors abuse at-risk NPOs. **(c)** The subset of NPOs that may be abused for TF was not identified; thus, Curaçao has not demonstrated its ability to take proportionate and effective actions to address the TF risks relative to at-risk NPOs. **(d)** There is no mechanism for Curaçao to reassess the NPO sector for potential vulnerabilities to TF periodically.

Criterion 8.2 – (a) The Curaçao Corporate Governance Code applies to all companies with a registered office in Curaçao, including those that are NPOs (Corporate Governance Code (N.G. 2014, 3). NPOs must register with the Chamber of Commerce and file any registration information changes (Commercial Register Act (N.G. 2022, no. 67 C.T.)). Further, legal entities of which the shares or certificates in whole or in part, are owned by the government of Curaçao directly or through the intervention of a third party, their board members or supervisory board members fall under the supervision of the Foundation for the Supervision and Standards of Government Entities (“SBTNO”). The SBTNO is an independent advisory and supervisory body that provides the government of Curaçao with solicited and unsolicited advice and supervises various areas. **(b)** Curaçao has not demonstrated that there are measures to encourage and undertake outreach to raise awareness among NPOs and the donor community about the potential vulnerabilities to TF abuse and risk, and how to protect themselves against TF abuse. **(c)** Curaçao has not demonstrated that it took measures to work with NPOs to develop and refine best practices to address TF vulnerabilities and abuse to protect them from TF abuse. **(d)** Curaçao has not demonstrated that it took measures to encourage NPOs to conduct transactions via regulated financial channels, wherever feasible.

Criterion 8.3 – Curaçao has not demonstrated that it promotes effective supervision or monitoring such that it can demonstrate that risk-based measures apply to NPOs at risk of terrorist financing abuse. Although NPOs subsidised by the government are supervised by the government of the Curaçao Coordination Office Government Subsidy (CBOS), it is not targeted towards combating and preventing TF but, to a greater degree, to ensure that NPOs are not misused for other purposes.

Criterion 8.4 – (a) Curaçao has not demonstrated that it monitors compliance of NPOs with the requirements of this Recommendation, including the risk-based measures. **(b)** There are no measures in place for the appropriate authorities to apply effective, proportionate and dissuasive sanctions to NPOs or persons acting on behalf of NPOs for violations.

Criterion 8.5 – (a) Curaçao has not demonstrated that it has in place effective cooperation, coordination and information-sharing to the extent possible among all levels of appropriate authorities or organisations that hold relevant information on NPO. **(b)** Curaçao has not demonstrated the existence of investigative expertise and capability to examine NPOs suspected of being exploited or actively supporting terrorist activities or organisations. **(c)** Both foundations and associations subject to the Corporate Governance Code must provide their annual financial reports, invoices, and other documents to be subsidised by the government. The LEAs and the PPO can also obtain records from the CBOS (*Art. 177b and 177s of the Penal Code Procedure*). However, Curaçao could not demonstrate whether NPOs not subsidised by the government maintain records that can be accessed during an investigation. **(d)** Curaçao has not demonstrated that it has established appropriate mechanisms to meet this criterion.

Criterion 8.6 – The PPO has an adequate basis to provide MLA concerning NPOs (please see the analysis of R.37). Similarly, FIU and other competent authorities can process international cooperation requests for TF-related information (please see the analysis of R.40).

Weighting and Conclusion

The assessment team acknowledges that Curaçao completed a 2024 NPO NRA. However, despite this progress, the materials do not allow for determining whether Curaçao has thoroughly assessed the specific threats posed by terrorist entities to those NPOs that may be at risk of TF. Furthermore, the country lacks targeted risk-based supervision and adequate information-gathering mechanisms. While there are some measures in place for outreach on terrorist financing issues and sanctions, as well as a limited capacity to respond to international requests concerning TF concerning NPOs, these efforts fall short of fully addressing the requirements of this Recommendation. **Recommendation 8 is rated Non-Compliant.**

Recommendation 9 – Financial Institution Secrecy Laws

Curaçao was rated PC with the requirements of this Recommendation in its 3rd Round MER. Deficiencies cited were the restriction of the CBCS to exchange information with the supervisory arm of the FIU or GCB; the FIU was prohibited from disclosing information to domestic supervisory counterparts, and the GCB could not disclose information to national and international supervisors. There were also issues regarding the ready availability of information requests. Curaçao addressed these deficiencies by amending the NOIS and the NORUT.

Criterion 9.1 – Concerning the *access to information by competent authorities to perform AML/CFT duties*, Curaçao’s legislation allows the Supervisors responsible for securing compliance with the NOIS and NORUT the power to access the information required to perform their AML/CFT functions properly (*Art. 11(4), (5), (6), (7) and 8(3) and 8a of the NOIS, Art. 20 (3), 20a (4) 22mm(4),(5), (7) and (8) of the NORUT*). The CBCS can also access information from supervised entities to conduct their AML/CFT functions (*Art. 49a(2), (3) and 4 of the NOSBCI*), insurance brokers (*Art. 18 (2), (3) and (4) of the NOIB*), money transfer companies (*Art. 24 (2), (3) and (4) of the NOSMTC*) and foreign exchange transactions (*Art. 78(2), (3), (4) and 5 of the RFETCSM*) for the conduct of supervisory activities.

Considering the *sharing of information between competent authorities*, AML/CFT Supervisors in Curaçao (CBCS, FIU and GCB) can share information based on a Multilateral Memorandum of Understanding, which allows for cooperation, consultation and information sharing for AML/CFT matters (*Multilateral Memorandum of Understanding, CBCS, FIU, GCB of May 2024*). Competent authorities can also share access and information (see analysis of R.2, R.30 and R.31). Lastly, no financial institution secrecy legislation restricts *information sharing between financial institutions*. However, deficiencies identified in the R.16 cascade into this criterion.

Weighting and Conclusion

Curaçao has measures in place for supervisors to access information, and the Multilateral Memorandum of Understanding between supervisors allows them to share AML/CFT information. Other competent authorities can also share information for AML/CFT purposes. There is no prohibition of information sharing between financial institutions; however, the deficiencies identified in R.16 cascade into R.9. **Recommendation 9 is rated Largely Compliant.**

Recommendation 10 – Customer Due Diligence

Curaçao was rated PC with this Recommendation’s requirements in the 3rd Round MER. At that time, the country did not require financial institutions to apply CDD measures to occasional wire transfers, conduct ongoing CDD, or undertake CDD in case of doubts about the veracity or adequacy of previously obtained

customer identification data. Since the 3rd Round MER, Curaçao amended its legislation to rectify most of the deficiencies identified.

Criterion 10.1 – Generally, financial institutions are prohibited from providing services if CDD cannot be completed and are required to comply with CDD requirements before entering into a business relationship or carrying out an occasional transaction (*Art. 2a (1) and (2) NOIS*). Credit institutions (CIs) and money transfer companies (MTCs) are prohibited from opening anonymous accounts or accounts in fictitious names. CIs and MTCs must maintain numbered accounts to achieve compliance with the AML/CFT/CFP legislation (*Section II.2.A.1 of the P&Gs for CIs and MTCs*). Life insurance companies (ICs) and intermediaries (IBs) must not offer insurance to customers or beneficiaries who use fictitious names or are kept anonymous. The latter being the case with so-called bearer policies (*Section II.2.A.1 of the P&G for ICs & IBs*). For factoring companies, administrators of investment institutions and self-administered investment institutions (AII & SAII) although the legislation doesn't specifically state a prohibition to open anonymous accounts in fictitious names, they must ascertain the identity of corporate and personal accounts based on reliable identification documents (*Section II.2.A.1 of the P&G for factoring companies, Section II.2.A P&Gs for AII&SAII*).

Criterion 10.2 – Financial institutions must undertake CDD measures when **(a)** entering into a business relationship in or from Curaçao (*Art. 2(3a) of the NOIS*); **(b)** carrying out an occasional transaction in or from Curaçao, or conducting two or more transactions between which there is a connection with a value or counter value equal to or greater than NAf 20,000.00 (USD11,173.18) (*Art. 2(3b) of the NOIS, Ministerial Regulation amending Regulation on Indicators of Unusual Transactions*); **(d)** there is a suspicion that the customer is involved in ML/TF (*Art. 2, para 3c of the NOIS*); and **(e)** the FI doubts the veracity or adequacy of previously obtained customer data (*Art. 2(3)(d) of the NOIS*). **(c)** CIs and MTCs must include accurate originator and beneficiary information based on R.16 and INR.16 (*Section II.2.A.1 of the P&G for CIs and MTCs*).

Criterion 10.3 – Financial institutions must establish and verify the identity of a customer; identify the beneficial owner and take appropriate, risk-based steps to verify his identity and if the customer is a legal entity or trust, take appropriate risk-based measures to obtain information about the ownership and control structure (*Art. 2(2)(a)-(c) of the NOIS*). Financial institutions must verify their customers' identity using reliable sources, independent source documents, data or information (identification data) (*Art. 3(1)-(5) of the NOIS*). In addition, the P&Gs for CIs, ICs & IBs, MTCs and factoring companies also require them to identify their customers and verify their identity before rendering a financial service.

Criterion 10.4 – Financial institutions must establish the identity of the individual appearing before them on behalf of a customer or a customer's representative before providing services (*Art. 3-5 of the NOIS*). Additionally, when screening customers, financial institutions must determine whether the individual representing the customer is authorised to do so (*Art. 2, para 2f of the NOIS*). Financial institutions must also take appropriate risk-based measures to verify whether the customer is acting on their own behalf or on behalf of a third party (*Art. 2g of the NOIS*).

Criterion 10.5 – Financial institutions must identify the beneficial owner and take appropriate risk-based steps to verify their identity (*Art. 2(2)(b) of the NOIS*). Financial institutions must also verify the identity of the customer and the beneficial owner based on documents, data, or information from reliable and independent sources (*Art. 3(5) of the NOIS*). Without prejudice to the latter, the Minister of Finance may designate documents, data, or information based on which the verification can be fulfilled.

Criterion 10.6 – Financial institutions must determine the purpose and intended nature of the business relationship (*Art. 2(2d) of the NOIS*). Furthermore, the P&Gs for CIs, ICs & IBs, MTCs, factoring

companies, AII & SAII require obtaining and documenting the information on the purpose and intended nature of the business relationship with prospective customers before offering them service.

Criterion 10.7 – (a) Financial institutions must continually monitor and review the business relationship and the services provided during that relationship to ensure that they are consistent with the service provider’s knowledge of its customer and its risk profile and when necessary, investigate the source of funds used in the business relationship or transaction (*Art. 2(2)(e) of the NOIS*). **(b)** Financial institutions must take appropriate, risk-based measures to ensure that data collected regarding customers, beneficial owners, or business associates is kept up to date (*Art. 3(6) of the NOIS*). Further, the P&Gs for CIs, ICs & IBs, MTCs, factoring companies, AII & SAII require scrutinising the transactions undertaken throughout that relationship when conducting ongoing due diligence to ensure that the transactions being conducted are consistent with the institution’s knowledge of the customer, his or her business and risk profile, and where necessary, the source of funds.

Criterion 10.8 – If the customer is a legal person or trust, financial institutions must take risk-based measures to obtain information about the customer’s ownership and control structure (*Art. 2(2)(c) of the NOIS*).

Criterion 10.9 – (a) Financial institutions must establish and verify the identity of a legal person by using extracts from the register of the Chamber of Commerce and Industry and any other similar institution in the country where it was established or through an identification document to be prepared by a service provider. The extract or identification document shall contain at least the data to be determined by the Minister of Finance (*Art. 3(2) of the NOIS*). If the customer is a local legal person, the identity can also be established by a declaration of its administrative council. If it is a foreign legal person, a declaration by the competent authority will be sufficient (*Art. 3(3) of the NOIS*).

(b) The directors, agents, and representatives of a legal entity or company shall be identified by valid national identification documents (driver’s license, identity card, passport or any document designated by the minister) or a photocopy of one of the above-mentioned national identification documents of foreign residents, provided it is accompanied by a certified copy or extract from the Civil Registry of the customer’s place of residence or stay. There are no measures to obtain information on powers that regulate and bind the legal person or arrangement (*Art. 3 of the NOIS*).

(c) The extract or the identification document presented by customers that are legal persons must contain the full address, the domicile, the country of registered office, and if the legal person is registered at a Chamber of Commerce and Industry, or a similar agency, the registration number and the country or island territory in which such a Chamber or agency is established (*Sub-section “Identification of Corporate Customers” of the P&Gs for CIs, ICs & IBs, MTCs and factoring companies, and Sub-section “Verification of the existence and nature of the administered investment institution’s business” in the P&G for AII & SAII*).

Criterion 10.10 – (a-b) Financial institutions must identify the beneficial owners and take appropriate, risk-based steps to verify their identity. If the customer is a legal entity or a trust, financial institutions must take risk-based measures to obtain information about the customer’s ownership and control structure including natural persons who directly or indirectly owns 25 percent or more of the entity or can directly or indirectly exercise 25 percent of voting rights or comparable ultimate control over the entity (*Art. 2(1)(b) and (c), Art. 1 (j) (a) of the NOIS*). **(c)** In the absence of (a) and (b) above, the natural persons who are members of the senior management personnel can take binding decisions. If there are no senior managerial personnel who can take binding decisions, the natural persons who are members of the board of directors or management (*Art. 1 (j) (c) NOIS*)

Criterion 10.11 – (a) Financial institutions are required to identify the beneficial owner and take risk based and adequate measures to verify the identity of customers who are trusts including the founders, trustees, and protectors (as applicable) (*Article 2 (2) (c), Art. 1 (j) (6) (a-c) NOIS*). (b) The requirements of (a) apply mutatis mutandis to other legal arrangements similar to a trust and arrangements established under foreign law similar to the trusts (*Art. 1(1)(j)(6) (e) of the NOIS*).

Criterion 10.12 – (a) ICs & IBs are required to conduct CDD on the beneficiary (the beneficiary is defined as a customer and is subject to all CDD requirements) of a life insurance policy as soon as reasonably possible but not later than two weeks after entering the business relationship (*Art. 1 (c) and 2b (c) of the NOIS, Section II.2.A.1 P&G for ICs & IBs*). (b) ICs & IBs are required to conduct CDD on beneficiaries at the time of the payout, whether or not the beneficiary is designated by characteristics, class or other means (*Art. 2b (c) of the NOIS*). (c) ICs & IBs must verify the identity of the beneficiary of a policy upon distribution of payment or not later than the time at which the beneficiary wishes to exercise its rights under the insurance policy (*Art. 2b (c) of the NOIS, Section II.2.A.1 P&G for ICs & IBs*).

Criterion 10.13 – Appendix 2 section II.1 of the P&Gs for ICs and IBs includes beneficiaries who are legal persons as a relevant customer risk factor. However, these guidelines do not extend this consideration to beneficiaries in legal arrangements. Furthermore, in all cases (regardless of risk) ICs and IBs are required to identify the customer including beneficiaries and verify the identity at or before the time of payment, or at or before the time the beneficiary wishes to exercise his rights under the policy (*Art. 2b (c) of the NOIS*).

Criterion 10.14 – A service provider may verify the identity of the customer and, if applicable, the identity of the beneficial owner during the establishment of the business relationship if this (b) is necessary not to interrupt the provision of services and (c) if there is little risk of ML/TF. (a) In this case, the institution must verify the identity as soon as possible after the initial contact with the customer (*Art. 2b(a) of the NOIS*).

Criterion 10.15 – Generally, financial institutions are prohibited from providing services if CDD cannot be successfully conducted under the NOIS (*Art. 2a(b) NOIS*), except in the case of banks, insurance companies and brokers. Banks are permitted to open accounts before customer identity verification only if it ensures the account cannot be used before verification (*Art. 2b (b) NOIS*). ICs and IBs are permitted to verify the identity of the customer and, where necessary, the beneficial owner after the establishment of the business relationship where AML/CFT/CPF risks are low and are effectively managed (*Art. 2b(c) of the NOIS and Section II.2.A.1 of the PG&Gs for ICs & IBs*).

Criterion 10.16 – Financial institutions must apply CDD requirements to existing customers if they doubt the reliability or the adequacy of previously obtained customer data (*Art. 2(3)(d) of the NOIS*). In addition, the P&Gs for CIs, ICs & IBs, factoring companies, MTCs, and AII and SAII establish that the ongoing due diligence must continue after the customer has been identified. Financial institutions must apply CDD requirements to existing customers based on materiality and risk. They must conduct due diligence on such existing relationships at appropriate times, taking into account whether and when CDD measures have previously been undertaken and the adequacy of the data obtained.

Criterion 10.17 – Financial institutions must tailor the CDD to the ML/TF risk sensitivity of the type of customer, business relationship, service, product or transaction being provided (*Art. 2(4) of the NOIS*). Additionally, the P&Gs for CIs, ICs & IBs, factoring companies, MTCs, and AII and SAII require these financial institutions to conduct EDD in all the high-risk cases or circumstances identified by the institution, according to its risk assessment framework.

Criterion 10.18 – Financial institutions must suit the customer due diligence to the ML/TF risk sensitivity of the type of customer, business relationship, service, product or transaction being provided (*Art. 2(4) of*

the NOIS). Additionally, under the P&Gs for CIs, ICs & IBs, factoring companies, MTCs, and AII and SAII require that customers be subject to the full range of CDD measures, including identifying the beneficial owner. When the ML/TF risk is lower, financial institutions can apply simplified CDD measures where lower risks have been identified through an adequate risk assessment. Financial institutions can apply simplified CDD measures when establishing and verifying the identity of the customer and the beneficial owner. Simplified CDD measures are unacceptable whenever there is suspicion of ML/TF/PF or specific higher-risk scenarios apply.

Criterion 10.19 – (a) Financial institutions are prohibited from providing a service if they cannot fulfil the obligations contained in Art. 2 (*Art. 2a (2) of the NOIS*). Further, if the service providers already have a business relationship with the customer and cannot comply with Art. 2(1) and (2), the service provider shall terminate the business relationship (*Art. 2a(3) of the NOIS*) **(b)** financial institutions must comply with their reporting obligation set out in Art. 11 of the NORUT if CDD cannot be conducted under Art. 2 (2) and 2a of the NOIS and there is a suspicion of ML, TF or PF. In submitting the report, financial institutions must also describe why the CDD did not lead to the desired result (*Art. 2d (1) of the NOIS*). The AML/CFT/CFP P&G for Credit Institutions, Insurance, Factoring Companies and Money transfer service companies requires that where it is reasonable to believe that a requested transaction relates to criminal activity or if the customer refuses to sign a source of funds declaration, and there is no credible explanation to dispel concerns, the trust service provider must refuse to execute the requested transaction to ensure that the minimum standards are met, but still report it to the FIU.

Criterion 10.20 – Service providers should report unusual transactions to the FIU if they cannot perform the CDD requirement and there is suspicion of ML/TF (*Art. 2d of the NOIS*). Additionally, under the P&Gs for CIs, ICs & IBs, factoring companies, MTCs, and AII and SAII, in cases where the service providers form a suspicion of ML/TF and it is reasonably believed that performing the CDD process will tip off the customer, the financial institutions are permitted not to pursue the CDD process. Instead, the case must be reported to the FIU.

Weighting and Conclusion

Curaçao has a well-established CDD framework, with minor deficiencies related to obtaining information on powers that regulate and bind for customers who are legal persons or arrangements. **Recommendation 10 is rated Largely Compliant.**

Recommendation 11 – Record-Keeping

Curaçao was rated LC with the requirements of this Recommendation in its 3rd Round MER. The deficiencies identified were a lack of explicit requirement in law, regulation or P&Gs for insurance companies and brokers and money transfer services to maintain business correspondence for third parties for at least five years following termination of an account or business relationship or as specifically requested by a competent authority. Additionally, there was no requirement in law or regulation requiring financial institutions to ensure that business correspondence was available on a timely basis to the domestic competent authorities. Curaçao addressed these shortcomings with amendments to the NOIS and respective sectoral P&Gs.

