



***TRINIDAD AND TOBAGO***  
***PROLIFERATION FINANCING***  
***NATIONAL RISK ASSESSMENT***  
***(2021-2024)***

**February 2026**

Table of Contents

**FOREWORD**..... 3

**ACRONYMS**..... 4

**GLOSSARY OF TERMS**..... 6

**EXECUTIVE SUMMARY** ..... 9

**1. INTRODUCTION**..... 15

**2. METHODOLOGY** ..... 21

**3. GLOBAL PROLIFERATION FINANCING THREAT & VULNERABILITY LANDSCAPE** ..... 23

**4. KEY PF THREATS AND VULNERABILITY ASSESSMENT** ..... 25

**5. OVERALL FINDINGS** ..... 44

**6. RECOMMENDATIONS**..... 46

**7. ANNEX** ..... 49

## Disclaimer

This risk assessment is based on information, data and materials available at the time of concluding this report. The assessment reflects the quality, scope and completeness of data accessible during that period and is therefore, subject to data limitations and information gaps. Consequently, the findings, risk ratings and conclusions presented herein may change should additional, updated or more comprehensive information become available. This report should be read in conjunction with these constraints and does not preclude the need for periodic review and reassessment in accordance with a risk-based approach.

## FOREWORD

The Government of the Republic of Trinidad and Tobago is firmly committed to upholding the highest standards in the fight against illicit financial activities, including proliferation financing. The proliferation of Weapons of Mass Destruction and their means of delivery present a serious and evolving threat to international peace and security, as well as to the stability and integrity of the national and global financial systems. Trinidad and Tobago, as a responsible member of the international community, remains firmly committed to preventing the misuse of its financial system and trade channels for the financing of proliferation-related activities.

In keeping with this commitment, this Proliferation Financing Risk Assessment (“PFRA”) has been conducted to identify, assess, and understand the proliferation financing risks facing Trinidad and Tobago. In preparing this assessment, we adopted a collaborative approach, engaging key stakeholders including Government agencies, the Financial Intelligence Unit of Trinidad and Tobago, the Central Bank of Trinidad and Tobago, the Customs and Excise Division, financial institutions, and international partners. This collective effort reflects our shared commitment to safeguarding the integrity of our financial system.

This assessment examines the country’s exposure to proliferation financing risks within the context of its financial sector, designated non-financial businesses and professions, trade and shipping activities, geographic position, and the legal and institutional framework. It also considers emerging typologies and methods used to evade targeted financial sanctions, export controls.

The findings of this PFRA are intended to inform National Policy development, supervisory and enforcement priorities, and the allocation of resources across competent authorities. They also serve to guide financial institutions and other reporting entities in applying a proportionate, risk-based approach to countering proliferation financing.

This assessment also underscores the importance of sustained collaboration among public authorities, the private sector, and international partners. It is a dynamic document and will be reviewed and updated periodically to reflect changes in the threat environment, evolving risks, and developments in international standards.

The Government of the Republic of Trinidad and Tobago remains resolute in its efforts to strengthen its anti-money laundering, counter-terrorist financing, and counter-proliferation financing framework, and to uphold its international obligations in safeguarding the financial system from abuse. I extend my sincere appreciation to all stakeholders who contributed to this important work. Together, we will ensure that Trinidad and Tobago remains secure, resilient and capable of meeting the challenges posed by proliferation financing.

**Mr. John S. Jeremie SC**  
**Attorney General**  
**Office of the Attorney General**  
**February 2026**

## ACRONYMS

Abbreviation	Meaning
<b>AML</b>	Anti-Money Laundering
<b>BOI</b>	Beneficial ownership information
<b>CARICOM</b>	Caribbean Community and Common Market
<b>CDD</b>	Customer Due Diligence
<b>CED</b>	Customs and Excise Division
<b>CFT</b>	Counter Terrorist Financing
<b>CoPC</b>	Countries of Proliferation Concern
<b>CPF</b>	Countering Proliferation Financing
<b>CSME</b>	Caribbean Single Market and Economy
<b>CSO</b>	Central Statistical Office
<b>CWC</b>	Chemical Weapon Convention
<b>DNFBP</b>	Designated Non-Financial Businesses and Professions
<b>DPRK</b>	Democratic People's Republic of Korea
<b>DUG</b>	Dual Use Goods
<b>EC</b>	Enabling Countries
<b>ECA</b>	Exchange Control Act
<b>EDD</b>	Employee Due Diligence
<b>ESO</b>	Economic Sanctions Orders
<b>FATF</b>	Financial Action Task Force
<b>FIA</b>	Financial Intelligence Authority
<b>FIUTT</b>	Financial Intelligence Unit of Trinidad and Tobago
<b>GFH</b>	Global Financial Hubs
<b>GWP</b>	Gross Written Premiums
<b>IA</b>	Insurance Act
<b>IMF</b>	International Monetary Fund
<b>INTERPOL</b>	International Criminal Police Organisation
<b>ML</b>	Money Laundering
<b>MLA</b>	Mutual Legal Assistance
<b>NFI</b>	Non-Financial Institutions
<b>NRA</b>	National Risk Assessment

<b>PF</b>	Proliferation Financing
<b>PSMD</b>	Precious stones and metal dealers
<b>SAR</b>	Suspicious Activity Report
<b>STR</b>	Suspicious Transaction Report
<b>TC</b>	Transit Countries
<b>T&amp;T</b>	Trinidad and Tobago
<b>TF</b>	Terrorism Financing
<b>TFS</b>	Targeted Financial Sanctions
<b>VA</b>	Virtual Asset
<b>VASP</b>	Virtual Asset Service Provider
<b>WCO</b>	World Customs Organisation
<b>WMD</b>	Weapons of Mass Destruction
<b>UBO</b>	Ultimate Beneficial Owner
<b>UN</b>	United Nations
<b>UNODC</b>	United Nations Office on Drugs and Crime
<b>UNSC</b>	United Nations Security Council
<b>UNSCR</b>	United Nations Security Council Resolution

