

Financial Market Integrity *a condition for investments*

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TRUST is like a paper
once it's crumpled
it CAN'T be perfect AGAIN.

(c) Rachel Gale

Financial Market Integrity

“The integrity of every country’s financial markets is essential, in order to ensure that capital is channelled effectively to its most productive uses; to prevent the diversion of funds into bribery, corruption or organized crime; and to prevent the diversion of money to terrorist groups”.

The World Bank

<http://www.worldbank.org/en/topic/financialmarketintegrity>

Financial Market Integrity

- The most prominent threat is the abuse of financial markets by criminals
- It is an important professional challenge for financial institutions to combat this threat
 - There is a strong international focus on integrity of the financial system
 - Economies without proper AML/CFT legislation will become isolated from the world economy

Financial Market Integrity

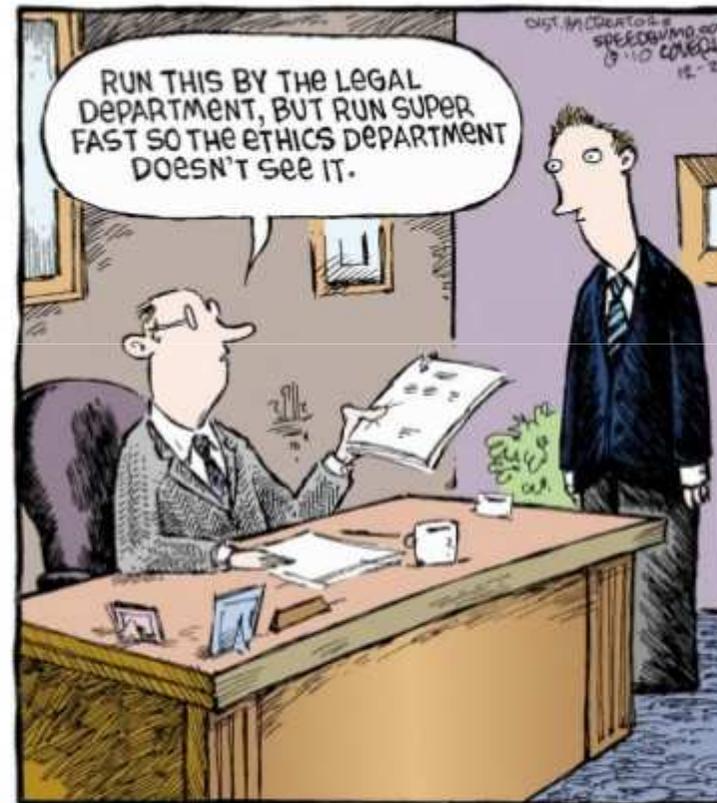
– Global abuse of financial markets:

- 1990-2000 Estimate: US\$ 1.5 trillion
- 2000-2010 Estimate: US\$ 2.8 trillion
- 2010 - Estimate: US\$ 3.7 trillion



Financial Market Integrity

- With financial abuse amounting to approx. 2.5% – 5% of global GDP, it is a threat of magnificent proportion
- Curtailing this threat is a global responsibility
- All countries play a role



Caribbean Islands

- Curaçao
 - Following the creation of Curaçao as an independent jurisdiction within the Kingdom of the Netherlands in 2010, Curaçao's financial legislation was reviewed by the CFATF
 - Follow up reviews have taken place since 2010, the latest report dated November 2014
 - Main results:
 - Whilst Curaçao has made progress since 2010, the island is still partially compliant with certain key recommendations such as...
 - Need to strengthen anti terrorist legislation in criminal law and the exchange of information with regard to reported unusual transactions among supervisory bodies and the Central Bank
 - Risk
 - Tensions between political establishment and management of the Central Bank of Curaçao and St. Maarten



Caribbean Islands

- Aruba



- A FATF review took place in 2009 showing significant shortcomings in law and regulation and the island was made subject to a regular follow-up by the FATF
 - Meanwhile, Aruba has made substantial progress in strengthening law and regulation
 - In February 2014, Aruba was removed from the regular follow-up process

Suriname



- Suriname was subject to a CFATF review in 2009 showing significant shortcomings in law and regulation and is made subject to a follow-up review process
 - Suriname has embarked on a mission to improve law and regulation and strengthening of AML/CFT legislation is being undertaken
 - However, as of May 2015, there are still many significant shortcomings in law and regulation
 - A Code of Conduct for banks has been implemented as well as other Central Bank guidelines
 - There is a need to modernise the Civil Code.

Summary

- Caribbean Islands and Suriname are working hard to aligning law and regulation with international requirements
- The legislation process warrants continuous political attention in order to prevent isolation
- Solid law and regulation enacted to protect the integrity of the financial system and to prevent its abuse is a cornerstone for international business



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