Criterion 11.1 – Financial institutions must maintain all necessary records on transactions, both domestic and international, for at least five years following completion of the transaction (*Arts. 6 and 7 of the NOIS*).

Criterion 11.2 – Financial institutions must keep records outlined in Art. 6 of the NOIS for a period of five years after carrying out transactions (*Art. 7(1) of the NOIS*) as well as account files, business correspondences and results of the analysis undertaken (*Art. 7(3) of the NOIS*).

Criterion 11.3 – Transaction records kept by financial institutions must be sufficient to permit reconstruction of individual transactions to provide, if necessary, evidence for the prosecution of criminal activity (*Art. 7(1) of the NOIS and Section II.2.A.3 of P&Gs for CIs, IC & IB, MTCs, and factoring companies and AII & SAI and issued by CBCS*).

Criterion 11.4 – Service providers are required to maintain the data and information obtained in the customer screening process (CDD and risk information) and make such transaction files available without delay to the competent Supervisors and the agencies authorised by this National Ordinance to inspect or obtain such information (*Art. 7(3) of the NOIS*).

Weighting and Conclusion

Recommendation 11 is rated Compliant.

Recommendation 12 – Politically Exposed Persons

Curaçao was rated LC with the requirements of this Recommendation in its 3rd Round MER, as it was impossible to determine the supervision's effectiveness on factoring service providers due to their recent inclusion under the AML/CFT framework. By the end of the 3rd Round of MEs, Curaçao was preparing for this sector's AML/CFT supervision.

Criterion 12.1 – In relation to foreign PEPs, in addition to performing the CDD measures analysed under R.10, financial institutions should be required to **(a)** implement appropriate risk management systems to determine whether a customer or beneficial owner is politically vulnerable (*Art. 5a(1) of the NOIS*); **(b)** obtain approval from the persons in charge of the service provider's general management before establishing a business relationship or entering into a transaction for that customer or beneficial owner, as well as obtain such approval if, during the course of the business relationship, the customer or beneficial owner becomes a politically exposed person (*Art. 5a(2)(a) of the NOIS*); **(c)** take appropriate, risk-based measures to determine the source of the politically exposed person's assets and funds used in the business relationship or transaction (*Art. 5a(2)(b) of the NOIS*); and **(d)** maintain improved and continuous monitoring of the business relationship (*Art. 5a(2)(c) of the NOIS*).

Criterion 12.2 – In Curaçao, all PEPs, including domestic PEPs or PEPs from international organisations, are equally considered high-risk customers. Consequently, in addition to performing the CDD measures analysed under R.10, financial institutions must **(a)** take reasonable measures to determine whether a customer or the beneficial owner is such a person (*Art. 5a(1) of the NOIS*), and **(b)** adopt the measures in criterion 12.1 (b) to (d) in all cases, including when there is higher risk business relationship with such a person.

Criterion 12.3 – Financial institutions must apply the relevant requirements of criteria 12.1 and 12.2 to family members or close associates of domestic and foreign PEPs and PEPs from international organisations (*Arts. 1(1)(q) and 5a of the NOIS*). The CBCS guides on who to consider family members or close associates in sectoral P&Gs (*e.g. pages 16 of the P&G for credit institutions, 14 of the P&G for money transfer companies and 18 of the P&G for insurance companies and intermediaries*).

Criterion 12.4 – Life insurance companies and intermediaries must implement risk management systems to determine whether a beneficiary or beneficial owner of the beneficiary is a PEP before or during disbursement. In higher-risk circumstances, life insurance companies and intermediaries must pay particular attention to the business relationship, consider submitting a UTR and inform those in overall charge before proceeding with disbursement regardless of risk (*Art. 5a (3) (a) NOIS*).

Weighting and Conclusion

Recommendation 12 is rated Compliant.

Recommendation 13 – Correspondent Banking

Recommendation 13 was rated LC in Curaçao’s 3rd Round MER, as credit institutions were not required to assess respondent financial institutions’ AML/CFT controls and ascertain that they are adequate and effective.

Criterion 13.1 – Financial institutions must **(a)** gather sufficient information about a respondent FI to understand the nature of the respondent’s business fully, establish its reputation based on publicly available information and assess the quality of banking supervision, including when it has been involved in an ML/TF investigation (*Art. 5b(a)(1)(2) and (3)*); **(b)** evaluate the respondent FI’s AML/CFT measures and procedures; **(c)** obtain approval from persons responsible for general management before establishing new correspondent banking relationships (*Art. 5b(be) of the NOIS*), and **(d)** clearly understand the responsibilities of both banks by establishing them in writing (*Art. 5b(c) of the NOIS*).

Criterion 13.2 – Financial institutions, in the provision for payable-through accounts (referred to as ‘transit accounts’), are required to ensure:**(a)** the banking correspondent has established the identity of customers that have direct access to such accounts; and **(b)** customers are subject to ongoing customer due diligence measures, as well as that the respondent bank can provide relevant identity information to the correspondent bank upon request (*Art. 5b(d) of the NOIS*).

Criterion 13.3 – Financial institutions cannot establish or maintain a correspondent banking relationship with a shell bank (*Art. 5c (1) of the NOIS*). Once this is determined, the FI shall terminate the correspondent relationship. Further, sub (2) requires that financial institutions ensure that the respondent FI does not allow their accounts to be used by shell banks.

Weighting and Conclusion

Recommendation 13 is rated Compliant.

Recommendation 14 – Money or Value Transfer Services

Curaçao was rated as PC in the 3rd Round MER for this recommendation. The deficiencies identified included no legislative requirements for Money Transfer Companies (MTCs) to conduct CDD when carrying out occasional wire transfers and conducting ongoing due diligence on a business relationship. Currently, there are no currency exchanges in Curaçao.

Criterion 14.1 – MTCs must obtain a license from the CBCS to operate (*Art. 4(1) of the NOSMTC*).

Criterion 14.2 – Curaçao prohibits unlicensed MTC operations (*Art. 2(1) of the NOSMTC*). If the prohibition is contravened, the CBCS can issue public warnings indicating the nature of the infringement, order the service provider to rectify the situation, and subject the concerned individuals and entities to paying a fine (*Arts. 10a, 29 and 38 of the NOSMTC*). Individuals operating an MTC without a license can also be imprisoned for one to four years and penalised with fines of approximately USD 55,865.92 or USD 558,659.22 (NAf 100,000 to 1,000,000), depending on the conditions of the contravention of the prohibition (*Art. 74 of the NOSMTC*). The range of remedial actions and sanctions the country can initiate is

proportionate and dissuasive. However, no information was provided on the CBCS's actions to identify natural or legal persons who conduct MTC operations without a licence.

Criterion 14.3 – MTCs are subject to the CBCS's monitoring for AML/CFT compliance (*Art. 11(1)(a) of the NOIS*).

Criterion 14.4 – MTCs must maintain a list of their agents and all their branches and subsidiaries (both locally and abroad), which must be available to the CBCS (*Section 11.3 of the P&G for MTCs*).

Criterion 14.5 – MTCs that use agents must include them in their AML/CFT programmes and monitor them for compliance with these programmes (*Sections II.1, II.2, and II.2.G of the P&G for MTCs*).

Weighting and Conclusion

Curaçao meets most of the requirements of R.14 except for taking action to identify unlicensed MTC activities. Recommendation 14 is rated **Largely Compliant**.

Recommendation 15 – New Technologies

Curaçao was rated C with the requirements under this Recommendation in its 3rd Round MER. According to the P&G for CI, IC & IB, and MTCs, financial institutions must have policies in place or take measures as may be needed to prevent the misuse of technological developments in ML or FT schemes. The FATF requirements for new technologies have substantively changed, as R.15 now includes virtual assets and VASP requirements.

Criterion 15.1 – Curaçao has not identified and assessed the ML/TF risks that arise concerning developing new products and new business practices, including new delivery mechanisms at a country level. Financial institutions must identify and assess the ML/TF risk associated with developing new or existing technologies (*Art. 5d NOIS*). Also, the *P&Gs on Combatting ML and the Financing of Terrorism and Proliferation* issued by the Central Bank of Curaçao requires some financial institutions (Credit Institutions, Money Transfer Service Providers, Insurance Companies and Intermediaries and Company Trust Services Providers) to identify and assess risk that may arise concerning the development of new products and new business practices, including new delivery mechanism, and the use of developing technologies for new and pre-existing products. Similar provisions do not exist for Fund Administrators, Investment Institutions and securities intermediaries.

Criterion 15.2 – Financial institutions must **(a)** pay particular attention to the ML and TF risk that may be associated with the development of new or existing technologies (*Art. 5d of the NOIS* and must inform the CBCS of the type of product, service, business practice, or delivery mechanism, the risk assessment that was undertaken before the launch or use, *Section 1.7 of the Central Bank's AML/CFT/CPF Policies & Guidelines issued by type of FI business*); and **(b)** take appropriate measures to manage and mitigate the risks (*Art. 5d of the NOIS and Section 1.7 of the Central Bank's AML/CFT/CPF Policies & Guidelines issued by type of FI business*).

Criterion 15.3 – **(a) to (c)** Curaçao initiated an ML/TF risk assessment on VASPs in 2023. However, the assessment is not yet completed. The National Decree No. 18 of January 2018, referenced by Curaçao, did not include any reference to conducting the risk assessment of VASPs.

Criterion 15.4 – There are no measures in place to ensure that **(a)** VASPs are required to be licensed or registered at a minimum (i) when the VASP is a legal person, in the jurisdiction(s) where it is created; and (ii) when the VASP is a natural person, in the jurisdiction where its place of business is located. **(b)** There

are no measures in place to ensure competent authorities take the necessary legal or regulatory measures to prevent criminals or their associates from holding, or being the beneficial owner of, a significant or controlling interest, or holding a management function in, a VASP.

Criterion 15.5 – VASPs activities conducted by natural or legal persons have been included in Curaçao's AML/CFT/CPF legal framework (*Art. 1(1)(b)(29) of the NOIS and Art. 1(1)(a)(29) of the NORUT*). The CBCS is the designated supervisor for VASPs (*Art. 11(1)(a) of the NOIS and Art. 22mm of the NORUT*). However, no action was taken to apply appropriate sanctions to natural and legal persons who carry on VASP activities without the requisite license.

Criterion 15.6 – (a) VASPs are defined as service providers who are required to comply with the AML/CFT requirements in Curaçao (*Art. 1(1)(b)(29) of the NOIS and Art. 1(1)(a)(29) of the NORUT*). The CBCS is the designated supervisor responsible for ensuring VASPs comply with AML/CFT obligations (*Art. 11(1)(a) and (3) of the NOIS and Art. 22mm 1(a) and 22mm (3) of the NORUT*).

(b) In carrying out its supervisory duties the CBCS has the power to inspect all books, records and other information including electronic files and to take copies thereof or temporarily take them away for that purpose, subject goods to inspection and examination, to take them away temporarily for this purpose and to take samples thereof and enter all places except dwellings without the express permission of the occupant (*Art. 11, 1, 4 and 5 NOIS*). To the extent reasonably necessary for the perform of their functions, the NORUT allows supervisors to request all information; demand access to all books, documents, and other information including electronic files, and to make copies thereof or temporarily take them for this purpose, including data related to a report made by a service provider and enter all places, except dwellings without the express permission of the occupant (*Art. 22mm 4 and 5 NORUT*). The person must give all cooperation the designated persons demand (*Art. 11.7 of the NOIS and Art. 22mm 8 of the NORUT*).

Criterion 15.7 – Supervisors can issue regulations to service providers, including VASPs, regarding conduct CDD for the prevention of money laundering, terrorist financing and proliferation financing (*Art. 2(8) NOIS*) and are authorised to issue regulations and guidelines to the service providers, including VASPs, which relate to, inter alia, the level of education and training of the staff and the administrative organisation and internal control of reporting entities. The service provider must fully implement the regulations issued by the Supervisor (*Art. 22mm (3) NORUT*).

Criterion 15.8 – (a) The sanctions available under Recommendation 35 apply to VASPs who fail to comply with their AML/CFT obligations (*Art. 9(j) NOIS and Art. 22mm NORUT*). (b) The requirements of R.35 apply to the directors and senior managers of VASPs (*Art. 9(2) of the NOIS and Art. 22a (2) of the NORUT*).

Criterion 15.9 – (a) VASPs are required to comply with the preventive measures outlined in R10 to 21 (*Art. 1 (1) b sub 29 NOIS and Art. 1.1, sub a, no. 29° NORUT*). The deficiencies identified in these recommendations cascade. (b) VASPs must undertake CDD for occasional cross-border transactions above the designated threshold (*Art. 2 (3b) NOIS*). Additionally, VASPs are mandated to ensure compliance with AML/CFT requirements in foreign subsidiaries and branches (*Art. 5h NOIS*). The deficiencies identified in recommendation 16 cascade.

Criterion 15.10 - The TFS communication mechanisms, reporting obligations, and monitoring obligations apply to all service providers supervised by the CBCS, including VASPs. However, the deficiencies identified in Recommendations 6 and 7 cascade.

Criterion 15.11 – The international cooperation mechanisms described in R.37 to 40 analyses apply to ML/TF through VAs. More specifically, the CBCS can exchange information about VASPs in the same

way it exchanges information about other financial institutions (see criteria 40.12 to 40.16). Curaçao's minor deficiencies concerning timeliness and scope, as found in criteria 37.1, 37.2, and 38.4, cascade into this criterion.

Weighting and Conclusion

Curaçao amended its legislation to include VASPs in its AML/CFT regime. However, the VASP risk assessment has not been submitted, not all financial institutions are required to conduct risks assessments before the launch of new products, practices and technologies, and there are no mechanisms for the licensing and/or registrations of VAs and VASPs or to prevent criminals or their associates holding controlling interest to being a beneficial owner of a VASPs. No mechanisms exist to identify natural or legal persons carrying out the activities and take appropriate action. The deficiencies in preventive measures, TFS, and international cooperation requirements cascade into R.15. **Recommendation 15 is rated Partially Compliant.**

Recommendation 16 – Wire Transfers

Curaçao was rated LC with the requirements under this Recommendation in its 3rd Round MER, as there were no mandatory provisions in the P&Gs regarding requirements on beneficiary institutions to apply risk-based procedures when identifying and handling wire transfers that are not accompanied by complete originator information. In addition, the lack of complete originator information is not included as a subjective indicator in the NORUT in assessing whether a wire transfer or related transaction is suspicious and should be reported to the FIU.

Criterion 16.1 – Banks and credit institutions must include the following information with wire transfers or related messages throughout the payment chain: **(a)** accurate originator information, namely, (i) the name of the originator, (ii) and the account number where such an account is used to process the transaction, or in the absence of an account, a unique transaction reference number which permits traceability of the transaction, and (iii) the originator's address, or national identity number, or customer identification number, or date and place of birth; and **(b)** the beneficiary information, namely, (i) the name of the beneficiary, (ii) the account number, where such an account is used to process the transaction or in the absence of an account, and (iii) a unique transaction reference number which permits traceability of the transaction (*Page 13 of P&G for CIs*).

Criterion 16.2 – There are no measures in place to meet the requirements of this criterion.

Criterion 16.3 – Curaçao does not apply a *de minimis* threshold for criterion 16.1.

Criterion 16.4 – Curaçao does not apply a *de minimis* threshold, so these requirements do not apply to the jurisdiction.

Criterion 16.5 – There are no provisions for domestic wire transfers

Criterion 16.6 – There are no provisions to address this criterion.

Criterion 16.7 – Financial institutions, including MTCs, must maintain CDD information for customers in an accessible way (*Arts. 6-7 of the NOIS*). Further, financial institutions are required to keep records under the requirements of R.11 (*P&G CI pg. 27, MTC, pg. 21*).

Criterion 16.8 – There are no clear provisions that prohibit ordering financial institutions from executing wire transfers if the transaction does not comply with the requirements in c16.1 to c16.7.

Criterion 16.9 – The AML/CFT P&Gs for Credit Institutions state that credit institutions should include accurate originator and beneficiary information and must remain with the transfer or related message. However, there is no obligation for intermediary financial institutions to ensure that such information that accompanies a wire transfer is retained.

Criterion 16.10 – There are no provisions to address this criterion.

Criterion 16.11 – There are no requirements for intermediary financial institutions to take reasonable measures to identify cross-border wire transfers, consistent with straight-through processing, that lack the required originator or beneficiary information.

Criterion 16.12 – There are no provisions that require intermediary financial institutions to have risk-based policies and procedures for determining **(a)** when to execute, reject or suspend a wire transfer that lacks the required originator or beneficiary information; and **(b)** the appropriate follow-up action.

Criterion 16.13 – There are no requirements for beneficiary financial institutions to take reasonable measures, inclusive of post-event monitoring or real-time monitoring where feasible, to identify cross border transfers that lack required originator or beneficiary information.

Criterion 16.14 – Beneficiary financial institutions are not required to verify the identity of the beneficiary if it has not been previously verified and maintain this information under R.11.

Criterion 16.15 – There are no provisions that require beneficiary financial institutions to have risk-based policies and procedures for determining **(a)** when to execute, reject or suspend a wire transfer that lacks the required originator or beneficiary information and **(b)** the appropriate follow-up action.

Criterion 16.16 – MTCs must screen customers to establish and verify their identity, determine the purpose of the business relationship and continually monitor them (*Arts. 2(2) and 5b of the NOIS*). Further, MTCs must ensure their foreign subsidiaries and affiliates comply with the obligations in the NOIS (*Art. 5h of the NOIS*). However, there are no clear obligations relative to beneficiary information.

Criterion 16.17 – **(a)** MTCs must include accurate originator and beneficiary information, such as the name and the account number, where such an account is used to process the transaction, or in the absence of an account, a unique transaction reference number which permits traceability of the transaction, the originator’s address, or national identity number, or customer identification number, or date and place of birth. This information should remain with the transfer or related message throughout the payment chain (*Section II.2.A.1, Wire Transfer, of the P&G for MTCs*). There are no measures in place for MVTS to consider this information to determine whether a UTR should be filed **(b)** Art. 11 of the NORUT requires all service providers to report any unusual transactions (made or intended) to the FIU. However, the provision is limited to service providers registered/licensed in Curaçao and not countries affected by the suspicious wire transfer.

Criterion 16.18 – When processing wire transfers, financial institutions must freeze transactions and adhere to restrictions on conducting transactions with designated individuals and entities under obligations outlined in the relevant UNSCRs, including UNSCRs 1267 and 1373 and their successor resolutions (*Section IV of the Process for the freezing of resources for the implementation of sanctions*). Financial institutions are expected to self-monitor lists of designated persons as part of this process. However, besides self-monitoring, there is no clear mechanism for communicating changes in designated persons and entities to financial institutions. This communication is vital to ensure that financial institutions take the necessary freezing action.

Weighting and Conclusion

Curaçao meets some of the criteria outlined in Recommendation 16. The country does not meet the requirements for domestic wire transfers. There is an inadequate regulatory framework for intermediary and beneficiary financial institutions, and the deficiencies identified in R.6 and R.7 cascade. **Recommendation 16 is rated Partially Compliant.**

Recommendation 17 – Reliance on Third Parties

Curaçao was rated C with the requirements under this Recommendation in its 3rd Round MER.