## GLOSSARY OF TERMS

Term	Definition
<b>ARIN-CARIB</b>	The Asset Recovery Inter-Agency Network for the Caribbean is a network of law enforcement and judicial practitioners in the field of asset tracing, freezing, seizure and confiscation. Each member state is represented by a law enforcement officer and a judicial expert (prosecutor, investigating judge, etc. depending on the legal system). ARIN-CARIB works to identify the proceeds of crime wherever they are located in the world. Criminals try to hide their illicit gains by bringing them across borders. By working together, law enforcement agencies identify these assets. When criminal assets are identified, ARIN-CARIB contact points will take steps to ensure that the assets are preserved and secured.
<b>Consequence</b>	<i>Consequence</i> refers to the result of funds or assets being made available to designated individuals or entities, potentially enabling them to acquire materials or systems for developing illicit weapons, or using frozen assets without authorization, for proliferation financing.
<b>Country of Proliferation Concern (CoPC)</b>	A country designated as a <i>Country of Proliferation Concern</i> (CoPC) is a destination of illicit WMD programme and facilitates the movement of goods and materials essential for proliferation activities, including the acquisition of funds to finance such endeavours. Additionally, these nations resort to evasive measures to sidestep international sanctions and employ sophisticated tactics to obscure their complicity in proliferation efforts.
<b>Dual Use Goods</b>	Goods, software, technology, documents and diagrams which can be used for both civil and military applications. They can range from raw materials to components and complete systems, such as aluminium alloys, bearings, or lasers. They could also be items used in the production or development of military goods, such as machine tools, chemical manufacturing equipment and computers.
<b>Dual Use Goods (DUG) Producers</b>	Countries producing dual-use goods have cultivated domestic expertise in manufacturing strategic goods and technologies that possess the potential for diversion towards WMD purposes. Typically, these nations are affiliated with export control regimes, indicating their commitment to regulating the trade of such sensitive materials. However, identifying dual-use goods producers outside of these regimes presents a more formidable challenge, as they represent a heightened PF threat.
<b>Enabling Countries (EC)</b>	<i>Enabling Countries</i> play a pivotal role in supporting a Country of Proliferation Concern (CoPC) in its illicit Weapons of Mass Destruction (WMDs) program, contravening established global

standards. Detailed case-based studies underscore how these enabling countries consistently neglect to uphold international norms regarding CoPCs. They are frequently and substantially implicated in incidents involving CoPCs, often possessing the capacity to deny involvement in certain transactions. Notably, despite their complicity, there is a notable absence of UNSC sanctions or other restrictive measures imposed on these enabling countries.

**Global Financial Hub** Major financial centres worldwide may be exploited as safe havens for the activities of PF networks, facilitating the raising, transferring, storing, and utilization of funds. GFHs are exposed to PF networks because of the advanced financial services provided and the business-friendly environment that attract licit as well as illicit businesses. These global finance hubs become susceptible to PF infiltration due to deficiencies in various areas, such as inadequate business registries or beneficial ownership (UBO) transparency, lax oversight over corporate service providers, and a lack of robust international cooperation mechanisms. Notable examples of financial hubs vulnerable to PF include the United Arab Emirates (UAE), Hong Kong, Indonesia, Malaysia, Singapore, the British Virgin Islands (BVI), and Turkey.

**Proliferation Financing** The act of providing funds or financial services used in whole or in part for the manufacture, acquisition, possession, development, export, transshipment, brokering, transport, transfer, stockpiling or use of nuclear, chemical or biological weapons and their means of delivery and related materials. Related materials includes technologies and dual-use goods used for non-legitimate purposes.

**Proliferation Financing Risk** The potential breach, non-implementation, or evasion of the targeted financial sanctions in relation to proliferation financing, imposed under the Economic Sanctions Act Chap. 81:05 or any other written law.

**Proliferation Financing Threat** *Proliferation Financing (PF) Threats* refer strictly and only to the potential breach, non-implementation or evasion of the TFS obligations referred to in Recommendation 7. It includes those involved in WMD proliferation or PF activities which enable the movement of funds, assets, or other economic resources that could be used to:

1. directly acquire WMDs or their delivery systems or the goods, technology, or know-how to allow them to build WMDs or their delivery systems; or
2. support a WMD program through a variety of revenue-raising activities.

Such threats may also be caused by those persons or entities acting for or on behalf of designated persons or entities. It can be an actual or a potential threat. Not all threats present the same risk level to all countries, public sector and private sector firms.

**Targeted Financial Sanctions**

Both asset freezing and prohibitions to prevent property or other assets from being made available, directly or indirectly for the benefit of listed entities and persons and entities acting on behalf of, or at the direction of listed entities in relation to proliferation financing, imposed under the Economic Sanctions Act or any other written law.

**Transit countries**

*Transit countries* serve as pivotal junctions in the transportation network involved in suspicious transfers of materials related to WMD. These countries find themselves at the crossroads of illicit activities orchestrated by proliferation networks during the exchange of payments for services, fees, and commissions with dubious actors. Given their strategic position, transit countries possess the capability to intervene and thwart such transfers. It's worth noting that the bulk of global physical trade occurs via maritime routes, further emphasizing the significance of these transit points in regulating and monitoring the flow of WMD related materials.

