

FINANCIAL CENTRE ASSOCIATION OF VANUATU

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26 February 2021

Mr Gregoire Nimbtik
Director General Prime Minister's Office
As Chairman of the National Coordinating Committee on AML and CFT (NCC)

Dear Sir

RE: [EUROPEAN UNION BLACK LIST ON AMLCTF](#)

Dear Sir,

As you know the European Commission has listed Vanuatu as a High Risk Third Country for AML/CTF and we've been condemned to that list along with Afghanistan, North Korea, Iran, Iraq, Syria, Uganda and Yemen since 2016. That's 5 years!

In my view, we in Vanuatu should remain adamant that no other subject should be discussed with the EU/EC until this blatantly unfair disparagement is resolved. That means until Vanuatu is recognized by the EC as NOT being in the TOP 21 nations (as of latest list) that pose a risk for money laundering and terrorist financing, no other matter of mutual interest should be considered.

Though unpalatable, this conviction is necessary.

The logic is, despite all the work done in the last 5 years, despite all the energy and funds invested in this specific area, despite all the sacrifices made by a small developing nation such as ours to meet the criteria established by the OECD and FATF, and despite having passed assessments by the international recognized bodies competent in that subject (FATF, APG), the EU/EC continues to discriminate against and bully Vanuatu, doing potentially irreparable damage to our reputation. This has to stop.

YUMI 40, STANAP!

If Vanuatu poses a material risk to the European Union, we have to work on this now and solve this. We cannot carry on as usual if we are deemed to be High Risk.

We cannot continue dealing with the EU as if there was nothing wrong. To do so means we do not appropriately acknowledge the seriousness of the identified risks.

The only responsible thing to do is to resolve this issue first before dealing with any other issues or pursuing any other projects that we have in progress or in the pipeline with the EU.

This particular problem was identified 5 years ago and, according to the EU's current listing, Vanuatu still apparently deserves to be named and shamed and suffer the stigma of being grouped with these rogue nations.

Vanuatu has always been cooperative, and as a developing nation with limited resources, we have capacity constraints. We have to prioritize the important issues. This one had already been prioritized and Vanuatu has been whitelisted by the FATF and APG as a result of Vanuatu's efforts to meet international requirements.

We have completed this work and it has been costly and difficult. We have amended our legislation, increased our oversight, and bolstered and upgraded the capacity of the Financial Intelligence Unit and the VFSC, the Reserve Bank, the State Law Office, the Police, and several government agencies.

We had to deprioritize other important missions to address this issue. We have invested less in education and health so that we could meet the international standards for AML/CTF compliance.

Either the European Union recognizes our improvement –and acknowledges the competency of the FATF and APG to determine whether or not we are AML/CTF compliant– and removes us from their list, or the EU/EC starts taking that list seriously and starts fighting terrorist financing and money laundering. If the EU/EC considers us to be such a risk, they should assist us in remedying any deficiencies in our AML/CTF framework they believe to exist.

The single issue that supersedes all others, the issue that ought to be foremost on our agenda, is Vanuatu's condemnation to the list of worst possible countries, the AML/CTF High-Risk Third countries with strategic deficiencies.

If we are to maintain our long and mutually beneficial relationship, the EU now needs to show good faith and either remove us from this list or demonstrate a willingness to engage genuinely and productively with us so that we can make the changes necessary that will ultimately lead to our removal.

In my opinion, this should be the only subject of discussion with the EU until it is resolved.

Martin St-Hilaire
Chairman
Financial Centre Association of Vanuatu



Regards

28/02/21

Martin ST-HILAIRE , Chairman Financial Centre Association of Vanuatu

CC: Prime Minister: Bob Loughman
CC: Deputy Prime Minister & Minister of Internal Affair: Ishmael Kalsakau
CC: Minister of Finance Johnny Koanapo Rasou

CC: Minister of Foreign Affair: Marc Ati
CC: Ralph Regenvanu: Opposition Leader

CC: Governor RBV Mr Simeon Athy, Vice Chairman of the NCC,
CC: Secretariat of the NCC, VFIU – Floyd Ray Mera
CC: Attorney General: Arnold Kiel Loughman