Criterion 17.1 – Financial institutions can rely on third parties to perform elements (a)-(c) of the CDD measures set out in R.10 (*Art. 2c of the NOIS*), and the ultimate responsibility for CDD measures remains with them (*Sub-section "Reliance on intermediaries or other third parties to perform some of the elements of the due diligence process" in the P&Gs for CIs, ICs & IBs, MTCs, factoring companies and AII and SAIL*) **(a)** Financial institutions obtain immediately the necessary information concerning elements (a)-(c) of the CDD measures set out in R.10 (*Art. 2c(1)(c) to (d) of the NOIS and P&Gs previously referenced*). **(b)** Financial institutions must satisfy themselves that copies of identification data and other relevant documentation relating to CDD requirements will be made available from the third party upon request without delay (i.e., in two working days) (*Art. 2c(1)(d) of the NOIS and P&Gs previously referenced*) **(c)** Financial institutions must verify that third parties are regulated and supervised or monitored for and have measures in place for compliance with CDD and record-keeping requirements in line with Recommendations 10 and 11 (*P&Gs previously referenced issued by the CBCS*).

Criterion 17.2 – In Curaçao, financial institutions must assess the third party's country's risk and determine whether it falls within its risk appetite (*Sub-section "Reliance on intermediaries or other third parties to perform some of the elements of the due diligence process" in the P&Gs previously referenced issued by the CBCS*).

Criterion 17.3 – Financial institutions that rely on a third party that is part of the same financial group must **(a)** ensure that their foreign subsidiaries and branches, if any, meet the CDD and record-keeping obligations (*Art. 5h of the NOIS*). If the laws of the foreign country involved do not allow this, the financial institutions must notify the supervisor and take measures to prevent the risk of ML/TF. Financial groups must implement group-wide AML/CFT/CFP programs that are applicable and appropriate to all branches and subsidiaries of the financial group (*Section II.3 in all P&Gs previously referenced*). **(b)** Financial institutions must ensure that their foreign branches and subsidiaries observe AML/CFT measures consistent with the requirements of Curaçao, the home country, to the extent that the host country's laws and regulations permit (*Section II.3 in all P&Gs previously referenced*). However, the legislative framework does not clearly articulate whether the implementation of those CDD and record-keeping requirements and AML/CFT programmes is supervised at a group level by a competent authority **(c)** The legislative framework lacks specificity regarding groups' AML/CFT policies that adequately mitigate any potential risk from a higher-risk country.

Weighting and Conclusion

Curaçao meets most of the requirements of R.17; however, the legislative framework does not clearly articulate whether the implementation of CDD and record-keeping requirements and AML/CFT programmes is supervised at a group level by a competent authority. There is also a lack of specificity

regarding group-wide AML/CFT policies, which adequately mitigate any potential risk as it pertains to a higher-risk country. **Recommendation 17 is rated Largely Compliant.**

Recommendation 18 – Internal Controls and Foreign Branches and Subsidiaries

Curaçao was rated C with the requirements under this Recommendation in its 3rd Round MER.

Criterion 18.1 – Financial institutions must develop AML/CFT programmes that include internal policies, procedures and control measures (*Art. 5f of the NOIS*) that must **(a)** include compliance management arrangements (*Art. 5g of the NOIS*). These arrangements include appointing a compliance officer at the management level (*Section II.2.B of the P&Gs for CIs, MTCs, ICs & IBs, and factoring companies and Section II.2.A.2 of the P&G for AII & SAIL*); **(b)** have screening procedures to ensure high standards when hiring employees (*Section II.2.D of P&Gs for CIs, MTCs, IC & IB and factoring companies and Section II.2.A.4 of the P&G for AII and SAIL*); **(c)** have an ongoing employee training program (*Art. 5f of the NOIS and Section II.2.E of the P&G for CIs, MTCs, IC & IB, and factoring companies and Section II.2.A.4 of the P&G for AII and SAIL*), and **(d)** have an audit function to test their system (*Art. 5f of the NOIS and Section II.2.D of the P&Gs for CIs, MTCs, IC & IB, and factoring companies and Section II.2.A.3 of the P&Gs for AII and SAIL*).

Criterion 18.2 – **(a)** Service providers that are subject to the NOIS must ensure that their foreign subsidiaries and branches, should they exist, comply with the requirements set out in the NOIS and the provisions aimed at the implementation of the NOIS (*Art. 5h, Paragraph 1 of the NOIS*). The P&Gs for ICs & IBs, CIs, MTCs, AII, SAILs and Factoring Companies (Section II.3) state that financial groups must implement group-wide AML/CFT/CFP programs. This group-wide program must be applicable and appropriate to all branches and subsidiaries of the financial group. Furthermore, this section stipulates that the group-wide program must include policies and procedures for sharing information within the group for AML/CFT/CFP purposes, including CDD. There is no specific requirement to share ML/TF risk management information across financial groups. However, the P&Gs require testing the implementation of risk management processes across branches and subsidiaries.

(b) Legislative provisions outlined in (*Art. 5h (1) of the NOIS*) require service providers to ensure group wide compliance with AML/CFT requirements and are further detailed in the P&G for ICs & IBs (Section II.3), CIs (Section II.3), MTCs (Section II.3 Foreign branches and subsidiaries), Factoring companies (Section II.3), the P&G for IC & IB (Section II.2.A.2), the P&G for CI (Section II.2.A.2), the P&G for MTC (Section II.2.A.2), the P&G for Factoring companies (Section II.2.A.2) and the P&G for AII_& SAIL (section II.2.A.1). Financial institutions must ensure group compliance with client identification regulations, independent testing requirements and robust procedures for personnel to detect, document, and report unusual transactions.

(c) Financial groups must have safeguards on the confidentiality and the use of information exchanged, including safeguards to prevent tipping-off (*Art. 8(1) and (2) of the NOIS, and Art. 20(1) and (2) of the NORUT*). Financial institutions' group-wide programmes, except for AII and SAIL, must provide adequate safeguards on the confidentiality and use of information exchanged, including safeguards to prevent tipping off (*Section II.3 of P&Gs for CI, IC & IB, MTCs and factoring companies*).

Criterion 18.3 – Service providers must ensure that their foreign subsidiaries and affiliates, if any, comply with the obligations included in the NOIS (sub-1). Where the laws of the foreign country in question do not permit the application of sub-1, the service provider shall notify the Authority of the fact and take measures to prevent the risk of money laundering and financing of terrorism (*Art. 5h (2) of the NOIS*).

The P&G for CI, the P&G for MTC, the P&G for IC & IB, the P&G for factoring companies (*section II.3*)

and AII and SAII (*page 11*) states that financial institutions are required to ensure that their foreign branches and subsidiaries observe AML/CFT/CFP measures consistent with the requirements of Curaçao (home country) (AML/CFT/CFP legal framework and provisions), to the extent that the host country's laws and regulations permit. Where the minimum AML/CFT/CFP requirements of Curaçao and host countries differ, branches and subsidiaries in host countries are required to apply the higher standard to the extent that the host country's laws and regulations permit.

Further, financial institutions must inform the CBCS when a foreign branch or subsidiary cannot observe appropriate AML/CFT/CFP measures because the concerned host country's law does not permit this. They must also take appropriate additional measures to mitigate the risk of ML and TF.

Weighting and Conclusion

Financial institutions must implement AML/CFT programmes, including developing and implementing internal policies, procedures, and training. There are requirements to ensure compliance among foreign subsidiaries and branches. Minor deficiencies exist in these requirements for AII and SAII to ensure group-wide measures exist to safeguard confidentiality and prevent tipping off, and for group-wide information sharing relevant to risk management. **Recommendation 18 is rated Largely Compliant.**

Recommendation 19 – Higher-Risk Countries

Curaçao was rated PC with the requirements under this Recommendation in its 3rd Round MER, as there was no requirement in the P&Gs for transactions conducted by insurance companies, brokers, and money transfer service companies that have no apparent economic or visible lawful purpose, that background and purpose should be examined as far as possible, and that written findings be available to assist competent authorities and auditors. In addition, insufficient instructions were issued regarding countermeasures where countries continue not to or insufficiently apply the FATF Recommendations.

Criterion 19.1 – Financial institutions are required to pay special attention to customers or transactions with individuals, legal entities, or companies that are established or reside in a country with strategic anti-money laundering and combating terrorism financing deficiencies, or to business and banking correspondent relationships related to these countries (*Art. 5i of the NOIS*). Further, the P&Gs for CIs (*page 21*), ICs and IBs (*page 24*), MTCs (*page 16*), and AIIs and SAIIs (*page 23*) require financial institutions to conduct EDD in case of business relationships and transactions with natural persons, legal persons or companies that are established or reside in a jurisdiction for which FATF calls for this.

Criterion 19.2 – All service providers are required to conduct enhanced customer due diligence and take risk-based and appropriate measures on business relationships and transactions with natural and legal persons, including financial institutions, and with legal arrangements based on calls from the FATF and independently of such a call (*Art. 5i NOIS*).

Criterion 19.3 – The CBCS must notify financial institutions about countries with strategic AML/CFT/CPF deficiencies (*Art. 5i of the NOIS*). In practice, the AML/CFT supervisory authorities, (the Central Bank, FIU, and Gaming Control Board), publish the FATF list of High-Risk Jurisdictions subject to a Call for Action and Jurisdictions under Increased Monitoring as adopted by the FATF Plenary meetings on their respective websites under the warning list notices or FATF/CFATF notifications for observance by the entities, institutions, and persons subject to their respective supervision.

Weighting and Conclusion

Recommendation 19 is rated Compliant.

Recommendation 20 – Reporting of Suspicious Transactions

Curaçao was rated PC with the requirements from this Recommendation in its 3rd Round MER. Subjective indicators for filing UTRs were rules-based, hindering the reporting entity’s autonomy in deciding whether to file a UTR. Financial institutions and DNFBPs relied heavily on prescriptive indicators, resulting in inflexibility for reporting entities to identify ML/FT suspicions. By the end of the 3rd Round of MEs, the country addressed these deficiencies by amending the NORUT.

Criterion 20.1 – Financial institutions must submit UTRs based on subjective indicators to the FIU. Subjective indicators refer to transactions that give cause to assume that they may be connected with ML/TF.⁵⁵ UTRs must be submitted immediately after identifying the indicator (*Arts. 10 and 11 of the NORUT and Ministerial Decree 2015, no. 73*).

Criterion 20.2 – Financial institutions must report all suspicious transactions, including attempted transactions, regardless of the transaction amount (*Art. 11 of the NORUT*).

Weighting and Conclusion

Recommendation 20 is rated Compliant.

Recommendation 21 – Tipping-Off and Confidentiality

Curaçao was rated PC with the requirements of this Recommendation in its 3rd Round MER. At that time, the law did not protect FI’s directors from civil and criminal liability for breach of confidentiality when reporting to the FIU in good faith. Additionally, the tipping-off offence only applied to employees directly reporting unusual or suspicious transactions to the FIU. By the end of the 3rd Round of MEs, the country addressed these deficiencies by amending the NORUT.

Criterion 21.1 – The legislation protects financial institutions, their legal representatives, and employees from criminal and civil liability for breaching restrictions on disclosing information imposed by legislative, regulatory, or administrative provisions. This broad protection ensures coverage even if they were unaware of the underlying criminal activity or whether the illegal activity ultimately occurred. However, the legal protection does not explicitly extend to situations involving contractual restrictions that prevent reporting to the FIU (*Arts. 11, 12, 14 and 15 of the NORUT and 2:232 of the Penal Code*).

Criterion 21.2 – The law prohibits financial institutions, their legal representatives, and employees from disclosing that a UTR and related information are being filed with the FIU. However, the existing provisions are broad and may be interpreted as inhibiting information sharing under R.18 (*Art. 20 of the NORUT*).

Weighting and Conclusion

The legislative framework substantially protects financial institutions, their representatives, and employees. However, legislative adjustments are needed to cover contractual restrictions and ensure no impediments

⁵⁵ An unusual transaction is defined based on the indicators in the Ministerial Decree 2015, no. 73, Decree on Unusual Transactions, which implements Art. 10 of the NORUT. The indicators are divided into objective and subjective. Objective indicators set the threshold for specific transaction amounts related to, e.g., cash deposits, currency exchange, credit card, wire transfer, money remitting and customs transactions, that must be reported to the MOT. Objective indicators are not considered the basis for reporting suspicious transactions. They require reporting even if financial institutions do not suspect or have reasonable grounds to suspect that funds are the proceeds of criminal activity or relate to ML/FT.

to the information-sharing among financial group members, an area assessed under R.18. **Recommendation 21 is rated Largely Compliant.**

Recommendation 22 – DNFBPs: Customer Due Diligence

Curaçao was rated NC with the requirements of this Recommendation in its 3rd Round MER. Key deficiencies included the lack of a requirement to apply for CDD when carrying out occasional wire transfers; no legislative requirement for service providers to conduct ongoing CDD on the business relationship; the NOIS allowed for full exemption from CDD rather than simplified CDD; and no requirement in the P&Gs for TCSPs to consider filing UTRs in specific circumstances.

Criterion 22.1 – (a) Casinos must apply CDD when conducting occasional transactions above NAF 4,000.00 (USD2,234.64) (*Arts. 1(b)(11) and 2(1) of the NOIS and Regulation 5.5 of the Gaming Control Board AML/CFT Regulations*). **(b)** Real estate service providers must conduct CDD when they act as an intermediary in the purchase or sale of real estate (*Arts. 1(1)(12) and 2(1) and (2) of the NOIS*). **(c)** Traders in precious metals and stones must conduct CDD regardless of whether the transaction is in cash or its value (*Arts. 1(b)(13) and 2(1) and (2) of the NOIS*). **(d)** Lawyers, notaries, and accountants must conduct CDD when they prepare for or carry out transactions outlined in R22. (1) (d) 2 (*Art. 1(b)(15) of the NOIS*). **(e)** TCSPs must conduct CDD when providing management services as referred to in Art. 1(a) of the NOST. The term “management services” is broad enough to include the range of fiduciary and administrative services set in this sub-criterion provided to legal persons or arrangements; however, trustees acting under Book 3, Title 6, of the Civil Code are not required to perform CDD when carrying out these activities, but when they enter in a business relationship, perform a transaction above a threshold or have suspicion or inadequate client data (*Arts. 1(b)(14) and (23) and Art. 2(1)-(2) of the NOIS, and Art. 1(a) of the NOST*).

Criterion 22.2 – DNFBPs must comply with the record-keeping requirements in R.11 (*Arts. 6 and 7 of the NOIS and Art. 11a of the NORUT*). Additionally, TCSPs must comply with the record-keeping requirements in the relevant ML/TF/PF legislation and stipulate document retention requirements (*Section II.2.A.3 of the P&G for TCSPs*).

Criterion 22.3 – DNFBPs must comply with the PEP requirements of R.12 (*Art. 5a of the NOIS*).

Criterion 22.4 – DNFBPs must pay particular attention to the ML/TF/PF risk associated with the development of new technologies and take necessary measures to prevent such technologies from being used for ML, TF or PF (*Art. 5d NOIS*). Additionally, casinos and TCSPs must comply with the new technology requirements established in R.15 (*Section II.2. 1 AML/CFT Regulations for Combating ML, TF and PF - Applicable for Curaçao casinos and providers of other online games, Section 1.7 P&G for Trust Service Providers*). The deficiencies identified in the analysis of R.15 cascade (see analysis of R.15, specifically c.15.1 and 15.2).

Criterion 22.5 – Service providers, including DNFBPs, are permitted to rely on third parties. Additionally, TCSPs can rely on third parties (*Art. 2c NOIS, Sub-section “Reliance on intermediaries or other third parties to perform some of the elements of the due diligence process” of P&G for TCSPs*). The deficiencies identified in the analysis of R.17 cascade.

Weighting and Conclusion

Curaçao has not included all required TCSP activities, and the deficiencies identified in R.15 and R.17 cascade. **Recommendation 22 is rated Largely Compliant.**

Recommendation 23 – DNFBPs: Other Measures

Curaçao was rated NC with the requirements of this Recommendation in its 3rd Round MER. Key identified deficiencies concerning the reporting of suspicious transactions and tipping-off applied to DNFBPs. Additionally, UTR submissions to the FIU showed limited reports from DNFBPs, despite an increase in the number of DNFBPs. Requirements on internal controls and high-risk countries were outstanding for DNFBPs under the supervision of the FIU and the GCB.

Criterion 23.1 – (a) Arts. 1(1)(a), 15 and 11 of the NORUT provide the requirements for lawyers, notaries, other independent legal professionals and accountants to report suspicious transactions when acting on behalf of or for a customer engaged in financial transactions in relation to the activities described in criterion 22.1(d). **(b)** Arts. 1(1)(a), 13 and 11 of the NORUT provide for the requirement for dealers in precious metals and stones to report financial transactions when they engage in cash transactions with a customer equal to or above USD/EUR 15,000.00 **(c)** Arts. 1(1)(a), 14 and 11 of the NORUT provide for the requirements for trust and company service providers when they engage in a transaction on behalf of or for a customer, as described in criterion 22.1(e).

Criterion 23.2 – Arts. 5F, 5G and 5H of the NOIS require DNFBPs to comply with the same internal control requirements as financial institutions under R.18 (The deficiencies identified in the analysis of R.18 cascade).

Criterion 23.3 – DNFBPs must comply (pay special attention to) with the higher risk countries' requirements as set out in R.19 (*Art. 5i of the NOIS*).

Criterion 23.4 – DNFBPs must comply with the same tipping-off and confidentiality requirements as financial institutions (*Arts. 11, 12, 14 and 20 of the NORUT*) (The deficiencies identified in the analysis of R.21 cascade).

Weighting and Conclusion

Curaçao implements the requirements for lawyers, notaries, other independent legal professionals, accountants, dealers in precious metals and stones, and trust and company service providers to report suspicious transactions and cash transactions of a certain amount. The deficiencies identified in R.18 and R.21 cascade. **Recommendation 23 is rated Largely Compliant.**

Recommendation 24 – Transparency and Beneficial Ownership of Legal Persons

Curaçao was rated PC with the requirements of this Recommendation in its 3rd Round MER. The technical deficiencies were that there was no system in place to register the information about the beneficial owner, no administrative sanctioning power against legal persons who fail to provide accurate and up-to-date information, uncertainty as to whether the information at the Commercial Register was current or updated regularly, no procedure in place to have the UBO available and promptly to all competent authorities and some bearer shares were still in circulation and effectiveness was not demonstrated. By the end of the previous round, there was no evidence that these deficiencies had been rectified.

Criterion 24.1– (a) Curaçao has mechanisms that identify and describe the different types, forms and basic features of legal persons in the country. There are various types of legal persons which are described in Book 2 of the Civil Code (CC) public companies (*Arts. 100, 104 and 110 of the CC*), private companies (*Arts. 200 and 239 of the CC*), foundations (*Art. 50 of the CC*), private foundations, associations (*Art. 70 of*

the CC), partnerships (*Art. 800 of the CC*) cooperatives (*Art. 90(1) of the CC*), and mutual insurance associations (*Art. 90(2) of the CC*).

(b) The process for creating various legal entities is set out in the legislation describing the different legal persons. Legal entities with full legal capacity must be incorporated by notarial deed and registered in the Commercial Registry of the Chamber of Commerce and Industry (*Art. 4(1) Commercial Register Ordinance*). This registration requirement also applies to branches of established foreign companies that conduct business in Curaçao. The process for obtaining basic information such as the entity name, proof of incorporation, legal form and status, the address of the registered office, basic regulating powers (for example, memorandum and articles of association), and the list of directors is publicly available.

Criterion 24.2 – Curaçao has taken steps to assess the ML/TF risks associated with legal persons to some extent, although a comprehensive assessment is still needed. The 2023 ML NRA identifies instances of legal person misuse in specific financial activities and non-financial sectors, contributing to understanding the extent to which legal persons can be or are being misused for ML. It also provides insights into how legal persons can be misused for ML when analysing the risk factors associated with TCSPs, lawyers, notaries and accountants; however, this analysis is indirect and does not comprehensively examine the ML/TF vulnerabilities associated with all types of legal persons. Additionally, no risk assessment analyses legal persons' TF vulnerabilities or how these can be misused for TF. The country began a risk assessment focused on legal persons in 2023, which had not been finalised by the time of the on-site visit.