**Vulnerability**

Vulnerability refers to factors that could be exploited by threats to facilitate the breach, non-implementation, or evasion of PF-TFS. For a country, this includes weaknesses in its legal or regulatory framework, as well as contextual factors that may allow designated individuals or entities to raise or move funds or assets.

## EXECUTIVE SUMMARY

Weapons of Mass Destruction (“WMD”), which include chemical, biological, radiological or nuclear arms, represent a significant threat to global peace and security due to their potential for catastrophic and indiscriminate destruction. Actors involved in the financing of proliferation of WMD can threaten the integrity of the financial system and global peace and security.

Since 2006, the United Nations (“UN”) Security Council (“UNSC”) has issued targeted sanctions against the Democratic People’s Republic of North Korea (“DPRK”), which are intended to halt DPRK’s nuclear weapons and delivery systems programmes. A significant focus of these sanctions relates to the prevention of assets from being made available to State or non-state actors which would enable proliferation activities or financing entities involved in proliferation activities. As a member of UN, the Republic of Trinidad and Tobago is obligated to implement the resolutions of the UNSC to ensure alignment with *inter alia*, the UN’s extensive sanctions measures targeting DPRK’s nuclear programme.

In 2012, the Financial Action Task Force (“FATF”) broadened its mandate to include proliferation financing by including a new Recommendation 7 (“R.7”) to implement the UN financial sanctions. In October 2020, the FATF revised Recommendation 1 (“R.1”) and its Interpretive Note, to require countries and the private sector entities, to identify, assess, understand and mitigate their Proliferation Financing (“PF”) risk.

This assessment was conducted with technical assistance from the UK’s Kings College using their assessment methodology, supplemented with risk assessment guidance published by the FATF<sup>1</sup> and the Royal United Services Institute (RUSI)<sup>2</sup>. The Central Bank of Trinidad and Tobago (“the Central Bank”) in collaboration with the Customs and Excise Division of the Ministry of Finance (“CED”) led assessments of the financial<sup>3</sup> and non-financial sectors respectively. The Financial Intelligence Unit of Trinidad and Tobago (“FIUTT”) and the Trinidad and Tobago Securities Exchange Commission (“TTSEC”) also provided information

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<sup>1</sup> FATF’s Guidance on Proliferations Financing Risk Assessment and Mitigation

<sup>2</sup> Royal United Services Institute Guide to Conducting a National Risk Assessment on PF

<sup>3</sup> Financial sector includes banking, insurance, securities and remittance sectors which face inherent vulnerability to PF risk.

regarding the PF risk exposure of the Designated Non-Financial Businesses and Professions (“DNFBPs”)<sup>4</sup> and the Securities sectors, respectively.

Data and information was sourced from:

- Public sector stakeholders, including members of the National AML/CFT Committee (“NAMLC”), law enforcement agencies, and other competent authorities;
- Private sector stakeholders, including Financial Institutions and DNFBPs; and
- Public sources including relevant material published by the FATF, RUSI and other international agencies such as the UN Panel of Experts, and published national risk assessments.

Data collection exercises were conducted to obtain comprehensive information across sectors and agencies. While the data pertains to the review period, some gaps and non-uniformities exist due to variations in reporting across entities and periods. Where possible, these challenges were mitigated through comparison of overlapping datasets and the use of qualitative analysis. Areas requiring further data collection and monitoring have been flagged for subsequent attention.

In assessing the risk, several risk factors were considered including:

- i. The threats posed by countries of proliferation concern; enabling and transit countries; global financial hubs and dual use goods producers;
- ii. Potential structural deficiencies whether in export and import controls; company formation and the beneficial ownership framework, or the customer due diligence processes of financial institutions and DNFBPs that may be exploited by bad actors;
- iii. The availability of products or services such as trade financing, marine insurance, cross border transfers, or high value sectors such as dealers in precious metals, that could be exploited by bad actors;
- iv. The country’s Targeted Financial Sanctions regime,
- v. The existing domestic and international cooperation frameworks and the practical implementation of such;
- vi. The national combatting ability to investigate and prosecute PF related matters, and the overall level of understanding of PF amongst the various stakeholders.

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<sup>4</sup> These are the ‘Listed Businesses’ defined in Schedule of the Proceeds of Crime Act, Chap 11:27

The assessment sought to identify threats and vulnerabilities which give rise to the following risks:

i. *Risk of breach or non-implementation of targeted financial sanctions*

This may arise when sanctioned persons and entities access financial services, and/or funds or other assets, as a result of, for example, delays in communication of designations, or failure on the part of financial institutions and DNFBPs to adopt adequate policies and procedures to mitigate PF risks. This may include weak customer onboarding procedures and ongoing monitoring processes); and

ii. *Risk of Evasion of Targeted Financial Sanctions*

This may arise due to efforts of sanctioned persons and entities to circumvent the targeted financial sanctions, for example, by using shell or front companies, joint ventures, dummy accounts, middlemen and other fraudulent/sham intermediaries).

In this regard, the assessment concludes that Trinidad and Tobago’s overall PF risk exposure is **Low**. The overall findings are summarized in the chart below.