Criterion 24.3 – All legal entities with legal personality in Curaçao must be registered at the CoC's Commercial Registry (*Art. 4(1) Commercial Register Ordinance*). Public information on legal persons in the Company Registry, such as company name, proof of incorporation, legal form and status, the address of the registered office, basic regulating powers, and a list of directors, can be accessed by any person upon request and at a cost (*Art. 11 Commercial Register Ordinance*).

Criterion 24.4 – Foundations and private foundations record their name, legal form and status, registered office address, and basic regulating powers in their articles of association; however, they are not required to record a list of directors (*Arts. 50 and 51 of the CC*). The same applies to associations (*Arts. 70, 71 and 89 of the CC*). Cooperatives and mutual insurance companies record the required information, except for the address of their registered office and list of directors (*Arts. 90 and 94 of the CC*). Public companies must record the required information in their articles of association. While not explicitly set out, public companies must maintain a list of directors as their powers and appointments must be recorded to be able to comply with their functions (*Arts. 100, 102 and 109 of the CC*). Private companies must record all the required information (*Arts. 200, 202, 203, 209 and 236 of the CC*). The notarial deed is the proof of incorporation for these legal persons. On the other hand, partnerships do not have legal personalities except when they are registered as public partnerships. Public partnerships must record a name, a registered office address and a list of directors, while they are not required to have specific proof of incorporation as they exist and function based on agreements between partners that are registered at the Commercial Register (*Arts. 806, 809, 812, and 836 of the CC*).

Associations, cooperatives, public companies and private companies must maintain a register of shareholders or members and, where applicable, containing the number of shares held by each shareholder and categories of shares, including the nature of the associated voting rights (*Arts. 70, 74, 97, 109, 209 and 815 of the CC*). Foundations and private foundations do not have shareholders or members, so the assets and liabilities belong to them as separate legal entities, and they are not required to maintain a register of shareholders or members (*Art. 50 of the CC*).

Criterion 24.5 – The Commercial Register ensures the accuracy and update of a legal person's information with a set of requirements for registration and subsequent updates overseen by the CoC. The directors of

the legal person, or in the absence of local directors, the person responsible for daily management, must ensure that all information is accurate and submitted on time. Moreover, changes to registered information, such as amendments to company details, must be reported within one week of the change. Additionally, the CoC has the authority to amend the registry on its own motion if an update is reflected in other records it maintains. Additionally, punitive measures are in place for submitting inaccurate or incomplete information, including fines (*Arts. 5, 7, 8, 9 and 21 of the Commercial Register Ordinance*).

Criterion 24.6 – Curaçao implements mechanisms (b) and (c) of this criterion. Regarding mechanism (b), the country requires the CoC to obtain and hold up-to-date information on the companies' beneficial ownership in an Ultimate Beneficial Owner (UBO) register available to the PPO, the CBCS, the FIU and the Tax Office (*Arts. 2(1), 3(1) and 6 to 8 of the National Decree on UBO Registration, Section 1.3 of the Explanatory memorandum pertaining to the National Decree on UBO Registration, and 45 of the NOGNT*). Individuals responsible for administering legal persons must also record who the ultimate beneficial owners are, allowing these to be determined promptly by a competent authority (*Art. 45(6) of the NOGNT*).

About mechanism (c), competent authorities can also obtain a company's beneficial ownership information using existing information, including (i) the information obtained by financial institutions and DNFBPs, following Recommendations 10 and 22 (*Arts. 2(b), 3(5) and 3(6) NOIS*). The UBO register satisfies element (ii) of mechanism (c), while the analysis of criteria 24.3 and 24.4 confirms that companies must maintain records of their basic information as required in criterion 24.3. The CoC must maintain the basic information on the companies listed on a stock exchange, as indicated in criterion 24.3, and their beneficial ownership information under the UBO register, as explained in the previous paragraph, ensuring the transparency of beneficial ownership, which addresses element (iv) of mechanism (c).

Criterion 24.7 – The CoC must keep the UBO register accurate and current by implementing registration and verification procedures. Notaries must inform the UBO register of amendments to a legal person's deed and articles of association within two weeks of the deed's execution.⁵⁶ Legal entities must also report changes to their beneficial ownership within two weeks of their occurrence, whose accuracy is verified by the CoC. The PPO, the CBCS, the FIU and the Tax Office are responsible for reporting any discrepancies between the registered UBO data and their records. Moreover, if legal persons fail to provide accurate or timely UBO information, the Tax Office can impose fines (*Arts. 4, 5, 6, 8, 10 and 11 of the National Decree on UBO Registration*). Service providers must keep CDD records accurate and up to date, including beneficial ownership information (*Art. 3(6) of the NOIS*).

Criterion 24.8 – Curaçao obliges legal persons' boards to cooperate with the CoC to the fullest extent possible in determining the beneficial owner when registering this information in the UBO register (*Arts. 4 and 5 of the National Decree on UBO Registration and 45(15) and (16) of the NOGT*).

Criterion 24.9 – The CoC must retain the beneficial ownership information for a period of ten years after the legal person has been deregistered from the Commercial Register (*Art. 6(5) and (6) of the National Decree on UBO Registration*). Financial institutions and DNFBPs must retain all CDD data in an accessible manner for five years after the business relationship's termination date or up to five years after the completion of the relevant transaction (*Art. 7 of the NOIS*). Additionally, a legal person's custodian must keep the books, documents and other data of the legal persons, which by way of interpretation includes beneficial ownership information, after it is dissolved or otherwise ceases to exist for ten years after the date the company is liquidated (*Art. 33 of the CC*).

⁵⁶ This is intended to prevent the establishment of a legal entity or the establishment of a trust or similar legal construction from being established without this being registered in the UBO register.

Criterion 24.10 – Basic information is publicly available and can be promptly accessed by all competent authorities. The PPO and the KPC have access to beneficial ownership information for investigative purposes through formal requests made by the PPO to legal persons (*Art. 177s of the Code of Criminal Procedure*). The PPO, the CBCS and the FIU can access the UBO register (*Section 1.3 of the Explanatory memorandum pertaining to the National Decree on UBO Registration*). As the criminal investigation coordinator, the PPO facilitates access to this information to the KPC. There are no provisions or procedures that allow competent authorities to access beneficial ownership promptly.

Criterion 24.11 – Curaçao prohibits legal persons from issuing bearer shares (*Arts. 100 and 200 of the CC*).

Criterion 24.12 – In civil legislation, only written proxies authorise someone to act on behalf of a legal person's shareholder, which does not allow for nominee shareholders. The individual authorising the representation should be identified (*Arts. 81, 101, 131, 201, 232, and 301 of the CC*). TCSPs can act as a foreign legal person's local representative or managing director. However, they are not required to disclose this role to the CBCS or any register (*Arts. 1(a), 12 and 14 of the National Ordinance on the Supervision of Trust Service Providers*).⁵⁷

The National Ordinance on the Supervision of Trust Service Providers does not explicitly mention TCSPs acting as nominee shareholders. Additionally, the CBCS's P&G on TCSPs includes a paragraph regarding this, stating that TCSPs providing this service or the custody of bearer shares for foreign companies must know the true identity of the person or persons for whom assets are held or are to be held, including the beneficial owners. However, no provisions oblige TCSPs to register their role as nominee shareholders in any register or competent authority (*see page 19 of the CBCS's P&G on TCSPs*).

Criterion 24.13 – Non-compliance with the requirements relative to registering basic and beneficial ownership information with the CoC attracts a range of sanctions. Under the Commercial Register Ordinance, intentional submission of incorrect or incomplete statements or failure to submit necessary details for the commercial register results in administrative fines up to approximately USD 27,781 (NAf 50,000). Under the National Decree on UBO Registration, violations such as failing to promptly register or update beneficial owner information or submitting inaccurate data result in fines up to approximately USD 13,966.48 (NAf 25,000). Repeated non-compliance, despite reminders, may lead to criminal sanctions, including imprisonment for up to six months or fines of approximately USD 13,966.48 (NAf 25,000), along with possible further investigation by tax authorities.

While the Commercial Register Ordinance and National Decree on UBO Registration cover a range of relevant breaches, potential circumstances are not covered. There are no sanctions for legal persons who do not maintain an accurate and current shareholder or members register (criterion 24.4) and sanctions for custodians who do not hold beneficial ownership information after the date the company is dissolved or otherwise ceases to exist (criterion 24.9).

Furthermore, the current sanctions for violations related to basic information are stricter than those for breaches concerning beneficial ownership information. The maximum fines for not meeting requirements for basic information are twice as high as those for not meeting obligations related to the UBO register. This discrepancy in the range of sanctions shows a disproportionality and raises questions about their dissuasiveness.

⁵⁷ After the dissolution of the Netherlands Antilles in 2010, the CBCS took over these responsibilities for the newly formed countries of Curaçao and Sint Maarten. Hence, when the National Ordinance on the Supervision of Trust Service Providers refers to the Bank of the Netherlands Antilles, it should be understood that it refers to the CBCS.

Criterion 35.1 covers sanctions for financial institutions and DNFBPs' non-compliance with CDD requirements, including obtaining beneficial ownership information.

Criterion 24.14 – The PPO, the CBCS and the FIU can rapidly provide international cooperation concerning basic and beneficial ownership information on the basis set out in R.37 and 40. **(a)** These competent authorities can provide foreign competent authorities with the basic information the CoC holds (see the analysis of R.37 and criteria 40.9 to 40.16). **(b)** The CBCS can collect and provide information on shareholders of respective entities to foreign competent authorities (*Arts. 24(1) of the NOST, 41 of the NOSIIA, 53 of the NOSSIAM, 41(1) of the NOSBCI, 78a of the NOSII, 20a of the NOIB, 19 of the NOSMTC and 7 of the NOSSE*). Through the National Ordinance International Assistance Levying of Taxes, Curaçao has Tax Information Exchange Agreements with the Netherlands and other European member states with whom the Netherlands has a TIEA. **(c)** Competent authorities can use their investigative powers to obtain beneficial ownership information for foreign counterparts (see the analysis of criterion 37.8). Competent authorities can also use investigative powers based on agreements with other countries (*Art. 27(1) and (4) of the Double Taxation Agreement (DTA) with Norway*).

Criterion 24.15 – Curaçao does not monitor the quality of assistance it receives from other countries in response to requests for basic and beneficial ownership information or assistance in locating beneficial owners residing abroad.

Weighting and Conclusion

Curaçao has mechanisms to maintain basic and beneficial ownership information of legal persons, meeting most requirements under Recommendation 24. However, some deficiencies remain: the assessment of ML/TF risks for all legal persons is incomplete; certain entities like foundations and associations are not required to maintain a list of directors or all basic information; there are no provisions ensuring prompt access to beneficial ownership information by competent authorities; the sanctions for non-compliance are not fully comprehensive, proportionate, or dissuasive; and there is no monitoring of the quality of international cooperation received. **Recommendation 24 is rated Partially Compliant.**

Recommendation 25 – Transparency and Beneficial Ownership of Legal Arrangements

Curaçao was rated LC with the requirements of this Recommendation in its 3rd Round MER. The sole technical deficiency was that not all competent authorities had timely information on beneficial owners.

The country recognises trusts as a legal arrangement under Title 6 of Book 3 of the CC, as introduced by the National Regulations on Trusts in 2011 and amended in 2020. Moreover, the Kingdom of the Netherlands extended the “Hague Convention on the Law Applicable to Trusts and on their Recognition” to Curaçao, with the Convention taking effect on February 1, 2024.⁵⁸

In Curaçao, a trust is defined as a legal relationship established through a public notarial deed between a settlor and a trustee, which includes detailed provisions regarding the trust’s management, purpose, and equity. The trustee holds property for the benefit of a beneficiary or a specific purpose.

The provision of trust services is primarily regulated under the National Ordinance on the Supervision of Trust Service Providers (NOST), the NOIS and related regulations. While licensed TCSPs are the default entities allowed to provide these services, there are exceptions where other natural or legal persons can act as trustees or offer trust services through dispensations granted by the CBCS. The CBCS may grant these on a case-by-case basis when valid reasons exist for an international company to use the services of a non-

⁵⁸ [Extension of the Convention of 1 July 1985 on the Law Applicable to Trusts and on their Recognition.](#)

licensed provider, e.g., unique expertise or relationships, necessity for specific services or group affiliations. TCSPs and natural or legal persons with dispensations will be referred to as “trust service providers” in the analysis, as the same provisions apply to both.

Criterion 25.1 – (a) Trust service providers of express trusts governed under the Curaçaoan law must obtain and hold adequate, accurate, and current information on the identity of the settlor, the trustee(s), the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust (*Arts. 1(j)(6°), 2(2) and 3(5) and (6) of the NOIS and Section II.2.A.1 of the P&G for TCSPs*).⁵⁹

(b) There is no explicit requirement for trustees to hold basic information on other regulated agents and service providers to the trust. Some provisions from the NOIS, the NOST and the National Regulations on Trusts suggest that trust service providers may engage in relationships with them. Still, this sub-criterion’s requirement is not established explicitly (*Arts. 2(2) and 3(6) of the NOIS, Arts. 2 and 13 of the NOST and Art. 139(1)(f) of the National Regulations on Trusts*).

(c) Trust service providers encompass professional trustees' roles and activities. Trust service providers must maintain the information required in sub-criterion (a) for at least five years; however, considering the finding in sub-criterion (b), there is no direct requirement to maintain records about basic information on other regulated agents of and service providers to the trust (*Art. 7 of the NOIS*).

Criterion 25.2 – Trust service providers must update the information they obtain about the individuals mentioned in sub-criterion 25.1(a) as frequently as required according to the client’s risk profile and document it adequately. The deficiency noted in sub-criterion 25.1(b) cascades here (*Art. 3(6) of the NOIS and Section II.2.A.1 of the P&Gs for TCSPs*).

Criterion 25.3 – Trust service providers must disclose their status to financial institutions and DNFBPs when forming a business relationship (*Art. 136 of the National Regulations on Trusts*).⁶⁰

Criterion 25.4 – Trust service providers are not prevented by law or enforceable means from providing competent authorities with any information relating to the trust; or from providing financial institutions and DNFBPs, upon request, with information on the beneficial ownership and the assets of the trust to be held or managed under the terms of the business relationship.

Criterion 25.5 – The FIU and the LEAs can obtain information from trust service providers and parties such as financial institutions and DNFBPs (*criteria 29.3 and 31.1*). The PPO can also require trust service providers to provide the information necessary to perform their duties (*Art. 137(4) of the Civil Code*). Supervisors can also obtain information on trusts from financial institutions and DNFBPs (*criteria 11.3, 27.3 and 28.4(a), Art. 8(6) of the NOIS and Art. 20 of the NOST*). However, no provision ensures that competent authorities will obtain this information in a timely manner.

Criterion 25.6 – The provisions analysed in R.37 facilitate exchanging MLA concerning trust information, including beneficial ownership information. The technical gaps identified in R.40 are more prominent.

⁵⁹ Protectors, if any, are considered beneficial owners in the Curaçaoan law. Please see Article 1(j)(6°) of the NOIS.

⁶⁰ The trustee must inform any party they deal with, the "counterparty", that they are acting as a trustee, not in a personal capacity. The term counterparty is not defined, but its common meaning is broad enough to include financial institutions or DNFBPs. This disclosure seeks to separate the trustee’s personal assets from claims or liabilities associated with the trust. It ensures that the counterparty understands the ownership of the assets they are dealing with. Hence, the National Regulations on Trusts ensure that trustees reveal their status to financial institutions and DNFBPs, regardless of any threshold or other circumstances.

Hence, the framework to exchange trust information is more limited when considering other forms of international cooperation between foreign competent authorities including both counterparts and non-counterparts. Regarding the sub-criteria, **(a)** Curaçao does not have provisions to facilitate access by foreign competent authorities to basic information held by registries or other domestic authorities; **(b)** *the* CBCS can exchange domestically available information on the trusts (*Art. 8(3) of the NOIS*); it is unclear if other competent authorities have the same ability. Finally, **(c)** the CBCS can investigate upon request of a foreign regulator, which can be used to obtain beneficial ownership information on behalf of foreign counterparts (*Art. 41a of the Harmonisation Ordinance*).

Criterion 25.7 – (a) Trustees are subject to administrative liability for failing to perform most of the basic and beneficial ownership information obligations established in R.25. There is no specific liability for trustees who do not disclose their status when forming business relationships and for not identifying regulated agents and service providers to the trust. **(b)** Available administrative sanctions include “orders subject to penalty payment” and fines imposed by the CBCS. The “orders subject to penalty payment” require a trustee to take corrective action within a specified timeframe, subject to fines for non-compliance. The NOIS sets out fines on trustees for violations of AML/CFT requirements, whose value varies according to the nature of the services provided and the seriousness of the infringement. These can be duplicated in case of repeated violations. Fines may be reduced if the trustee can demonstrate that the imposed fine would be disproportionately high. Additionally, prosecutors can request that a judge remove a trustee who fails to produce information. The absence of liability for the two cases mentioned in sub-criterion (a) cascades into sub-criterion (b). This range of sanctions is proportionate and dissuasive (*Arts. 1(b), 2 and 3 and Annex 3 of the National Decree Administrative Fines and Penalties 2022; Arts. 9a and 9j of the NOIS; and Arts. 137(4) and 144 of the Civil Code*).

Criterion 25.8 – Trustees must make information available regarding the trust to competent Supervisors and other authorised agencies without delay. The CBCS can impose fines for violating this requirement. The CBCS can set the fine at a fixed amount or at an amount per unit of time for which the charge has not been fulfilled or for breach of the order. Additionally, the fine must be reasonably proportionate to the gravity of the interests violated and the intended effect of the fine. These sanctions are proportionate or dissuasive (*Arts. 7 and 9a of the NOIS*).

Weighting and Conclusion

Curaçao largely meets the requirements for trust service providers to obtain and update beneficial ownership information. However, gaps remain, notably the lack of explicit obligations for trustees to hold basic information on other regulated agents and service providers. Further limitations exist regarding timely access to trust information by competent authorities and weaknesses in international cooperation. Gaps in administrative liability for trustees concerning some obligations are also present in the framework.

Recommendation 25 is rated Partially Compliant.

Recommendation 26 – Regulation and Supervision of Financial Institutions

Curaçao was rated LC with the requirements of this Recommendation in its 3rd Round MER. The key deficiency identified was that the new framework for prudential supervision of MTCs had to be implemented as soon as possible. Curaçao addressed this deficiency by adopting the National Ordinance on the Supervision of Money Transfer Companies on September 22nd, 2014. The National Ordinance came into force on March 1, 2015.

Criterion 26.1 – The CBCS is designated to supervise financial institutions defined in Art. 1 of NOIS and NORUT, for compliance with AML/CFT obligations (*Art. 11(1) NOIS and Art. 22mm (1) NORUT*).

Criterion 26.2 – Banking and credit institutions are prohibited from operating in Curaçao without a license (*Art. 2(1) of the NOSBCI*). They must request the CBCS to carry out such activities (*Art. 3 of the NOSBCI*) and obtain a license (*Art. 4 of the NOSBCI*). Insurance institutions are prohibited from engaging in the insurance business without a license (*Art. 9(1) of the NOSII*), and the CBCS may grant licenses once the institution meets the requirements to obtain a license (*Art. 11(1) of the NOSII*). Insurance brokers are forbidden to act without being registered in the register of insurance brokers maintained by the CBCS (*Art. 4 (1) of the NOIB*).