Sector	Areas of Vulnerability	Rating	
Financial Overall Medium	Banking	Payments/movement of funds via wire transfers	Medium
		Use of Trade Finance Products	Low
	Remittance	Funds sent via Remittances	Medium
	Insurance	Marine Insurance	Low
	VASPs	Virtual Assets (VAs) and Virtual Asset Service Providers (VASPs)	High
Non-Financial Overall Low	Export-Import	Exports and Border Controls Framework	Low
		Supply Chain Weaknesses in the Export Environment	Low
	Immigration	Presence of CoPC Nationals and Entities from CoPC	Low
	DNFBPs	Dealers in high value goods such as gold and precious metals and stones	Low
	TCSPs	Creation of shell or front companies by TCSPs	Low

**Areas of Vulnerabilities to Monitor**

Whilst the assessment did not identify any no direct or overt PF links, given Trinidad and Tobago’s geographical location as the southernmost Caribbean Island with transit hubs to North, Central, and South America as well as Europe and beyond, the country can be targeted

by PF actors to move dual-use goods and proliferation-sensitive exports from one location to another.

Further, while not an IFC, Trinidad and Tobago is of regional importance, due to the financial interconnectedness of a number of domestic financial institutions that are part of financial groups with regional (and international) footprints. As such, its exposure to financial systems which may be connected to jurisdictions of proliferation concern, poses PF risk. Financial institutions are vulnerable to the potential breach of non-implementation of TFS obligations by not being able to identify illicit PF transactions or methods used to facilitate PF on behalf of designated persons. This may be attributed to the fact the DPRK uses nesting and layering mechanisms through intermediaries and non-state proliferation countries to evade sanctions and conduct PF activities. Furthermore, indirect actors may not be placed on the UN sanctions lists.

The 2025 Legal Persons/Arrangements NRA assessed the overall ML/TF vulnerability as 'Medium'. Significant legislative reform was undertaken between 2019-2024 which substantially broadened the coverage of beneficial ownership and transparency across the legal persons/arrangements landscape. Overall, the assessment indicated satisfactory effectiveness in areas such as beneficial ownership transparency and cross-border information exchange. The limited regulatory oversight of Trust and Company Service Providers is a relevant area for PF identified in the risk assessment as an area to strengthen.

The 2025 assessment of Trinidad and Tobago's national terrorist financing (TF) risk concludes that the overall TF risk is rated 'Medium-Low', reflecting the country's continued progress in strengthening its counter-terrorism and counter-financing of terrorism framework. This framework is complementary to the country's CPF framework.

Given the absence of a regulatory framework as at September 2025, the VA/VASP NRA identified that the overall ML/TF threat exposure was 'High'; the overall ML/TF vulnerability of VA products and services was 'Very High' and the quality of VASPs mitigating measures was 'Low'. Legislation subsequently passed in November 2025 introduced a 1-year prohibition on the virtual assets service providers' activities covered under the FATF's Recommendation 15, until a comprehensive regulatory framework is established. This is important to safeguard the sector from ML/TF/PF threats and mitigating the PF risk identified in typology reports.

While there have not been any PF-related investigations, should such arise, a lack of PF intelligence and limited specialist experience by analysts, investigators and prosecutors in dealing with illicit PF activity will pose a challenge to investigations and ultimately prosecution.

## Recommendations

As this was the first PF risk assessment, the findings provide a useful foundation for competent authorities and private sector stakeholders to consider and adopt policies, procedures and strategies to effectively address PF related matters. Sectors that are not featured in this risk assessment have been assessed to be of lower PF risk in light of international typologies and lower exposure to Trinidad and Tobago’s key PF threats. Nonetheless, lower-PF risk sectors should still comply with the relevant CPF-related obligations on a risk basis and consider the PF risks highlighted in this PF NRA in the conduct of their business.

<b>Priority Actions for Competent Authorities</b>	
<b>Competent Authority</b>	<b>Recommended Actions</b>
<b>All</b>	<ul style="list-style-type: none"> <li>• <i>Strengthen inter-agency capacity and coordination on PF matters</i> by investing in training and relevant tools for authoritative staff</li> <li>• <i>Implement data systems</i> which ensure ongoing understanding and mitigation of PF risk</li> <li>• <i>Provision of guidance</i> from the CBTT, FIUTT, AGLA and other competent authorities on PF red flag indicators, proliferation-sensitive goods, dual-use items and PF typologies (Source guidance from World Customs Organisation)</li> <li>• <i>Consider the findings of this report</i> to develop and implement documented policies, procedures and strategies to address PF related matters</li> </ul>
<b>TTSEC CBTT CBTT</b>	<ul style="list-style-type: none"> <li>• <i>Implement the VA/VASP Act 2025 and advance the development of a comprehensive regulatory framework</i></li> <li>• <i>Conduct follow-up TFS Thematic examination</i></li> <li>• <i>Define data sets</i> for collection of data on cross-border flows, with a specific focus on the nature of goods, jurisdictions involved and methods of payment.</li> </ul>
<b>Ministry of Trade</b>	<ul style="list-style-type: none"> <li>• <i>Consideration of an authorization process to export precious metals and stones</i></li> </ul>
<b>Maritime Services Division</b>	<ul style="list-style-type: none"> <li>• <i>Advancement of the Shipping Bill, 2020</i></li> <li>• <i>Creation of an appropriately staffed Maritime Authority</i></li> <li>• <i>Digitization of all related systems</i> and the inclusion of <i>vessel tracking technology</i> for suspicious routing.</li> </ul>
<b>Customs and Excise Division</b>	<ul style="list-style-type: none"> <li>• <i>Establish a post clearance audit unit</i> to scrutinize financial flows from strategic goods</li> <li>• <i>Publication of Government-issued reference lists</i> of proliferation-sensitive goods, dual-use items, and high-risk jurisdictions to support financial institutions, exporters and regulators.</li> </ul>
<b>Border Control Agencies</b>	<ul style="list-style-type: none"> <li>• <i>Consider digitisation and automation of access</i> to information on the Register as well as arrival and departure information</li> <li>• <i>Consider automated access</i> to the ships’ registry and movement data to strengthen oversight and enforcement</li> </ul>