The CBCS will decide to grant a license to an insurance broker if specific criteria are met (*Art. 6(1) of the NOIB*). Securities intermediaries or asset managers are forbidden to act in or from Curaçao without prior license from the CBCS (*Art. 7 National Ordinance on the Supervision of Securities Intermediaries and Asset Managers (NOSIAM)*). They must apply and satisfy the requirements to be granted a license (*Arts. 10 and 11 of the NOSIAM*). The CBCS can grant licenses to money and currency exchange service providers (*Art. 8 Regulations on Foreign Exchange Transactions for Curaçao and St. Maarten, RFETCSM*). Curaçao indicated that no license has been granted in the last twenty years, since only domestic commercial banks can provide currency exchange. However, land-based casinos provide currency exchange in limited amounts, without the requisite license. There is no prohibition in law of the establishment or continued operation of shell banks; however, the CBCS’s licensing process includes meeting criteria to ensure that shell banks are not established in Curaçao.

MTCs are forbidden from conducting business in or from Curaçao without obtaining a licence from the CBCS. An MTC business must submit a petition to register to the CBCS, which will grant a license once specific requirements are met (*Arts. 2 (1), 4 and 5 of NOSMTC*).

Criterion 26.3 – The CBCS performs integrity testing on policymakers, co-policymakers, holders of qualifying interest (including beneficial owners) and other persons involved in financial institutions, based on the framework outlined in the CBCS Policy Rule on Integrity Testing, which includes, testing every three years and whenever deemed necessary, such as when there are changes to relevant persons in the FI (*Art. 3 Policy Rule on Integrity Testing*). Additionally, integrity tests are conducted as part of the licensing process for MTCs, Banks and Credit Institutions, Insurance Sector, Securities Intermediaries and Asset Managers and Investment Institutions and Administrators (*Arts. 5 (3), (5) NOSMTC, Art. 4 (1) sub (c), (f), & (i) NOSBCI, Art. 6(1) sub b, NOIB, Art. 9 NOSIAM, Art. 4 (1) NOSIIA*).

Criterion 26.4 – (a) The CBCS subjects financial institutions to regulation and supervision in line with Core Principles, including consolidated group supervision for AML/CFT purposes (*NOSII, NOISSAM, NOSIIA, CBCS Policy Rule Regarding Sound Business Operations, Harmonisation Ordinance 2015*). (b) There are measures in place to ensure that MTCs comply with national AML/CFT requirements (*Art. 11(1) NOIS, Art. 22mm (1) NORUT*). However, there are no requirements to consider sector risk in determining regulation, supervision and monitoring measures.

Criterion 26.5 – (a) Chapter VI.6.1 of the CBCS Handbook of Policy & Procedures on Risk-Based Supervision establishes that the CBCS determines the frequency and intensity of on-site and off-site AML/CFT supervision based on the institution’s ML/TF risk profile. This is done through a risk inventory and annual questionnaire assessing customer, product, geographic, and governance risks, alongside the internal controls and procedures implemented by the financial institution. This information is used to classify institutions by risk impact, which directly influences the frequency and intensity of supervision. (b) Chapter VI.4 explains that supervision is also based on the ML/TF risks present in the country as identified in the National Risk Assessment (NRA). The CBCS integrates national ML/TF risk indicators into its supervision framework, ensuring that sectors identified as high risk in the NRA, such as banking and money transfer services, are subject to more frequent and intensive supervision. (c) Chapter VI.3.1 outlines that the CBCS considers the characteristics of financial institutions, including their size,

complexity, and societal role, when determining supervision intensity. Financial institutions are assigned to impact classifications based on these factors, ensuring that larger and more complex institutions with higher risk profiles receive more frequent supervision. The degree of discretion allowed to institutions under the risk-based approach is reflected in their assigned impact class, which guides the level of supervisory attention they receive.

Criterion 26.6 – Chapter VI.6.1 of the CBCS Handbook of Policy & Procedures on Risk-Based Supervision stipulates that the CBCS conducts a periodic review of the ML/TF risk profile of financial institutions through an annual risk inventory and analysis of updated questionnaires. Additionally, Chapter VI.8.2 specifies that the CBCS conducts a review of the ML/TF risk profile whenever major events or developments occur within a financial institution, such as significant changes in management, operations, or business lines.

Weighting and Conclusion

The CBCS does not grant licenses for money and currency exchange offices since only domestic commercial banks can conduct this activity. However, casinos conduct money exchange activity without licenses to a limited degree. The supervision of MTCs does not consider the ML/TF risk in the sector.

Recommendation 26 is rated Largely Compliant.

Recommendation 27 – Powers of Supervisors

Curaçao was rated LC with the requirements of this Recommendation in its 3rd Round MER, as the limited inspection coverage hindered a complete assessment of the effectiveness of on-site inspections. Throughout the 3rd Round Follow-Up Process, the CBCS made adjustments to ensure that its on-site inspection programme covered all licensed financial institutions.

Criterion 27.1 – The CBCS has powers to supervise and ensure financial institutions' compliance with AML/CFT requirements (*Art. 11(1) of the NOIS, and 22mm (1) of the NORUT*).

Criterion 27.2 – The CBCS has the authority to inspect financial institutions (*Art. 22mm (4) of the NORUT and Art. 11(4) of the NOIS*).

Criterion 27.3 – The CBCS can compel the production of any information relevant to monitoring compliance with the AML/CFT requirements (*Art. 11(4) of the NOIS and Art. 22mm (4) of the NORUT*). Every person is obligated to cooperate with the CBCS in the execution of its supervisory duties (*Art. 11(7) of the NOIS and Art. 22mm (8) of the NORUT*).

Criterion 27.4 – The CBCS is authorised to impose proportionate and dissuasive administrative, financial and disciplinary sanctions (*Arts. 2(8) and 9a (1), 11(3) of the NOIS, and 22mm (3); 22b (1) of the NORUT; 48b (1) NOSBCI*) and Art. 1:127 of the Penal Code applies *mutatis mutandis*. The CBCS can also revoke licenses for failure to comply with AML/CFT Obligations (*Section 4 Policy Rule on the Violation of Anti-Money Laundering, Financing of Terrorism and Proliferation Legislation and Provisions & Guidelines*). The deficiencies identified in R.35 cascade.

Weighting and Conclusion

The CBCS can monitor and ensure financial institutions comply with AML/CFT obligations, inspect financial institutions, and compel information relevant to AML/CFT compliance. The CBCS also has the power to sanction financial institutions for non-compliance with AML/CFT obligations, including revocation of licenses. However, the deficiencies identified in R.35, which relate to a lack of sanctions for

non-compliance with requirements under R.6, 16, and 17, cascade into this Recommendation. **Recommendation 27 is rated Largely Compliant.**

Recommendation 28 – Regulation and Supervision of DNFBPs

Curaçao was rated NC with the requirements of this Recommendation in its 3rd Round MER, as internet casinos were not subject to supervision for compliance with AML/CFT obligations; the FIU did not implement an effective supervisory regime and lacked resources to supervise DNFBPs subject to AML/CFT obligations effectively. Additionally, deficiencies identified in section 3.10 concerning R. 17 and 29 were also applicable to DNFBPs under the Central Bank. The FIU addressed the deficiencies by increasing its resources, conducting regular inspections and imposing administrative sanctions on non-compliant DNFBPs. At the same time, the Central Bank ensures that its inspections on the DNFBPs under its remit cover AML/CFT obligations.

Criterion 28.1 – (a) Under Art. 3 of the National Ordinance Casinos Sector Curaçao (NOOSC) the Executive Council must license all land-based Casinos. Online casinos, require a license to operate based on Art. 1 of the National Ordinance on Offshore Games of Chance (NOOGC) **(b)** Holders of personal (casino) licenses are granted a license based on rules established related to inter alia personal integrity, financial solvency and reliability as well as knowledge and expertise. A personal license can be revoked if there is a failure to comply with the established rules (*Arts. 9, 12 and 13 Island Ordinance Casino Sector Curaçao*). Additionally, the Gaming Control Board’s (GCB’s) casino licensing policy for land-based casinos outlines the requirements for applications for personal licenses as well as fit and proper checks to be conducted for such persons. Similar measures were not in place for online gaming at the time of the onsite.⁶¹ **(c)** Art. 3 of the Gaming Control Board Mandate states that the GCB Foundation is designated as the body charged with monitoring compliance with the provisions of or pursuant to the National Ordinance on offshore games of chance, including the regulations and conditions attached to the permit. Pursuant to Art. 22mm, paragraph 1 sub c of the NORUT, and Art. 11 sub c of the NOIS, service providers offering the opportunity to participate in hazard games in the context of operating: a. hazard games, casinos and lotteries, outdoor hazard games (NOIS) and offshore hazard games (NORUT) are supervised for compliance with the relevant AML/CFT ordinances.

Criterion 28.2 – The CBCS the FIU and the GCB are the competent authorities assigned with the responsibility to monitor and ensure DNFBPs comply with AML/CFT requirements. (*Art. 11 (1) sub a of the NOIS and Art. 22mm (1) sub a of the NORUT*). The P&Gs for Professional Service Providers FIU stipulate the FIU as the supervisor of the DNFBP sector and the AML obligations for the sector. The CBCS is the supervisory authority of TCSPs (*Arts. 8 (1), (2) of the Central Bank Statute*).

Criterion 28.3 – Dealers in precious metals and stones, lawyers, notaries, accountants and TCSPs are subject to AML/CFT compliance monitoring systems by the FIU and the CBCS, respectively (*Arts. 1(b)(1)(12)-(15), (17) and (23) and 11(1) of the NOIS and Arts. 1(1)(a)(12)-(15), (17) and (23) and 22mm (1) of the NORUT*).

Criterion 28.4 – The CBCS, the FIU and the GCB have the power to: **(a)** With a view to promoting compliance with the National Ordinances, issue regulations, guidelines and directives to the service providers subject to its supervision, who are obliged to fully implement the regulations issued by the Supervisor (*Art. 11, para 3 of the NOIS and Art. 22mm para 3 of the NORUT*); request and require inspection of all information, books, records and files and to take temporary possession of these for AML/CFT purposes, including the records and copies of third-party money accounts used by, on behalf of

⁶¹ Fit and proper requirements are now in place for online gaming since December 2024 when the National Ordinance on Games of Chance came into effect.

or for the benefit of the service provider, to access all places with exception of residences and to examine vessels, stationary vehicles and cargoes (*Art. 11, para 4, NOIS, and Art. 22 mm, para 4, NORUT*).

(b) Trust service providers must satisfy *inter alia* integrity requirements in order to be granted a license by the CBCS (*Art. 3 (2) sub a NOSTSP*). TCSPs must submit sufficient information to demonstrate integrity requirements are met (*Art. 4*). The CBCS can revoke a license if the licensee ceases to meet the integrity requirements (*Art. 5 (1) sub f*) or if the licensee or any one of the persons determining the policy of the trust office concerned is guilty of a criminal offence (*Art. 5 (1) sub h*). The CBCS also applies the integrity testing framework outlined in the Policy Rule on Integrity Testing to institutions under its supervision, including trust service providers and those holding qualifying interests in TCSs. There are no laws or enforceable means that require other competent authorities (the FIU) to take the necessary measures to prevent criminals or their associates from being professionally accredited or holding (or being the beneficial owner of) a significant or controlling interest or holding a management function in other DNFBPs.

(c) Supervisors may impose orders for violations of the ordinances as outlined in Recommendation 35 (*Art. 22b, paragraph 1, NORUT, Art. 9a, paragraph 1, NOIS*).

Criterion 28.5 – TCSPs supervised by the CBCS are supervised on a risk-sensitive basis. However, no laws or enforceable means require the supervision of other DNFBPs to be performed on a risk-sensitive basis. (a) TCSPs are supervised based on the CBCS’ risk-based supervision framework, which includes the basis for frequency and intensity of inspections and the overall risk impact of each entity (*CBCS Handbook of Policy & Procedures Risk-Based Supervision*). Similar requirements were not in place for DNFBPs supervised by the FIU. (b) TCSPs are also supervised based on individual risk, the adequacy and effectiveness of their compliance function, including internal controls. (*CBCS Handbook of Policy & Procedures Risk-Based Supervision*). Similar requirements were not in place for DNFBPs supervised by the FIU.

Weighting and Conclusion

Curaçao has designated competent authorities to supervise and ensure DNFBPs comply with their AML/CFT obligations. There are some measures in place for fitness and integrity tests for trust service providers and casinos. However, no measures require competent authorities to take the necessary legal or regulatory measures to prevent criminals or their associates from holding controlling interests, having a management function, or being the beneficial owner in other DNFBPs. No laws or enforceable means require the supervision of other DNFBPs to be performed on a risk-sensitive basis. **Recommendation 28 is rated Partially Compliant.**

Recommendation 29 - Financial Intelligence Units

Curaçao was rated PC with the requirements of this Recommendation in its 3rd Round MER, as the law's provisions could influence the FIU's independence and autonomy, and there were no measures to protect the FIU's information adequately. Other deficiencies related to effectiveness issues. By the end of the 3rd Round of MEs, Curaçao addressed these deficiencies with amendments to the NORUT. Current R.29 includes an explicit requirement to conduct strategic analyses.

Criterion 29.1 – Curaçao established an FIU responsible for acting as a national centre for receipt and analysis of UTRs and other information relevant to ML, associated predicate offences, and TF and for disseminating the results of that analysis (*Arts. 2, 3, 6, and 12 of the NORUT*).

Criterion 29.2 – The FIU is the central agency for the receipt of disclosures filed by reporting entities, including (a) UTRs filed as required by R.20 and 23 (*Arts. 3 and 11 of the NORUT and Ministerial Decree*,

No.73 of 2015), and **(b)** any other information required by national legislation (i.e., activity and threshold-based disclosures) (*Arts. 3, 10 and 11 of the NORUT and Ministerial Decree, No.73 of 2015*).

Criterion 29.3 – The FIU can **(a)** obtain and use additional information from reporting entities, as needed to perform its analysis properly, in addition to the information that entities report (*Art. 12 of the NORUT*), and **(b)** access a wide possible range of financial, administrative and law enforcement information that it requires to undertake its functions. The FIU also accesses open and public sources and commercially held data (*Arts. 5, 6(3), 4 and 12 of the NORUT*).

Criterion 29.4 – **(a)** The FIU has the broad function of analysing the data it receives for the prevention and detection of ML, associated predicate offences and TF (*Art. 3 (a) of the NORUT*). To this end, the FIU can use the information available in its databases from reporting entities through UTRs, information provided by authorities (including basic reference data),⁶² and information obtained from foreign FIUs. The FIU can also conduct financial analyses using information obtained from foreign counterparts. **(b)** The legislation does not distinguish between the types of analysis that the FIU should conduct; nevertheless, given the broad requirements of the legislation, the assessment team interpreted this to include operational and strategic analysis. The FIU has produced strategic intelligence reports.

Criterion 29.5 – The FIU can disseminate information and the results of its analysis to competent authorities. By interpretation, such dissemination can be done spontaneously or upon request (*Art. 6(1) of the NORUT*). During the on-site visit, the FIU demonstrated having secure and protected channels to disseminate intelligence.

Criterion 29.6 – The FIU protects information by **(a)** based on rules governing its confidentiality and access to information (*Arts. 4, 20, and 23 of the NORUT*). The information is secured based on internal procedures and the UTR's processing software. **(b)** The FIU staff is subject to high integrity requirements and must undergo strict screening by the VDC before their appointment and employment. Staff are further required to sign non-disclosure agreements and comply with the regulations from the Government of Curaçao Code of Conduct and other security procedures implemented by the FIU. Staff members are subject to regular in-house training on security, working with sensitive information, integrity and the implications of working for an FIU. **(c)** The FIU has mechanisms to ensure limited access to its facilities and information, as verified during the on-site visit.

Criterion 29.7 – **(a)** The FIU has the authority and capacity to carry out its functions freely, including the autonomous decision to analyse, request and/or forward or disseminate specific information (*Arts. 3 and 8(1) of the NORUT*). **(b)** The FIU has the authority to make arrangements or engage independently with other domestic competent authorities or foreign counterparts to exchange information. When a foreign FIU is a member of the Egmont Group and is not legally required to sign a written agreement, no formal arrangement is necessary. However, if the foreign FIU is a member of the Egmont Group and is required by its national legislation to sign an agreement, the Head of the FIU may enter into a written agreement to facilitate data exchange, following the directives of the Minister of Finance. Once this agreement is signed, the FIU can engage with that foreign FIU independently (*Arts. 6(4), 7(2) and (3) of the NORUT*). **(c)** While the FIU is under the authority of the Ministry of Finance and its budget comes from this Ministry, it has distinct core functions from those of the Ministry (*Art. 3 of the NORUT*). **(d)** The FIU does not independently control its budget; instead, its funding and staffing are determined by the Minister of Finance, with agreement from the Minister of Justice. However, the FIU has limited independence and autonomy to deploy its resources and carry out its functions upon receiving its budget and staff (*Art. 8.3 of the NORUT*).

⁶² KPC, RST, PPO, Customs, LrC, Interpol, VDC, KMar, SBAB, the Civil Registry Office, the CoC, the Cadastre Foundation, the bank for social security, the Ministry of Economic Development, the Department of Housing, the Motor Vehicle Tax Department, the Public Works Department and Immigration.

Criterion 29.8 – The FIU has been a member of the Egmont Group since 1998 (*Art. 7 of the NORUT*).

Weighting and Conclusion

The FIU has been established as the central agency for receiving and analysing information relevant to ML/TF. It has substantive independence and autonomy to carry out its functions freely, but not to control its budget. It has remained a member of the Egmont Group since 1998. **Recommendation 29 is rated Largely Compliant.**

Recommendation 30 – Responsibilities of Law Enforcement and Investigative Authorities

Curaçao was rated LC with the requirements of this Recommendation in its 3rd Round MER. The deficiencies identified were related to effectiveness issues, currently assessed as part of IO.7.

Criterion 30.1 – The KPC and LrC officers, appointed extraordinary police officers, the Attorney General, the Public Prosecutor, and Local Heads of Police are responsible for investigating crimes, including ML, predicate offences and TF offences (*Art. 184 of the Code of Criminal Procedure*).

Criterion 30.2 – Prosecutors can seek the approval of examining judges to conduct financial investigations within the scope of criminal inquiries. The provisions governing these financial investigations are sufficiently comprehensive to facilitate the identification of criminal networks, the magnitude of criminal activities, the detection and tracing of illicit proceeds, terrorist funds, or any other assets that are or may potentially become subject to confiscation. These provisions also support the development of evidence that can be utilised in criminal proceedings (*Arts. 177a to 177c of the Code of Criminal Procedure*).

Criterion 30.3 – Prosecutors, examining magistrates, and criminal investigators are designated to expeditiously identify, trace, and initiate the seizing of property that is, or may become, subject to confiscation or suspected of being the proceeds of crime (*Arts. 177a to 177d of the Code of Criminal Procedure*).

Criterion 30.4 – In addition to the KPC, the Customs Investigation Service (PIOD) investigates customs-related offences, and the Tax Office’s Information and Investigation Team investigates tax-related crimes (TIO). This would include predicate offences that generate illicit proceeds. The PIOD and the TIO do not independently pursue ML/TF during a parallel financial investigation. Any parallel investigation into ML/TF is carried out under the lead of the prosecutors and the police by referral of and with assistance from the TIO or the PIOD. Moreover, PIOD and TIO officials can conduct searches and seizures when dealing with offences in their remit (*Arts. 217(1), (3)– (4) and 218(1)-(3) of the General Ordinance on Import, Export and Transit and Arts. 54(1)-(3) and 55 of the General Ordinance on National Taxes*).