## **Priority Actions for Private Sector Stakeholders**

- **Banking, Insurance, Remittance and Securities sectors**
  - **Address the findings of the 2026 CBTT TFS thematic review** to further improve the effectiveness and efficiency of their sanctions screening systems.
- **All regulated sectors**
  - Ensure that the requirements of **the CPF Act 8 of 2025** are embedded in policies, procedures and operational processes;
  - **Conduct and document institutional PF risk assessments**
  - **Develop/update and maintain risk based PF policies and procedures** based on findings of the national PF risk assessment and institutional PF assessments, and **ensure all staff are familiar with these policies and procedures**
  - **Ensure that relevant staff receive tailored training**

# 1. INTRODUCTION

## 1.1. Background

Weapons of Mass Destructions (“WMD”) represent a significant threat to global peace and security due to their potential for catastrophic and indiscriminate destruction. These weapons, which include chemical, biological, radiological or nuclear (“CBRN”) capabilities, have the capacity to inflict immense harm on civilian populations, infrastructure, and the environment. Additionally, the proliferation of WMD poses a grave risk of these weapons falling into the hands of rogue states or non-state actors including terrorist organizations, further exacerbating security concerns on a global scale.

Since 2006, the UN Security Council (“UNSC”) has issued targeted sanctions against the Democratic People’s Republic of North Korea (“DPRK”), which are intended to halt DPRK’s nuclear weapons and delivery systems programmes. Provisions include bans on materials, equipment, goods and technology that could contribute to proliferation efforts. UN sanctions against Iran were also issued in 2006, in response to the country’s failure to cease uranium enrichment activities. These formally expired in 2023 following the Joint Comprehensive Plan of Action.

The Republic of Trinidad and Tobago was admitted to the United Nations by the General Assembly on September 18, 1962, under the United Nations Security Council Resolution 175. As such, Trinidad and Tobago is obligated to implement the resolutions of the UNSC to ensure alignment with *inter alia*, the UN’s extensive sanctions measures targeting DPRK’s nuclear programme.

In 2012, the Financial Action Task Force (“FATF”) broadened its mandate to include proliferation financing by including a new Recommendation 7 (“R.7”) to implement the UN financial sanctions against DPRK (and Iran). In October 2020, the FATF revised Recommendation 1 (“R.1”) and its Interpretive Note, to require countries and the private sector entities, to identify, assess, understand and mitigate their Proliferation Financing (“PF”) risk.

In the context of R.1, PF risk refers strictly and only to the potential breach, non-implementation or evasion of the targeted financial sanctions (“TFS”) obligations referred to in R. 7. As at the time of this assessment, R.7 measures applied only in respect of DPRK, and not Iran. However, following the expiration of UN sanctions against Iran in 2023, Trinidad and Tobago continued to maintain the targeted financial sanctions imposed on Iran through the

Economic Sanctions (Implementation of United Nations Resolutions on the Islamic Republic of Iran) Order 2023, which remains in force until revoked and it reflects the adherence to UNSCR 1737 (2006).

A National PF Risk Assessment on is considered a foundational step toward building and safeguarding resilient financial and trade systems of a country. As global threats evolve and PF typologies become increasingly sophisticated, it is imperative for Trinidad and Tobago to proactively identify and address vulnerabilities within its PF system and take appropriate action to mitigate identified risks.

## **1.2. Trinidad and Tobago's Structural Elements**

### ***1.2.1. Socio-Economic & Geopolitical Context***

Trinidad and Tobago is a twin-island Republic in the Caribbean Archipelago of approximately 5,128 square miles of land with a population of around 1.4 million people. The country operates under the Westminster system of government with a bicameral Parliament consisting of the President, the Senate, and the House of Representatives.

In 2024, Trinidad and Tobago's gross domestic product ("GDP") is estimated to be USD 25.52 billion. Economic activity has historically been dominated by the energy sector, which includes oil, natural gas, and petrochemicals. In the last decade, the energy sector accounted for approximately 31.5 per cent of real GDP<sup>5</sup>.

Trinidad and Tobago has a well-developed financial services sector which, as at September 2024, contributed to 8.3% of GDP. Trinidad and Tobago is not an international financial centre but its financial system is of regional importance, given the financial interconnectedness of a number of domestic financial institutions that are part of financial groups with a regional (and international) footprint. The banking sector dominates the financial sector, accounting for 48% of the total financial sector assets<sup>6</sup>.

The non-energy sector is largely driven by the wholesale and retail trade sectors accounting for approximately 20.6 per cent of real GDP in the last decade. Other key contributors to the non-energy sector are manufacturing, mining and quarrying. Trinidad and Tobago does not engage

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<sup>5</sup> Real GDP measures the value of output of an economy, or changes in an economy's physical output using prices of a fixed base year (Source: MOF 2024 Annual Review of the Economy).

<sup>6</sup> Total financial sector assets as at December 2024: USD 55,133.65 million.

in manufacture of arms and weapons and does not mine or produce gold and any other precious stones and metals. Precious stones and metals are imported from jurisdictions such as Guyana and Suriname for manufacturing and resale purposes, primarily for the domestic market.

Trinidad and Tobago's closest neighbour to its southern border is Venezuela, which is approximately eleven (11) kilometres away. Venezuela and Trinidad and Tobago are both heavily dependent on the petrochemical industry due to its significant role to the economies. Venezuela's political and socio-economic situation as well as their allies and trading partners, which include: Iran, China, Russia and Pakistan (countries of proliferation concern), pose an element of PF risk exposure to Trinidad and Tobago's financial and trade sectors. Given Trinidad and Tobago's strategic geographical location and role as a trade hub in the Caribbean region, it may be susceptible to illicit financial flows and the movement of materials related to WMD proliferation. The export of dual use goods or technologies can pose potential PF risk where diversion can occur.