Criterion 30.5 – The LrC can identify and trace assets under the authority of the PPO by collecting, evaluating, analysing, assessing, registering, and providing tactical and criminal intelligence (*Art. 2(2)(5) of the National Decree containing General Measures, Regulating the Organisation, Tasks and Powers of the National Criminal Investigation Department (LrC)*). If assets need to be seized, the LrC communicates this to the PPO, which employs the measures outlined in the previous criteria.

Weighting and Conclusion

Recommendation 30 is rated Compliant.

Recommendation 31 - Powers of law enforcement and investigative authorities

Curaçao was rated LC with the requirements of this Recommendation in its 3rd Round MER. The deficiencies identified are related to effectiveness issues.

Criterion 31.1 – Competent authorities conducting investigations of ML, associated predicate offences, and TF can access all necessary documents and information for those investigations, prosecutions, and related actions. This includes powers to use compulsory measures for **(a)** the production of records held by financial institutions, DNFBPs and other natural or legal persons (*Arts. 132 and 133 of the Code of Criminal Procedure*); **(b)** the search of persons and premises (*Arts. 78, 120-123 and 137 of the Code of Criminal Procedure*); **(c)** taking witness statements (*Arts. 244 and 254 of the Code of Criminal Procedure*), and **(d)** seizing and obtaining evidence (*Art. 119 of the Code of Criminal Procedure*); additionally, the provisions that implement sub-criteria (a) and (b) refer to orders issued by an examining judge and search warrants that be used to seize and obtain evidence.

Criterion 31.2 – Competent authorities conducting investigations can use a wide range of investigative techniques for the investigation of ML, associated predicate offences and TF, including **(a)** undercover operations (*Arts. 177m, 177n, 177o and 177x of the Code of Criminal Procedure*); **(b)** intercepting communications (*Art. 177r of the Code of Criminal Procedure*); **(c)** accessing computer systems, i.e., once a computer is seized, it can be searched in the Curaçaoan system; and **(d)** controlled delivery (*Art. 177y of the Code of Criminal Procedure*).

Criterion 31.3 – **(a)** officers can quickly determine whether natural or legal persons have or control accounts. This is done by understanding the financial situation of a person under investigation through examining or getting copies of documents or data or obtaining documents about assets that belong or belonged to the person under investigation (*Art. 177b of the Code of Criminal Procedure*). **(b)** No provisions require investigating officers to notify owners before taking action to identify assets (*Arts. 177a to 177c of the Code of Criminal Procedure*).

Criterion 31.4 – Competent authorities conducting investigations of ML, associated predicate offences and TF can ask for relevant information held by the FIU (*Art. 6(1) and (2) of NORUT*).

Weighting and Conclusion

Recommendation 31 is rated Compliant.

Recommendation 32 – Cash Couriers

Curaçao was rated PC with the requirements of this Recommendation in its 3rd Round MER. The deficiencies identified related to an ad-hoc cross-border declaration system, no power to stop or restrain currency where there is suspicion of ML/TF and effectiveness issues.

Criterion 32.1 – Individuals crossing the borders with at least Naf 20,000 (USD11,173.18) in cash or precious goods (metals) with an equivalent value to declare these with the Customs authorities. (Art. 2 of the National Ordinance on the Obligation to Report Cross-border Money Transportation (N.G. 2002, no. 74 as amended N.G. 2014, no. 90) (NOOCMT). Art. 54 of NG 1949, No. 62, as amended by NG 2011 No. 49, provides for physical cross-border transportation through mail or cargo.

Criterion 32.2 – In Curaçao’s declaration system, all persons making physical cross-border transportation of local and foreign banknotes, coins, and notes, as well as bearer negotiable instruments valued at USD 11,173.18 (NAf 20,000) or more, are required to report this fact (*Art. 2 of the NOOCMT*).

Criterion 32.3 – Curaçao uses a declaration system instead of a disclosure system.

Criterion 32.4 – In the performance of their duties, customs officers and police officers employed with the Immigration Service have the authority to request and obtain information from the person making the physical cross-border transportation of local and foreign banknotes, coins, and notes, as well as bearer negotiable instruments (*Art. 5(2) of the NOOCMT*). This general obligation includes situations involving a false declaration and/or a failure to disclose.

Criterion 32.5 – A false declaration is subject to criminal sanctions. A contravention of the obligation to declare local and foreign banknotes, coins and notes, as well as bearer negotiable instruments, is a criminal offense which is punishable either with imprisonment of up to four years or with a fine of up to USD 279,329.61 (NAf 500,000), or with both these punishments. The unintentional failure to declare is a misdemeanour and may be punishable by detention for a maximum of one year, or a fine of up to USD 139,664.80 (NAf 250,000) or both penalties (*Art. 7(1) of the NOOCMT*).

Criterion 32.6 – The information obtained by Curaçao’s declaration system can be made available to the FIU through the electronic reporting portal.

Criterion 32.7 – Customs and police officers working with the Immigration Service share supervisory responsibilities for enforcing cross-border transportation law. This requires operational coordination to ensure compliance with cross-border currency and BNI reporting obligations. Additionally, detecting and investigating offences, such as failing to report currency or BNIs exceeding NAf 20,000 (USD11,173.18), or providing inaccurate report details, requires collaboration between Customs officials and designated tax officials. Moreover, Customs also share information regarding travelers’ currency declarations of NAf 20,000 (USD11,173.18) or more with the FIU using the electronic reporting portal. This includes any copies of reports connected with the seizure of undeclared or suspicious amounts. Furthermore, the Customs’ PIOD refers parallel financial investigations related to customs offenses to the PPO and the police (*Arts. 2, 4(2), 5, 6 and 8 of the NOOCMT and Arts. 217(1), (3)– (4) and 218(1)-(3) of the General Ordinance on Import, Export and Transit*).

Criterion 32.8 – Customs officials and police officers have general powers to take local and foreign banknotes, coins and notes, as well as bearer negotiable instruments into custody, if the person reporting does not immediately provide them with the data regarding the identity and place of residence of the carrier and owner; the origin and destination of the said local and foreign banknotes, coins, notes and bearer negotiable instruments; and the reason for selecting the method of transportation. There is no specificity that such action can be predicated on **(a)** suspicion of ML/TF or predicate offence. **(b)** The retention of the assets can be done if there is reasonable doubt about the correctness of the data provided by the individual making the declaration (*Arts. 5(2)(e) and 6(2) of the NOOCMT*).

Criterion 32.9 – Traveller declarations are mandatory for all persons carrying cash or BNIs valued at NAf 20,000 (USD11,173.18) or more when entering or leaving the territory. The declarations include identity details (name, residence) of both the bearer and the money’s owner, the amount transported, origin, and destination, among other information. Customs retains all submitted declarations and has the authority to seize funds if a false declaration occurs or if there is reasonable suspicion about the accuracy or authenticity of the information provided. While suspicions about the accuracy or authenticity of the information provided may cover suspicions of ML/TF, this does not explicitly link suspicion of ML/TF to data retention. Information collected through declarations and seizures must be transmitted to the FIU, which retains this

data. The FIU, Customs, and other competent authorities can engage in international cooperation and information exchange consistent with R.36 to 40. Specifically, the FIU can disseminate the information internationally and has established mechanisms for information exchange, including through ESW and MOUs with foreign FIUs. Additionally, Customs can directly exchange information internationally under the CCLEC framework. The PPO can also request Customs and the FIU to address MLA requests concerning currency and BNIs movements (*Arts. 2, 3, 4, 5, and 6 of the NOOCMT and analysis of R.36 to 40, particularly regarding operational practices and international cooperation channels of FIU, Customs, and LEAs*).

Criterion 32.10 – The NOOCMT imposes confidentiality obligations on those involved in the declaration system, allowing information disclosure only when necessary and with ministerial approval, ensuring controlled access to the declarations information (Art. 8 of the NOOCMT). Additionally, the electronic reporting portal ensures secure, encrypted data transmission with access limited to authorised users between Customs and the FIU, backed by technical and operational safeguards (*Art. 4 of the NOOCMT and Arts. 1 and 2 of the Landsbesluit goAML meldportaal*). The NOOCMT allows exemptions for funds in direct transit and limits the custody of funds to short, defined periods (*Arts. 2(7) and 5(3) of the NOOCMT*). These measures do not restrict trade payments between countries for goods and services or the freedom of capital movements.

Criterion 32.11 – Curaçao’s framework enables authorities to detect, prosecute, and confiscate currency and BNIs related to ML/TF or predicate offences, through the combined application of the NOOCMT, the Penal Code, and the Code of Criminal Procedure:

- (a) *Proportionate and dissuasive sanctions:*
 - (i) The NOOCMT sets mandatory declaration requirements and authorises customs to temporarily retain undeclared or suspicious funds (Arts. 2 and 5 of the NOOCMT). It also establishes criminal sanctions for failure to declare or false declarations, which support detection and immediate action (see criterion 32.5).
 - (ii) In addition to breaches of declaration obligations, Curaçao criminalises the transport of illicit funds through its ML offences. The offences cover acquiring, possessing, transferring, or moving property, including cash or BNIs, when the person knows or reasonably suspects it derives from a criminal offence (Arts. 2:404–2:406 of the Penal Code). This includes physical cross-border transportation of such property. Curaçao also criminalises TF under Art. 2:55 of the Penal Code, which prohibits collecting or providing funds for terrorist purposes, regardless of the source of the funds. This provision applies to all forms of assets and encompasses physical transfers such as the cross-border movement of currency.
 - (iii) The analysis of R.3 and 5 highlights that, while the penalties imposed on natural persons are both proportionate and dissuasive, the penalties for legal entities do not meet this requirement. This shortcoming subsequently cascades into criterion 32.11(a).
- (b) *Measures consistent with R.4:* The Code of Criminal Procedures provides for seizure and confiscation powers (*Art. 119 of the code of Criminal Procedures*), and the legal framework for confiscation complies with R.4.

Weighting and Conclusion

Curaçao’s system concerning cash couriers establishes a threshold-based declaration system involving Customs, Immigration Service police officers, and tax officials, and allows for international cooperation. The framework includes the ability to stop or restrain cash or BNIs where there are suspicions of ML/TF or doubts about the accuracy of the information provided. It also provides clear linkages to criminal sanctions for ML/TF and predicate offences through the Penal Code. However, there is a shortcoming in explicitly linking data retention to ML/TF suspicion. Additionally, deficiencies in R.3 and 5 concerning the

proportionality and dissuasiveness of sanctions for legal persons cascade into criterion 32.11. **Recommendation 32 is rated Largely Compliant.**

Recommendation 33 – Statistics

Curaçao was rated PC with the requirements of this Recommendation in its 3rd Round MER, as there were several areas where statistics were not being kept by LEAs, including information exchanges, except for mutual legal assistance. Additionally, there was no segregation in the PPO database concerning its different activities, and no statistics were available on reports filed for cross-border BNIs. Lastly, no records were kept on the type of MLA requested and the time required to respond to such requests. Throughout the 3rd Round of MEs, Curaçao provided updates on the progress made concerning enhancing statistics.

Criterion 33.1 – (a) The FIU maintains statistics on UTRs received and STRs disseminated. **(b)** Competent authorities keep statistics on MT/TF investigations, prosecutions and convictions, and **(c)** on property frozen, seized and confiscated concerning ML/TF; however, there are some data information gaps concerning the collection and analysis of statistics on associated predicate offences. **(d)** Authorities also keep statistics on MLA or other international requests for cooperation made and received; however, there are some data information gaps regarding the status and outcomes of some requests, which affect the overall transparency and traceability of international cooperation efforts.

Weighting and Conclusion

There is an opportunity to enhance the implementation of sub-criteria 33.1 (c) and (d) by keeping more comprehensive statistics on predicate offences and international cooperation requests. **Recommendation 33 is rated Largely Compliant.**

Recommendation 34 – Guidance and feedback

Curaçao was rated PC with the requirements of this Recommendation in its 3rd Round MER, as the FIU had inadequate information on trends and typologies in its annual reports, and there were no P&Gs in place for providers of factoring companies and internet casinos to assist them in implementing their AML/CFT requirements. There was also a need for financial institutions and DNFBBPs to receive more general and case-by-case feedback on reports submitted to the FIU and the need for the FIU to provide supervised DNFBBPs with more ML/FT feedback.

Criterion 34.1 – The CBCS, FIU and GCB can establish guidelines and provide feedback to assist financial institutions and DNFBBPs in applying national AML/CFT measures, particularly in detecting and reporting suspicious transactions (*Arts. 2(8). And 11(3) of the NOIS and Art. 22mm (3) of the NORUT*).

Weighting and Conclusion

Recommendation 34 is rated Compliant.

Recommendation 35 – Sanctions

Curaçao was rated NC with the requirements of this Recommendation in its 3rd Round MER, as the range of administrative sanctions available to the CBCS under the various Ordinances were uneven; the procedures to impose sanctions on non-bank MTCs were unclear and may prove ineffective, and it was not possible to determine the effectiveness of the range of sanctions available for non-compliance.

Criterion 35.1 – Curaçao has administrative sanctions that allow for a compulsory fine charge, meaning a corrective sanction consisting of a charge to remedy the violation in whole or in part and the obligation to pay a sum of money if the charge is not fulfilled (*Art. 9 of the NOIS, Art. 22a NORUT*). There are also provisions in the law for an administrative fine, meaning a punitive sanction with an unconditional obligation to pay a sum of money (*Art. 9j NOIS and Art. 22i NORUT*). Penal sanctions allow for punishment of intentional violations by imprisonment for a term not exceeding four years or by a fine of the sixth class, or by both punishments, and punishment of unintentional breaches by imprisonment for a term not exceeding one year or by a fine of the fifth degree, or by both (*Art. 10 NOIS and Art. 23 NORUT*). Supervisors can also issue specific written instructions to service providers who fail to comply with AML/CFT obligations (*Art. 9v NOIS*), to be complied with within a certain timeframe.

Administrative fines are generally set at Naf 500,000 (USD 279,329.61). However, supervisors are at liberty to double or reduce the fine based on the severity of the breach (*Art. 2 of the National Decree on Penalties and Administrative Fines Service Providers containing General Measures*).

Regarding R.9, the failure to provide the documentation requested for AML/CFT purposes to the requesting competent authority without delay is subject to the sanctions described in the previous paragraph (*Art. 7 NOIS and Art. 22 mm of the NORUT*). Regarding R.10 to 13, 15, and 18 to 23, non-compliance with conducting CDD (*Arts. 2, 3 and 5 of the NOIS*), implementing recording keeping measures (*Arts. 6,7 and 8 NOIS*), implementing measures for correspondent banking relationships, PEPs, internal controls and new technologies (*Arts. 5a-5g of the NOIS*), failure to register with the FIU (*Art. 15a of the NORUT*), ML reporting obligations (*Art. 22b of the NORUT*) and tipping off (*Art. 8 of the NOIS*) is also subject to the sanctions outlined above. Non-compliance with the requirements of R.6 is subject to criminal and administrative sanctions, respectively (*Art. 15 of the National Sanctions Ordinance and Arts. 11(1) and 22b of the NORUT*). There are no sanctions for non-compliance with the requirements under R.8, 16 and 17.

Criterion 35.2 – Offenders, whether individuals or businesses, may face *administrative penalties* (*Art. 9 (2) of the NOIS and Art. 22a of the NORUT*). Penal sanctions apply to those persons who have ordered the commission of the criminal offence and those who directed the unlawful acts (*Art. 1:127 of the Penal Code*).

Weighting and Conclusion

Curaçao has provisions for proportional and dissuasive sanctions related to non-compliance with preventive measures, which also apply to the directors and senior management of service providers. However, the sanctions do not apply to R.8, 16 and 17. These recommendations were heavily weighted since the TF risk assessment was not sufficiently substantiated, there are insufficient measures in place for non-profit organisations and wire transfers. **Recommendation 35 is rated Partially Compliant.**

Recommendation 36 – International instruments

Curaçao was rated PC with the requirements of this Recommendation in its 3rd Round MER, as it did not fully implement the Vienna and Palermo Conventions in its laws. The laws did not allow for the freezing of assets without delay as they pertain to locally designated terrorists under UNSCR 1373. Curaçao addressed these shortcomings by amending the Penal Code, criminalising TF, and allowing the freezing of assets to occur without delay. A Ministerial Order was also issued to expedite the application of UN Sanctions.

Criterion 36.1 – Curaçao is a semi-autonomous part of the Kingdom of the Netherlands and cannot enter into treaties, conventions, and other international agreements with other countries and international organisations. Treaties are entered into by the Kingdom of the Netherlands and extended to Curaçao. The

Vienna, Palermo, Terrorist Financing Convention, and Merida Conventions apply to Curaçao.

Criterion 36.2 – Curaçao implements the relevant Articles from the Vienna, Palermo, Terrorist Financing, and Merida Conventions through various provisions from the Criminal Code, the Criminal Procedures Code, national ordinances (e.g., the NOIS, the NORUT, the Trade Register Ordinance, and the National Sanctions Ordinance), and national and ministerial decrees (e.g., those on narcotics import and export).

Weighting and Conclusion

Recommendation 36 is rated Compliant.

Recommendation 37 - Mutual Legal Assistance

Curaçao was rated LC with the requirements of this Recommendation in its 3rd Round MER, as TF was not criminalised under the TF Convention, and there was no clear mechanism for law enforcement authorities to exchange information regarding FT. Curaçao addressed these deficiencies by amending the Penal Code and providing updates on the mechanism to exchange information concerning TF with other countries.

Criterion 37.1 – Curaçao can provide a wide range of MLA concerning criminal investigations, prosecutions and related proceedings, including cases related to ML, associated predicate offences and TF offences (*Arts. 555 to 565 of the Code of Criminal Procedure*).⁶³ There are no specific provisions that address the rapid provision of MLA.

Criterion 37.2 – The PPO is the central authority for the transmission and execution of MLA requests. It manages the requests through the coordination unit “Centre for International Mutual Legal Assistance” (IRC Carib), which operates under procedures for executing MLA requests. The IRC Carib monitors the progress of requests by using a system that integrates manual processes within a digital, workflow-based framework. No specific procedures set out how requests are timely prioritised (*Art. 557 of the Code of Criminal Procedure and the IRC Guide for Handling Incoming Requests*).

Criterion 37.3 – Curaçao does not prohibit MLA or subject it to unreasonable or unduly restrictive conditions (*Arts. 559 and 560 of the Code of Criminal Procedure*).

Criterion 37.4 – (a) Curaçao does not refuse a request for MLA on the sole ground that the offence is also considered to involve fiscal matters (*Art. 560 of the Code of Criminal Procedure*). Additionally, (b) Except in circumstances involving legal professional privilege, no secrecy and confidentiality requirements prevent the authorities from rendering MLA. Additionally, the PPO can demand existing or future information from the FIU and DNFBPs to satisfy MLA requests (*Art. 177 of the Code of Criminal Procedure*).

Criterion 37.5 – The PPO must maintain the confidentiality of information obtained in the context of its duties, which includes MLA requests received and their information. Additionally, any person involved in implementing the Code of Criminal Procedure who gains access to confidential information must keep it secret. These requirements are broad enough to preserve the integrity of ongoing investigations by

⁶³Curaçao's range of MLA covers (i) performing investigative acts or rendering cooperation with such acts, which can include conducting interviews, taking statements, gathering evidence, and executing search warrants; (ii) dispatching documents, files, and evidentiary documents, which can involve the transfer of legal documents, case files, and physical evidence between jurisdictions; (iii) providing information, which can entail data from public records, criminal records, and other relevant sources; (iv) serving or delivering documents, which can include subpoenas, summonses, and court orders to individuals or entities; and (v) giving notices or sending notifications to third parties, which can cover informing relevant parties about legal proceedings, court dates, and other legal actions.

preventing unauthorised disclosures that could alert suspects or compromise evidence (*Art. 19a of the Kingdom Act on Public Prosecution Services of Curaçao, Sint Maarten, and Bonaire, Sint Eustatius, and Saba and Art. 45 of the Code of Criminal Procedure*). Access to the IRC Carib is also limited to certain personnel based on their organisational roles or involvement with MLA requests. Only IRC staff monitors the execution of legal assistance requests and manages the related correspondence and documentation. Additionally, MLA requests are sent to the public prosecutor or police team directly for execution (*Section 5 of the IRC Guide for Handling Incoming Requests and Section 2 of the procedures “IRC Carib Case Management System”*).