Trinidad and Tobago has a well-developed export controls framework which includes negative lists, licensing regimes, and due diligence checks on transshipment goods and trade financing arrangements, which are relevant for controlling the movement of dual-use goods.

### ***1.2.2. Legal Framework***

Trinidad and Tobago has established a comprehensive CPF regime for implementing PF-related requirements under FATF's R. 7, aimed at countering Proliferation Financing ("PF") concerning the Democratic People's Republic of Korea ("DPRK"), in accordance with United Nations Security Council Resolution (UNSCR) 1718 (2006) and its successor resolutions. The regime is aligned with the various UNSCRs on biological, chemical and nuclear weapons and in particular UNSCR 1540, which calls on all member states to refrain from providing any form of support to non-State actors that attempt to develop, acquire, manufacture, possess, transport, transfer or use nuclear, chemical or biological weapons and their means of delivery.

The country's legislative, policy and operational frameworks are largely integrated with those used for implementing terrorism financing-related TFS, which works in tandem with a complementary legislative and regulatory framework, including an Anti-Money Laundering / Counter the Financing of Terrorism (AML/CFT) framework, to address the FATF's R.7 obligations:

- ***The Economic Sanctions Act, Chap 81:05 (“ESA”)*** provides a legal framework upon which Trinidad and Tobago can implement resolutions made by an international organisation of States, of which Trinidad and Tobago is a member. Pursuant to Section 4 of the ESA, two (2) subsidiary Orders were enacted by the President of Trinidad and Tobago on December 18, 2018, namely, the Economic Sanctions (Implementation of United Nations Resolutions on The Democratic People's Republic of Korea) Order, 2018 and the Economic Sanctions (Implementation of United Nations Resolutions on The Islamic Republic of Iran) Order, 2023 (collectively “ESOs”). The ESA and ESOs provide for the implementation of regional or international Economic Sanctions.
  
- ***The Economic Sanctions (Implementation of United Nations Resolutions on the Democratic Republic of North Korea) Order, 2018***<sup>7</sup> made under the ESA, give effect to the resolutions issued by UN Security Council (UNSCR) against the DPRK to *inter alia*, prevent and disrupt the financing of the WMD. The ESO reflects adherence to UNSCR 1718(2006) targeting the DPRK’s nuclear weapons programme and ballistic missile activities, by implementing various sanctions measures, including asset freezes, travel bans, and restrictions on trade. Pursuant to Section 4(5) of the Act, the ESO was extended via Legal Notice No. 192 of 2023 and shall remain in force until revoked. These Orders provide *inter alia* –
  - ❖ That funds or assets are prevented from being made available by nationals to or for the benefit of designated entities or person unless licensed, authorised or otherwise notified in accordance with the relevant UNSCRs.
  
  - ❖ Mechanisms for communicating designations to FIs and DNFBPs immediately and their obligation to take action under the freezing mechanism where the FI or DNFBP may be holding targeted funds or assets;
  
  - ❖ For the submission of suspicious activity reports to the FIUTT by FIs and DNFBPs where a listed entity attempts to enter into a transaction or continue a business relationship;

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<sup>7</sup> As amended by the Economic Sanctions (Implementation of United Nations Resolutions on the Democratic People’s Republic of Korea) (amendment) Order, 2025, Legal Notice 414 of 2025

- ❖ That FIs and DNFBPs report to competent authorities any action taken in compliance with the freezing obligation; and
  - ❖ That failure to comply with the freezing obligation would be subject to civil, administrative or criminal sanctions.
- ***Pesticides and Toxic Chemicals Act, Chapter 30:03.*** The Pesticides and Toxic Chemicals Inspectorate (PTCI) of the Ministry of Health has identified a number of chemicals and products that are considered dual-use goods;
  - ***The Customs Act, Chap. 78:01 and the Negative List for Exports*** empowers the Customs and Excise Division (“CED”) to inter alia, seize shipments, and take enforcement action for failure to meet requirements for dual use goods;
  - ***The Shipping Act, Chap. 50:10*** inter alia imposes a rigorous registration process for the registration and licensing of ships, restrictions on trade in or from the waters of Trinidad and Tobago, requirements for declarations of the national character and flag of ships;
  - ***AML/CFT Framework (Proceeds of Crime Act, Chap 11:27 (“POCA”) and the Anti-Terrorism Act, Chap 12:07 (“ATA”)***

Trinidad and Tobago’s AML/CFT legislative framework is extensive and implements the full range of the FATF Standards, which:

- ✓ provides the legislative foundation for national cooperation and coordination among competent authorities, and for entering into Memoranda of Understanding (MOUs) and other agreements for international cooperation with counterparts and other organisations;
- ✓ provides for transparency and beneficial ownership disclosures governing the creation of all types of legal persons and arrangements in Trinidad and Tobago;
- ✓ establishes and empowers supervisory authorities to ensure and enforce compliance amongst financial institutions and DNFBPs with the AML/CFT/CPF requirements;
- ✓ imbues law enforcement agencies with investigative powers and tools to fulfill their mandate; and

- ✓ provides mechanisms for asset tracing, seizing, freezing and confiscation of proceeds of crime both domestically and cross-border.

### **1.3. Subsequent Legislative Developments since December 2024**

#### ***1.3.1. Counter Proliferation Act 8 of 2025***

In October 2025, the Counter Proliferation Financing Act (“the CPF Act”) was enacted to provide for *inter alia*, the implementation of the FATF’s R.7 with respect to measures to counter proliferation financing. Subsidiary legislation, the Counter-Proliferation Financing Regulations, came into effect in November 2025. The standalone legislation aligns with the FATF Recommendations 1 and 7, and enhances Trinidad and Tobago's legal and regulatory framework to effectively identify, assess, and mitigate PF risks, while enforcing targeted financial sanctions in accordance with international obligations.

#### ***1.3.2. Virtual Assets (“VA”) and Virtual Asset Service Providers (“VASP”) Act, 2025***

The Virtual Assets and Virtual Service Providers Act 2025 (“VA/VASP Act 2025”) imposed a time-bound prohibition expiring December 2026 on commercial VASP activities to allow the country sufficient time to develop an appropriate regulatory framework. The VA/VASP Act 2025 also introduced a Regulatory Sandbox framework during the prohibition period, allowing limited, supervised VASP activity which will assist with the development of a more comprehensive regulatory framework. This framework will aid *inter alia* with safeguarding the sector from PF risk.

### **1.4. Operational Framework**

An *Inter-Ministerial Committee (“IMC”)* was established to further demonstrate the high level political commitment of the Government to address ML/TF/PF. The IMC facilitates a clear line of sight from the strategic (Cabinet) level to the operational levels and evidences high-level political commitment by the Government of Trinidad and Tobago in addressing CPF issues, fast-tracking the approval and implementation of compliance measures and aiding in accelerating the rate of decision-making.

The *National AML Committee (“NAMLC”)* is Trinidad and Tobago’s established mechanism for national cooperation and coordination in the development and implementation of CPF policies and operational matters.

The *Supervisory authorities* (the Central Bank, TTSEC, FIUTT) ensure financial institutions and DNFBPs comply with detecting, reporting and freezing obligations.

Trinidad and Tobago also has well established *inter-agency cooperation frameworks*, working groups and task forces to combat terrorism and terrorist financing, both on the policy and operational levels. This allows for efficient co-ordination of intelligence, operational and strategic analysis and investigation, which can be leveraged for PF matters.

In addition to formal *international cooperation channels*, Trinidad and Tobago uses informal cooperation mechanisms such as ARIN-CARIB and INTERPOL channels and informal mechanisms established by the CED, for facilitating timely intelligence exchange, asset tracing, and the disruption of transnational criminal activities.

## 2. METHODOLOGY

This assessment was coordinated by NAMLC with technical assistance from the U.S Department of State’s Export Control and Related Border Security Program’s partnership with Kings College of London (“KCL”). KCL delivered a comprehensive suite of proliferation finance training material to Government representatives in September 2022 and January 2023. The KCL’s assessment methodology was supplemented with the risk assessment guidance published by the FATF<sup>8</sup> and RUSI<sup>9</sup>.

This report evaluates Trinidad and Tobago’s exposure and vulnerabilities to proliferation financing risks, by analyzing sector-specific risk indicators, regulatory frameworks and financial transaction patterns. It focuses on risks related to DPRK designated persons and ‘Countries of Proliferation Concern’ (“CoPC”)<sup>10</sup> the period of January 2021 to December 2024.

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<sup>8</sup> FATF’s Guidance on Proliferations Financing Risk Assessment and Mitigation

<sup>9</sup> Royal United Services Institute Guide to Conducting a National Risk Assessment on PF

<sup>10</sup> For the purpose of this report, the DPRK, China (Liaoning and Jilin regions), Russia, Syria, and Pakistan are considered COPCs. See Appendix I

In this assessment the broad working definitions of proliferation financing and proliferation risk are utilised from the CPF Act, 2025, which align with the FATF Standards:

- **Proliferation Financing (PF)**

*“The provision of funds or financial services used in whole or in part for the manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling or use of nuclear, chemical or biological weapons and their means of delivery and related materials<sup>11</sup>*

- **PF Risk**

*“The potential breach, non-implementation or evasion of targeted financial sanctions in relation to proliferation financing, imposed under the Economic Sanctions Act or any other written law in Trinidad and Tobago.”*

In assessing the PF risk, several risk factors were considered including:

- i. The threats posed by countries of proliferation concern; enabling and transit countries; global financial hubs and dual use goods producers;
- ii. Potential structural deficiencies whether in export and import controls; company formation and the beneficial ownership framework, or the customer due diligence processes of financial institutions and DNFBPs that may be exploited by bad actors;
- iii. The availability of products or services such as trade financing, marine insurance, cross border transfers, or high value sectors such as dealers in precious metals, that could be exploited by bad actors;
- iv. The country’s Targeted Financial Sanctions regime,
- v. The existing domestic and international cooperation frameworks and the practical implementation of such;
- vi. The national combatting ability to investigate and prosecute PF related matters, and the overall level of understanding of PF amongst the various stakeholders.

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<sup>11</sup> This definition aligns with the FATF’s definition - See Combating Proliferation Financing: A Status Report on Policy Development and Consultation, February 2010

### 3. GLOBAL PROLIFERATION FINANCING THREAT & VULNERABILITY LANDSCAPE

#### 3.1 PF Threat Landscape

Since February 2024, in its statements on ‘*High-risk Jurisdictions subject to a Call for Action (i.e. “black list”)*’, the FATF has noted that the DPRK has increased connectivity with the international financial system, which elevates PF risks. The DPRK frequently uses front companies, shell companies, joint ventures and complex, opaque ownership structures for the purpose of violating sanctions.