Criterion 37.6 – Curaçao generally does not make dual criminality a condition for rendering assistance, regardless of whether the MLA requests involve coercive actions (*Arts. 558 and 559 of the Code of Criminal Procedure*).

Criterion 37.7 – No provision explicitly or implicitly states that dual criminality is only satisfied if countries categorise the offence identically or use the same terminology.⁶⁴

Criterion 37.8 – Domestic competent authorities can use the powers and investigative techniques outlined in the analysis of R.31 in response to requests for MLA and in response to a direct request from foreign judicial or law enforcement authorities to domestic counterparts, as the country equates foreign MLA requests with a domestic investigation. This is inclusive of **(a)** the powers required under R.31 concerning the production, search and seizure of information, documents, or evidence (including financial records) from financial institutions, or other natural or legal persons, and the taking of witness statements; and **(b)** other powers and investigative techniques (*Arts. 184, 555 and 562 of the Code of Criminal Procedure enable the use of the powers and investigative techniques established in Arts. 78, 119, 120 - 123, 132, 133, 137, 177a-177c, 177m, 177n, 177o, 177x, and 177y, as analysed in R.31, to international cooperation*).

Weighting and Conclusion

Curaçao provides broad MLA in criminal matters, including ML and TF, without undue restrictions. The PPO, through IRC Carib, serves as the central authority, with internal guidelines and a case management system to log and prioritise requests. Authorities can apply full investigative powers to MLA requests, treating them as domestic investigations. However, Curaçao lacks provisions for the rapid provision of MLA, and there is no formal mechanism to monitor request progress. **Recommendation 37 is rated Largely Compliant.**

Recommendation 38 – Mutual Legal Assistance: Freezing and Confiscation

Curaçao’s was rated C with the requirements of this Recommendation in its 3rd Round MER.

Criterion 38.1 – Curaçao’s authority to respond to requests by foreign countries to identify, seize or confiscate is conditional on there being a treaty and based on one-time consent from the Attorney General (*Arts. 579 and 579a of the Code of Criminal Procedure*). Curaçao can take action in response to requests by foreign countries to identify, seize, or confiscate **(a)** laundered property from, **(b)** proceeds from, **(c)** instrumentalities used in, and **(d)** instrumentalities intended for use in ML, predicate offences, or TF (*Art. 579b of the Code of Criminal Procedure*); or **(d)** property of corresponding value (*Arts. 119a and 579a of the Code of Criminal Procedure and 1:77 of the Penal Code*).

Criterion 38.2 – Curaçao can assist with requests based on non-conviction-based confiscation proceedings

⁶⁴ This finding coincides with the views expressed in paragraphs 1396, 1401, 1404 and 1447 of Curaçao’s 3rd Round MER.

and related provisional measures. This authority is based on a case law of the Supreme Court ([ECLI:NL:HR:2013:586](#)) and also a request for confiscation based on the Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime (Strasbourg, November 8, 1990), which is applicable in Curaçao. Regarding taking provisional measures such as identification, seizing and freezing, a conviction is not required for Curaçao to undertake such actions. The required action must be established in a treaty and a criminal financial investigation.

Criterion 38.3 – (a) Curaçao is a member of the ARIN-CARIB network, which provides early access to other member countries and the possibility of receiving information on an informal basis, including spontaneously. Moreover, IRC Carib is the central authority for Curaçao’s MLA requests. Both platforms can coordinate seizure and confiscation actions with other countries. **(b)** The mechanism for managing and disposing of property outlined in criterion 4.4 applies to property seized or confiscated based on MLA requests (*Arts. 141 to 143 and 154 of the Code of Criminal Procedure; Arts. 2 to 5 of the National Ordinance on the Crime Prevention Fund; and Addenda 2 to 7 of the Protocol for the Transfer of Funds to the Crime Prevention Fund*).

Criterion 38.4 – As a general principle, treaty provisions determine the extent to which confiscated property can be shared with signatory countries. For example, Art. 7 of the “Agreement between the Kingdom of the Netherlands and the United States of America on cooperation in the search, seizure and confiscation of persons proceeds and instrumentation in the commission of crime and the distribution of Confiscated property”. However, no legal or other basis was provided to evidence the power to share or the procedures to be implemented with a wider range of countries.

Weighting and Conclusion

Curaçao has a strong legal framework for international cooperation in asset seizure and confiscation related to ML/TF. Participation in ARIN-CARIB and the role of IRC Carib support this cooperation. However, gaps exist in procedures for managing and sharing confiscated assets, especially regarding their custody and distribution beyond specific treaties. **Recommendation 38 is rated Largely Compliant.**

Recommendation 39 – Extradition

Curaçao was rated LC with the requirements of this Recommendation in its 3rd Round MER, as there was no requirement to commence prosecution against a Curaçao national (who is immune to extradition) where there is a request from a foreign state.

Criterion 39.1 – (a) In Curaçao, the regulations concerning extradition are subject to treaties. Curaçao has extradition agreements with Aruba, Australia, Canada, Sint Maarten, Trinidad and Tobago, the United Kingdom, and the signatory nations of the European Convention on Extradition. This convention encompasses fifty countries within the Council of Europe and several non-member states that have ratified the convention. These extradition agreements make ML and TF extraditable offences under conditions of dual criminality and minimum imprisonment time (*Arts. 2 of the Extradition Decree for Aruba, Curaçao, and Sint Maarten, Art. 2 of the Treaty between the Kingdom of the Netherlands and the Republic of Trinidad and Tobago on Extradition, Art. 2 of the Treaty Between Canada and the Kingdom of the Netherlands on Extradition, Art.2 of the Treaty on Extradition between the Kingdom of the Netherlands and Australia, and Art. 2 of the European Convention on Extradition*) **(b)** the IRC Carib’s manual, digital, workflow-based case management system used for MLA requests is also used to manage extradition requests; however, there are no clear processes for the timely execution of extradition requests, including their prioritisation where this could be appropriate. **(c)** Curaçao does not place unreasonable or unduly restrictive conditions on executing extradition requests (*Art. 559 of the Code of Criminal Procedure. Also, see Arts. 3 of the*

Extradition Decree for Aruba, Curaçao, and Sint Maarten, Art. 5 of the Treaty between the Kingdom of the Netherlands and the Republic of Trinidad and Tobago on Extradition, Art. 4 of the Treaty Between Canada and the Kingdom of the Netherlands on Extradition, Art. 3 of the Treaty on Extradition between the Kingdom of the Netherlands and Australia, and Art. 3 and 9 to 11 of the European Convention on Extradition).

Criterion 39.2 – (a) and (b) The extradition of nationals is governed by the provisions of each extradition treaty to which Curaçao is a party. Should extradition of nationals not be permitted, Curaçao must promptly refer the case to its competent authorities for prosecution of the alleged offences under the relevant agreements (*Art. 4 of the European Convention on the Suppression of Terrorism, Art. 3 of the Treaty between the Kingdom of the Netherlands and the Republic of Trinidad and Tobago on Extradition, Art. 3 of the Treaty Between Canada and the Kingdom of the Netherlands on Extradition, Art. 3(2) of the Treaty on Extradition between the Kingdom of the Netherlands and Australia, and Art. 6 of the European Convention on Extradition*). In addition, Curaçao does not extradite its nationals when there is a likelihood that they may face the death penalty or corporal punishment abroad (*Art. 3 of the European Convention on Human Rights*).

Criterion 39.3 – Dual criminality is required for extradition in the treaties in which Curaçao is a party. The language used in the treaties is broad enough to understand that this requirement is satisfied regardless of whether both countries place the offence within the same category or denominate the offence by the same terminology (*see articles referred to in criterion 39.1*).

Criterion 39.4 – Extradition treaties to which Curaçao is a party include simplified extradition mechanisms such as consenting persons to waive formal extradition proceedings (*Art. 19b of the Extradition Decree for Aruba, Curaçao, and Sint Maarten, Arts. 8 and 15 of the Treaty between the Kingdom of the Netherlands and the Republic of Trinidad and Tobago on Extradition, Art. 16 of the Treaty Between Canada and the Kingdom of the Netherlands on Extradition, Art. 5(3) of the Treaty on Extradition between the Kingdom of the Netherlands and Australia*) and the transmission of requests for provisional arrests between appropriate authorities (*Art. 16 of the European Convention on Extradition*).

Weighting and Conclusion

Based on the assessment of the extradition regulations and processes in Curaçao, the jurisdiction has largely met the requirements outlined in the relevant criteria. While certain aspects, such as the timely execution of extradition requests and prioritisation, are not fully met, Curaçao demonstrates compliance with crucial elements such as ensuring that ML and TF are extraditable offences, dual criminality requirements, and simplified extradition mechanisms. **Recommendation 39 is rated Largely Compliant.**

Recommendation 40 – Other Forms of International Cooperation

Curaçao was rated LC with the requirements of this Recommendation in its 3rd Round MER with minor technical compliance and effectiveness issues. In the previous evaluation, the role of the Tax Office and the TIO was not explored under this Recommendation. This competent authority does not have an explicit statutory mandate allowing it to exchange information directly with foreign counterparts outside the formal tax-administrative cooperation mechanisms to which the Tax Office is a party. Another point worth noting is that the current framework governing the international cooperation that the PPO can engage in relates to MLA only. These limitations have implications for the present Recommendation's criteria referring to general principles and the exchange of information between law enforcement authorities.

Criterion 40.1 – The CBCS, the FIU and the GCB can share supervisory information with foreign regulators (*Arts. 1(i), 8(3)(b) and 11(1) of the NOIS*). The KPC cooperates through ARIN-Carib for asset recovery intelligence and uses the Interpol National Central Bureau and informal direct contacts to

exchange intelligence quickly with overseas agencies. Additionally, in practice, the KPC engages in intelligence exchanges with foreign LEAs based on the principle of reciprocity.⁶⁵ Customs can share customs intelligence as Curaçao is a Caribbean Customs Law Enforcement Council (CCLEC) member, which can support the PIOD's work. Additionally, Customs officers can access, review, and copy documents and data carriers where necessary for their duties, which includes cooperation with foreign customs counterparts based on the CCLEC (*Art. II of the CCLEC MOU and preamble of the CCO Treaty and Art. 116 of the General Regulation on Import, Export and Transit*). Customs also operates under the Customs Administrative Assistance Act of the Kingdom, which specifically allows administrative assistance and information exchange between the customs services of Curaçao, Aruba, Sint Maarten, and the Netherlands (*Art. 2 of the Customs Administrative Assistance Act*). These arrangements permit spontaneous and on-demand information sharing. The FIU has signed various MOUs with international FIUs to exchange all types of information, although a signed MOU with other Egmont members is not needed to do so. The FIU is also authorised to suspend a transaction in response to a reasoned request from a foreign agency that has a similar task to the FIU (*Arts. 3(g), 7, 13(1)(a) and 20a of the NORUT*). These arrangements facilitate the rapid provision of international cooperation to foreign counterparts.

Criterion 40.2 – (a) The CBCS, FIU, GCB, KPC, and Customs have a lawful basis for cooperating with foreign counterparts. The *Rijkswet Politie*, in particular, allows police responsibilities to be carried out in collaboration with foreign police forces. It also provides a framework for joint investigations and structured cooperation between countries.⁶⁶ Additionally, the CBCS has established cooperation and information exchange arrangements with other supervisory authorities through bilateral and multilateral MOUs with eighteen foreign supervisors. These arrangements facilitate collaboration, coordination, and information sharing between key home and host supervisors. Information sharing arrangements with host country supervisors include being advised of adverse assessments of qualitative aspects of the institution's operations, such as aspects related to the quality of risk management and controls at the offices in the host country (*Arts. 1(i), 8(3)(b), 8a, 8b and 11(1) of the NOIS, Art. II of the CCLEC MOU and Art. 116 of the General Regulation on Import, Export and Transit, Art. 2 of the Customs Administrative Assistance Act and Arts. 3(g), 6, 7, 20(3), 20(7), 20a and 20b of the NORUT, and Art. 2(4) of the NOCSC, Arts. 7(3), 8(3), and 20 of the Rijkswet Politie*).

(b) In general, the authorities in Curaçao are not restricted from using the most efficient methods of cooperation. In practice, different competent authorities implement various channels for collaboration. For example, the FIU uses the Egmont Secure Web (ESW) to exchange intelligence with other FIUs quickly. The KPC cooperates through ARIN-Carib and INTERPOL's information system. The CBCS and other financial supervisors use MOUs to share information. Additionally, Customs employs the CCLEC framework for rapid intelligence sharing regarding cross-border crimes.

(c) Competent authorities have secure means that facilitate and allow the transmission and execution of requests. The FIU has established an International Desk, which manages incoming and outgoing requests, particularly through the ESW provided by the Egmont Group. The KPC's formal gateway for international cooperation is primarily the INTERPOL National Central Bureau (NCB), which facilitates international police-to-police information exchanges. The INTERPOL NCB coordinates with foreign LEAs, transmits intelligence requests, issues INTERPOL Notices, and manages inquiries related to criminal investigations. The CBCS and the GCB supervisory staff would handle international cooperation requests. The CCLEC provides secure electronic communication channels in the case of Customs.

⁶⁵ The MATRIX Team within the KPC's Division of Organized Crime is an example of this type of cooperation. The team works closely with the United States DEA and HIS.

⁶⁶ The *Rijkswet politie* of Curaçao, Sint Maarten, and the Caribbean Netherlands (BES islands) is a Kingdom Act establishing the organisation, responsibilities, and cooperation frameworks of the police forces in these jurisdictions.

(d) Egmont best practices, to which the FIU adheres, require prompt acknowledgement and execution of FIU-to-FIU requests, including expedited handling for urgent cases. Similarly, KPC requests via INTERPOL are subject to obligations for effective coordination, timely data updates, and follow-up by the NCB. It is unclear whether other competent authorities have processes for the prioritisation and timely execution of requests.

(e) Competent authorities have processes for safeguarding the information received. An obligation of professional secrecy applies to all staff of the competent authorities, which combines with general provisions on data protection to prevent unauthorised access and disclosures of sensitive information. More specifically, AML/CFT supervisors cannot use or disclose information obtained beyond what is required for performing their duties or what is permitted by the NOIS (*Art. 8(2) and (4) of the NOIS, Arts. 4, 7 and 20(2), (5) and (6) of the NORUT, Arts. 4 and 7 of the Rijkswet Politie, Art. 260b of the General Regulation on Import, Export and Transit and Art. II of the CCLEC MOU, and Arts. 12-14 and 51-52 of the National Ordinance on the Protection of Personal Data*).

Criterion 40.3 – No specific legal provisions in Curaçao’s legislation require the CBCS, FIU, GCB, KPC and Customs to enter bilateral or multilateral agreements to cooperate internationally. Instead, provisions governing international cooperation, such as the NOIS, NORUT, the CBCS Statute and the *Rijkswet Politie*, generally authorise the exchange of information in broad terms. In practice, competent authorities have made important efforts to negotiate and sign MOUs promptly and with the widest range of foreign counterparts. For example, the FIU has signed MOUs with sixty-three FIUs,⁶⁷ while the CBCS has done so with eighteen counterparts⁶⁸ (*Arts. 1(i), 8(3)(b) and 11(1) of the NOIS, Arts. 6(4) and 7(3) of the NORUT and Art. 17(1) of the Centrale Bank Statute, Articles 7(3), 8(3), and 20 of the Rijkswet Politie*).⁶⁹

Criterion 40.4 – The FIU is subject to paragraph 19 of the Egmont Group Principles for Information Exchange, which requires it to give feedback whenever possible on the use of the information provided and the outcome of the analysis. No legal limitations would prevent other competent authorities from giving input on the use and usefulness of information obtained through cooperation upon request.

Criterion 40.5 – (a)-(d) There are no legislative restrictions that impede the CBCS, FIU, GCB from executing requests that involve fiscal matters, secrecy requirements, ongoing investigations, or differing authority types between requesting and requested supervisory counterparts. Under the Egmont Group Principles, the FIU does not prohibit or impose unreasonable or unduly restrictive conditions on exchanging information or assistance. None of the mechanisms used by the KPC and Customs (i.e., INTERPOL, ARIN-

⁶⁷ Between 2001 and 2023, the FIU executed MOUs with key jurisdictions like the United States, Netherlands, Brazil, and Canada. Recent signings include Vatican City State, Guatemala, Ecuador, Jamaica, Venezuela, and Cuba. Early agreements date back to Aruba, the Netherlands, Belgium, and multiple Caribbean, European, and Latin American countries throughout the 2000s and 2010s.

⁶⁸ Bilateral MoUs have been signed between the CBCS and *De Nederlandsche Bank* (the central bank of the Netherlands), the *banking supervisors* of Venezuela, Guatemala, and Ecuador, the *Centrale Bank van Aruba*, the *Comisión Nacional de Bancos y Seguros of Honduras*, the *Autoriteit Financiële Markten* (Netherlands Authority for the Financial Markets), and the National Association of Insurance Commissioners (NAIC) in the United States. In addition to bilateral agreements, the CBCS is involved in several multilateral arrangements. These include regional cooperation with central banks and financial supervisors from Barbados, the Bahamas, Belize, Trinidad & Tobago, the Cayman Islands, the Virgin Islands (British), Jamaica and the Turks & Caicos Islands. It also participates in a tripartite MoU with *De Nederlandsche Bank* and the *Centrale Bank van Aruba*, and in collaborative efforts with banking associations in Curaçao, Bonaire, and Sint Maarten, along with *De Nederlandsche Bank*. The CBCS is also a signatory to regional supervisory networks such as the CAIR MMOU, which includes twenty-two jurisdictions across the Caribbean, and the CGBS MMOU, covering over fifteen jurisdictions.

⁶⁹ In the case of the CCLEC, Curaçao is a member of the organisation, while Customs is the operational body representing the country when carrying out CCLEC’s activities

CARIB or CCLEC) impose unreasonable or unduly restrictive conditions on exchanging information or assistance. Their limitations, e.g., confidentiality or purpose restrictions, are proportionate and legitimate (*Art. 8(3) of the NOIS and Art. 20(3) of the NORUT*).

Criterion 40.6 – When the CBCS, FIU and GCB obtain data or information from a foreign supervisory authority, they cannot disclose it unless the foreign supervisory authority from which the data or information was received has expressly consented to the provision and agreed to its use for a purpose other than that for which the data or information was provided. Moreover, when AML/CFT supervisors permit an officer of a foreign supervisory authority to participate in inquiries, they must follow the instructions of the person in charge of the inquiry, which is another control over information. Furthermore, the MOUs concluded by the CBCS include provisions that ensure that the information exchanged is used only for the purpose for which it was sought or provided. Under the Egmont Group Principles, the FIU cannot transfer the information to a third party or use it for a different purpose without the prior consent of the requested FIU. The CCLEC MOU states that further dissemination or use for unrelated purposes requires prior authorisation from the providing party. In the case of the KPC, the NCB cannot use information received for other purposes other than those for which it was initially requested prior permission. Information shared through ARIN-CARIB is informal and non-binding. It must not be used as evidence in court (*Art. 8 of the NOIS, Art. 20 of the NORUT, Art. 40 of the NOSBCI, Art. 78 of the NOSII, Art. 20 of the NOIB, Art. 25 of the NOSIIA, Art. 23 of the NOST, Art. 10 of the NOSSE, Art. 27 of the RFETCSM, Art. 18 of the NOSMTC, and Art. 52 of the NOSSIAM, Arts. 64 and 66 of the INTERPOL’s Rules on the Processing of Data, and Art. II of the CCLEC MOU*).

Criterion 40.7 – The CBCS, GCB, FIU, KPC, and Customs must maintain appropriate confidentiality for any request for cooperation and the information exchanged, consistent with national privacy and data protection obligations, so they can protect the information exchanged in the same manner as they would preserve similar information received from domestic sources. They can also refuse to provide information if the confidentiality of the data or information is not sufficiently assured. In the case of the KPC, the possibility of refusing to provide information if it cannot be protected is deducted from its confidentiality obligation from the *Rijkswet Politie (Arts. 8(3) and (6), of the NOIS, Arts. 4, 7 and 20(2)-(6) of the NORUT, and Arts. 4 and 7 of the Rijkswet Politie, Art. 260b of the General Regulation on Import, Export, and Transit, Arts. II and IV of the CCLEC MOU, supplemented by Arts. 12-14 and 51-52 of the National Ordinance on the Protection of Personal Data)*.

Criterion 40.8 – The CBCS, FIU, and GCB can, at the request of a foreign supervisory authority, request data or information from or investigate a service provider suspected of having information useful to the foreign authority’s AML/CFT supervision. The person or entity under inquiry is legally obliged to comply and provide the information with the same force as if the inquiry were domestic. The FIU can also obtain information on behalf of foreign FIUs. The KPC can conduct inquiries on behalf of foreign police agencies and exchange information available to it as if such inquiries were carried out domestically through INTERPOL. As a member of CCLEC it is possible for Customs to obtain information, its foreign counterpart already has at its disposal or information that can be obtained by means of their daily activities. Based on the CCLEC MOU, mutual assistance should be granted in order to prevent, investigate and repress offenses against Customs laws (*Art. 8a of the NOIS, Art. 20a of the NORUT and Arts. II–V of the CCLEC*).

Criterion 40.9 – The FIU has an adequate legal basis for providing cooperation on ML, associated predicate offences and TF. The FIU can cooperate regardless of whether its counterpart FIU is administrative, law enforcement, judicial or other in nature (*Art. 7 of the NORUT*).

Criterion 40.10 – No provisions or operational conditions impede the FIU from providing feedback to its foreign counterparts, upon request and whenever possible, on the use of the information provided and the outcome of the analysis based on the information provided.

Criterion 40.11 – The FIU can exchange (a) all information required to be accessible, or it can obtain directly or indirectly, in particular under R. 29 (*Arts. 3(g) and 6 of the NORUT*); and (b) any other information which they have the power to obtain or access, directly or indirectly, at the domestic level, subject to the principle of reciprocity (*Arts. 3(g), 6 and 7 of the NORUT*).

Criterion 40.12 – The CBCS can cooperate with foreign counterparts regardless of their respective nature or status. This cooperation covers exchanging supervisory information related or relevant to AML/CFT purposes (*Art. 41 of the NOSBCI, Art. 78a of the NOSII, Art. 24 of the NOST, Art. 28 of the NOSIIA, Art. 20a of the NOIB, Art. 19 of the NOSMTC, Art. 53 of the NOSSIAM, Art. 7 of the NOSSE, Art. 28 of the RFETCSM, Art. 8 of the NOIS, and Art. 20 of the NORUT*).

Criterion 40.13 – The CBCS, the FIU and the GCB can exchange information domestically available to them with foreign counterparts, including information held by supervisees, in a manner proportionate to their respective needs (*Arts. 8, 8a and 8b of the NOIS and Arts. 20(3)(b) and 22mm of the NORUT*).

Criterion 40.14 – (a) Regulatory information is generally not considered confidential and is therefore available publicly in Curaçao. General information on financial sectors (e.g., industry overviews, aggregate financial statistics or economic reports) is regularly published by CBCS and, therefore, subject to exchange with foreign supervisors. (b) Prudential supervision is regulated by the CBCS, which can exchange information as described in criterion 40.12 with foreign counterparts. (c) The CBCS can share AML/CFT information, such as financial institutions' internal AML/CFT procedures and policies, CDD information, customer files, account samples, and transaction information based on the provisions indicated in criterion 40.12.

Criterion 40.15 – The CBCS can conduct inquiries on behalf of foreign counterparts (*Arts. 41a (1) and (2) of the NOSBCI, Arts. 78b (1) and (2) of the NOSII, Arts. 24a (1) and (2) of the NOST, Arts. 28a (1) and (2) of the NOSIIA, Arts. 20b (1) and (2) of the NOIB, Arts. 20(1) and (2) of the NOSMTC, Arts. 54(1) and (2) of the NOSSIAM, Arts. 7a (1) and (2) of the NOSSE, Art. 29(1) of the RFETCSM, Arts. 8a (1) and (2) of the NOIS and Arts. 20a (1) and (2) of the NORUT*).

Moreover, as appropriate, the CBCS can authorise or facilitate foreign counterparts' ability to conduct inquiries in the country to facilitate effective group supervision (*Art. 41b(1) of the NOSBCI, Art. 78c(1) of the NOSII, Art. 24b(1) of the NOST, Art. 28b(1) of the NOSIIA, Art. 20c(1) of the NOIB, Art. 20(5) of the NOSMTC, Art. 54(5) of the NOSSIAM, Art. 7b(1) of the NOSSE, Art. 30(1) of the RFETCSM, Art. 8b(1) of the NOIS and Art. 20b(1) of the NORUT*).

Criterion 40.16 – The CBCS must get permission from the requested financial supervisor before disseminating or using information for supervisory or non-supervisory purposes (*Art. 41(2) of the NOSBCI, Art. 78a(2) of the NOSII, Art. 24(2) of the NOST, Art. 28(2) of the NOSIIA, Art. 20a(2) of the NOIB, Art. 19(2) of the NOSMTC, Art. 53(3) of the NOSSIAM, Art. 7(2) of the NOSSE, Art. 8(4) of the NOIS and Art. 20(5) of the NORUT*).

Criterion 40.17 – The KPC shares intelligence via INTERPOL's NCB, ARIN-Carib; moreover, it shares intelligence directly with specific key international cooperation partners based on the principle of reciprocity, as is the case with the United States. Customs can exchange information under the CCLEC (*Art. II of the CCLEC MOU and Art. 2 of the Customs Administrative Assistance Act*). While the framework enables rapid and broad information sharing, there is limited explicit reference to tracing proceeds and instrumentalities of crime, which could be clarified further. The Tax Office's PIOD and the PPO are not covered by provisions that implement this criterion.

Criterion 40.18 – The KPC can conduct investigations on behalf of foreign law enforcement through INTERPOL, supported by the *Rijkswet Politie* (Arts. 7(3), 8(3), and 20 of the *Rijkswet Politie*). Additionally, Curaçao can access Europol intelligence through the Netherlands. Customs can act on foreign requests through the CCLEC (Arts. II–V of the CCLEC MOU). Although the KPC can use domestic powers to assist foreign counterparts, the framework does not fully specify whether all investigative techniques are covered or restrictions apply. The Tax Office’s PIOD and the PPO are not covered by provisions that implement this criterion.

Criterion 40.19 – LEAs have a legal basis for forming joint investigative teams to conduct cooperative investigations and, when necessary, establish bilateral or multilateral arrangements to enable such joint investigations (Arts. 555 to 564 of the *Code of Criminal Procedure*).

Criterion 40.20 – No explicit provisions from the NOIS facilitate the CBCS, FIU and GCB to engage in indirect information exchange as AML/CFT supervisors. It could be interpreted that they could serve as intermediaries for international cooperation on behalf of other competent authorities under specific circumstances. For instance, they can receive information from foreign and domestic supervisors and share it with other competent authorities with the consent of the source authority, which was analysed in criterion 40.6. They could also facilitate a request to a foreign supervisor on behalf of another competent authority if it is a supervisory authority, the data requested is within the scope of NOIS, and the request complies with confidentiality and purpose limitations requirements. For instance, if the PPO needs data from a foreign supervisory authority, it could ask Curaçao's supervisors to make the request, assuming the data falls within the supervisor’s mandate and safeguards are respected. In general, the CBCS and GCB can benefit from explicit provisions and procedures to address this criterion (Arts. 8(3)(b), (4) and (6) of the *NOIS*).⁷⁰

The FIU's framework under the NORUT is broad enough to enable indirect information exchanges on behalf of other competent authorities (e.g., the PPO, KPC, and TIO), in line with the Egmont Group’s Principles (Arts. 6(4)(c), 7(2)-(3), 20(1), (2) and (4) and 21 of the *NORUT*).

On the other hand, no specific provisions or procedures allow the KPC, Tax Office (TIO) and Customs (PIOD) to engage in indirect information exchanges; nevertheless, the KPC can channel law enforcement authorities' requests for information through ARIN-CARIB.

Weighting and Conclusion

Curaçao has a broadly effective framework for international cooperation, with key authorities such as the FIU, CBCS, GCB, KPC, and Customs able to exchange information efficiently and securely. Numerous MOUs support this cooperation, and safeguards are in place to protect shared information. However, minor shortcomings remain, including limited coverage of the Tax Office and PPO in some cooperation mechanisms and gaps in provisions for tracing assets and indirect exchanges. **Recommendation 40 is rated Largely Compliant.**

⁷⁰ Similar provisions are included in ordinances concerning sectors supervised by the CBCS: Art. 40(6) and 41(4) of the NOSBCI, Art. 18(5) and 19(4) of the NOSMTC, Art. 78(5) and 78a(4) of the NOSII, Art. 20(5) and 20a (4) of the NOIB, Art. 25(4) and 28(4) of the NOSIIA, Art. 7(4) of the NOSSE, Art. 53(4) of the NOSSIAM and Art. 23(5) and 24(4) of the NOSTSP.

Summary of Technical Compliance – Key Deficiencies

| Recommendations | Rating | Factor(s) underlying the rating |
|---|--------|--|
| 1. Assessing risks & applying an RBA | PC | <ul style="list-style-type: none"> • Lack of detailed information on TF and NPO NRAs. • Incomplete coverage of DNFBPs in risk assessment requirements. |
| 2. National cooperation and coordination | LC | <ul style="list-style-type: none"> • No cooperation and coordination mechanisms to combat PF. • Lack of cooperation to ensure compatibility of ML/TF measures with data protection and privacy rules. |
| 3. ML offences | LC | <ul style="list-style-type: none"> • Existing penalties for legal persons are neither proportionate nor dissuasive. |
| 4. Confiscation | C | <ul style="list-style-type: none"> • No deficiencies. |
| 5. TF offence | LC | <ul style="list-style-type: none"> • No criminalisation of financing foreign terrorist fighters. • Sanctions for legal persons are not proportionate or dissuasive. • Lack of coverage of directing others to commit TF. |
| 6. TFS related to terrorism & TF | PC | <ul style="list-style-type: none"> • No mechanism for providing identifying information when requesting another country to give effect to the actions initiated under the freezing mechanisms. • No stipulation that designations can be made by effecting another country's request. • No mechanisms for delisting or unfreezing funds or other assets upon review without requiring an objection from the aggrieved person or entity. |
| 7. TFS related to proliferation | PC | <ul style="list-style-type: none"> • Lack of demonstration of timely implementation of TFS concerning the DPRK. • Insufficient delisting measures for the Focal Point under UNSCR 1718. • |
| 8. NPOs | NC | <ul style="list-style-type: none"> • No identification of NPOs at risk of TF abuse. • Insufficient outreach and guidance to NPOs and the donor community. • Inadequate supervision and monitoring of NPOs for TF risks. • Lack of comprehensive compliance monitoring of NPOs. • Insufficient cooperation, coordination, and information-sharing among authorities. |
| 9. FIs secrecy laws | LC | <ul style="list-style-type: none"> • Deficiencies in R16 cascade into R.9. |
| 10. Customer due diligence | LC | <ul style="list-style-type: none"> • No requirements for obtaining information on powers that regulate and bind customers who are legal persons or arrangements. |
| 11. Record keeping | C | <ul style="list-style-type: none"> • No deficiencies. |
| 12. PEPs | C | <ul style="list-style-type: none"> • No deficiencies |
| 13. Correspondent banking | C | <ul style="list-style-type: none"> • No deficiencies. |
| 14. MVTS | LC | <ul style="list-style-type: none"> • No measures to identify unlicensed MTC activities. |
| 15. New technologies | PC | <ul style="list-style-type: none"> • No assessment of VASPs ML/TF risks, and not all financial institutions must conduct risk assessments before the launch of new products. • No measures to prevent criminals or their associates from holding a controlling interest in VASPs. • No mechanisms to identify natural or legal persons performing VASP activities without a licence and to take action. |
| 16. Wire transfers | PC | <ul style="list-style-type: none"> • No specific requirements for domestic wire transfers. • Incomplete requirements for ordering, intermediary and beneficiary financial institutions and MTCsS engaging in transfers. • Incomplete requirements related to TFS. |
| 17. Reliance on third parties | LC | <ul style="list-style-type: none"> • Incomplete AML/CFT requirements for financial groups. |
| 18. Internal controls | LC | <ul style="list-style-type: none"> • Lack of policies for information sharing for AII & SAIL. • Inadequate safeguards on confidentiality and information use for AII & SAIL. |
| 19. Higher-risk countries | C | <ul style="list-style-type: none"> • No deficiencies. |
| 20. Reporting of suspicions | C | <ul style="list-style-type: none"> • No deficiencies. |
| 21. Tipping-off and confidentiality | LC | <ul style="list-style-type: none"> • Incomplete protection for directors and officers and a lack of protection against contractual restrictions. • Broad provisions could unintentionally restrict essential information sharing under R.18. |
| 22. DNFBPs: Customer due diligence | LC | <ul style="list-style-type: none"> • Trustees acting under the Civil Code are not required to perform CDD in the same scenarios required by criterion 22.1(e). • New technology requirements are not applied to all DNFBPs. |

| Recommendations | Rating | Factor(s) underlying the rating |
|---|--------|--|
| 23. DNFBPs: Other measures | LC | <ul style="list-style-type: none"> Deficiencies in R.18 and 21 cascade. |
| 24. Transparency and beneficial ownership of legal persons | PC | <ul style="list-style-type: none"> Lacks a full risk assessment of legal persons and any analysis of TF misuse. Sanctions are missing for breaches related to R24.4 and 24.9, and beneficial ownership penalties are too low. No formal procedures ensure prompt access to beneficial ownership information. |
| 25. Transparency and beneficial ownership of legal arrangements | PC | <ul style="list-style-type: none"> Limitations regarding competent authorities' timely access to trust information. Limited provisions for international cooperation and access by foreign authorities. Lack of explicit obligations for trustees to hold basic information on other regulated agents and service providers |
| 26. Regulation and supervision of FIs | LC | <ul style="list-style-type: none"> Casinos conduct limited money exchanges without a license. Supervision Of MTCs does not consider sector risk. |
| 27. Powers of supervisors | LC | <ul style="list-style-type: none"> Deficiencies identified in R.35 cascade. |
| 28. Regulation and supervision of DNFBPs | PC | <ul style="list-style-type: none"> No laws or enforceable means to prevent criminals from holding significant interests in DNFBPs (except TCSPs). No laws or enforceable means that require risk-based supervision for DNFBPs supervised by the FIU. |
| 29. FIUs | LC | <ul style="list-style-type: none"> Limited FIU's ability to deploy human resources freely. |
| 30. Responsibilities of LEAs | C | <ul style="list-style-type: none"> No deficiencies. |
| 31. Powers of LEAs | C | <ul style="list-style-type: none"> No deficiencies. |
| 32. Cash couriers | LC | <ul style="list-style-type: none"> Insufficient link between data retention and ML/TF suspicion. Deficiencies in R.3 and 5 concerning the proportionality and dissuasiveness of sanctions for legal persons cascade into criterion 32.11. |
| 33. Statistics | LC | <ul style="list-style-type: none"> Incomplete statistics on predicate offences and international cooperation requests. |
| 34. Guidance and feedback | C | <ul style="list-style-type: none"> No deficiencies. |
| 35. Sanctions | PC | <ul style="list-style-type: none"> No sanctions for non-compliance with requirements under R., 8,16 and 17. |
| 36. International instruments | C | <ul style="list-style-type: none"> No deficiencies. |
| 37. MLA | LC | <ul style="list-style-type: none"> Curaçao lacks provisions for the rapid provision of MLA. There is no formal mechanism to monitor request progress. |
| 38. MLA: freezing and confiscation | LC | <ul style="list-style-type: none"> Gaps exist in procedures for managing and sharing confiscated assets, especially regarding their custody and distribution beyond specific treaties |
| 39. Extradition | LC | <ul style="list-style-type: none"> Lack of clear processes for the timely execution of extradition requests, including prioritisation. |
| 40. Other forms of international cooperation | LC | <ul style="list-style-type: none"> Limited coverage of the Tax Office and PPO in some cooperation mechanisms and gaps in provisions for tracing assets and indirect exchanges. |

Glossary of Acronyms⁷¹

| Acronym | Definition |
|----------------------|---|
| ACOC | Platform to Combat Activities Undermining Curaçao |
| All | Administered Investment Institution |
| CBCS | Central Bank of Curaçao and Sint Maarten |
| CI | Credit Institution |
| CoC | Chamber of Commerce |
| EDD | Enhanced Due Diligence |
| FCInet | Financial Criminal Investigation Network |
| GCB | Gaming Control Board |
| GOFO | Structured Consultation between Financial Investigations and Intelligence Organizations |
| ICC | Information Centre Curaçao |
| ICs & IBs | Insurance Companies and Insurance Brokers |
| IRC Carib | International Legal Assistance Centre Carib |
| KPC | Curaçao Police Corps |
| MTC | Money Transfer Company |
| NOIB | National Ordinance on Insurance Brokers |
| NOIS | National Ordinance on Identification of Services |
| NORUT | National Ordinance on Reporting Unusual Transactions |
| NOSBCI | National Ordinance on the Supervision of Banks and Credit Institutions |
| NOSII | National Ordinance on the Supervision of Insurance Industry |
| NOSSE | National Ordinance on the Supervision of Securities Exchanges |
| NOSIA | National Ordinance on the Supervision of Investment Institutions and Administrators |
| NOSIAM | National Ordinance on the Supervision of Securities Intermediaries and Asset Management Companies |
| NOSMTC | National Ordinance on the Supervision of Money Transfer Companies |
| NOST | National Ordinance on the Supervision of Trusts |
| PEPs | Politically Exposed Persons |
| PPO | Public Prosecutor's Office |
| PSPs | Payment Service Providers |
| P&Gs | Provisions & Guidelines on Combating ML and the Financing of Terrorism & Proliferation |
| RFETCSM | Regulations on foreign exchange transactions |
| RST | Special Police Task Force |
| SAII | Self-Administered Investment Institution |
| SDD | Simplified Due Diligence |
| STR | Suspicious Transaction Reports |
| TFO | KPC's Special Financial Investigations Team |
| UTRs | Unusual Transaction Reports |
| VDC | Security Service Curaçao |

⁷¹ Acronyms already defined in the FATF 40 Recommendations are not included in this Glossary.



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Anti-money laundering and counter-terrorist financing measures – Curaçao

Mutual Evaluation Report

In this report: a summary of the anti-money laundering (AML) / counter-terrorist financing (CTF) measures in place in Curaçao as at the date of the on-site visit June 17-28, 2024. The report analyses the level of compliance with the FATF 40 Recommendations and the level of effectiveness of Curaçao's AML/CTF system and provides recommendations on how the system could be strengthened.