#### 3.2 National/Structural Vulnerabilities

A national or structural vulnerability can include weaknesses in the AML/CFT/CPF legal and regulatory framework; contextual factors such as the size and complexity of the economy; the extent to which the economy is informal/cash based, or the diversity of legal persons and arrangements. Geographic location may also be relevant to PF-related exposure.

##### 3.2.1 Economic and Trade Factors

Countries that are international financial centers are targeted by illicit actors given their important to global financial flows and transport. The presence of special economic zones and strategic ports with shipping and logistics infrastructure can also be misused to circumvent sanctions and export controls related to dual-use goods. The importance of customs agencies was identified as a key control to prevent and detect complex sanctions evasion schemes relevant to PF.

##### 3.2.2 Regulatory Factors

While most countries have mature AML/CFT frameworks, CPF-related frameworks are not as developed, resulting in deficient TFS implementation and export controls to deter and counter proliferation networks. Weak national frameworks for transparency of beneficial ownership for legal entities, can impede cross-border investigations by authorities seeking to identify and trace the PF path, especially when multiple countries with inconsistent legal frameworks are involved.

##### 3.2.3 Geographical and Demographical Factors

Geographical proximity to countries subject to UN, national and supranational sanctions regimes can heighten PF risk. Trade-based sanctions evasion schemes involving smuggling of illegal goods are more likely to occur between countries in proximity to a sanctioned jurisdiction. Vulnerabilities are also associated with the presence of diplomatic personnel and other relevant actors from jurisdictions subject to UN sanctions regimes.

#### ***3.2.4 Other National-level Factors***

Cross border transactions or accounts denominated in hard currencies such as US dollars are more vulnerable for illicit procurement or sanctions evasion. Countries that are producers of proliferation sensitive technology and goods have also been identified as being inherently vulnerable to PF and breaches of dual-use good restrictions. Countries with large defense sectors whose supply chains involve a significant number of organisations to provide materials, products, and services, are highly vulnerable.

### **3.3 Sectoral Vulnerability**

The FATF's 2025 report on '*Complex Proliferation Financing and Sanctions Evasion Schemes*' identified the following sectors as most vulnerable to PF and sanctions evasion schemes:

#### ***3.3.1 Banking and Other Financial Sectors***

The banking and other financial sectors, such as insurance, are vulnerable to PF and sanctions evasion threat actors, to move the funds supporting PF actors or activities, either through licit or illicit transactions. This may include the use of multiple accounts and falsified documents, including related to trade finance. Cross border wire transfers may contain limited information on transactional purpose or supporting documentation. Correspondent banking relationships linked to countries with higher risk exposure to PF and/or ineffective CPF controls can be exploited.

#### ***3.3.2 Virtual Assets ("VAs") and Virtual Asset Service Providers ("VASPs")***

Typology reports from the FATF and the UNSC Panel of Experts as well as reports from blockchain analytics firms like Chainalysis<sup>12</sup> have flagged the increased exploitation of Vas/VASPs for PF purposes. The uneven and lagging implementation of FATF's Recommendation 15 across countries is also a source of vulnerability. Illicit actors have been

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<sup>12</sup> Chainalysis: [The 2025 Crypto Crime Report](#)

utilising asset mixing services and anonymity enhancing cryptocurrencies (AECs) which make it difficult to trace or attribute transactions. The FATF also noted the role of virtual assets in revenue generation efforts by the DPRK.

### ***3.3.3 New and Alternate Payment Infrastructure***

Digital payment systems like peer-to-peer payment services or digital remittance providers have been flagged as emerging areas of exposure.

### ***3.3.4 Other Sectoral-level Vulnerabilities***

The reports from the UNSC Panel of Expert reports and the FATF's 2021 '*Guidance on PF Risk Assessment and Mitigation*', highlighted other sectors that may have higher exposure to the potential breach, non-implementation or evasion of PF-TFS, including: trust and company service providers ("TCSPs"); dealers in precious metals and stones; aeronautics, information technology ("IT"), maritime, nuclear power, and shipbuilding.

## **4. KEY PF THREATS AND VULNERABILITY ASSESSMENT**

### **4.1 Identification of Relevant PF Threats**

Having regard to the foregoing, the proliferation financing threats that are most relevant to Trinidad and Tobago are:

- exploitation of the country's exports infrastructure and geographical location to procure and ship dual-use goods;
- use of financial services, corporate structures, and DNFBPs to facilitate proliferation financing and evade sanctions;
- use of third country nationals to obfuscate the connection between designated persons and sanctioned activities;
- targeting of individuals in Trinidad and Tobago with access to sensitive information or business connections; and
- exploitation of the lack of a VA/VASP regulatory framework to use virtual assets and other technologies to facilitate proliferation financing and evade sanctions.

## 4.2 Assessment of Trinidad and Tobago’s Overall PF Vulnerability – Low

Trinidad and Tobago’s overall PF risk exposure was determined to be Low. The following chart summarizes the underlying drivers for this rating.

Sector		Areas of Vulnerability	Rating
Financial Overall Medium	Banking	Payments/movement of funds via wire transfers	Medium
		Use of Trade Finance Products	Low
	Remittance	Funds sent via Remittances	Medium
	Insurance	Marine Insurance	Low
	VASPs	Virtual Assets (VAs) and Virtual Asset Service Providers (VASPs)	High
Non-Financial Overall Low	Export-Import	Exports and Border Controls Framework	Low
		Supply Chain Weaknesses in the Export Environment	Low
	Immigration	Presence of CoPC Nationals and Entities from CoPC	Low
	DNFBPs	Dealers in high value goods such as gold and precious metals and stones	Low
	TCSPs	Creation of shell or front companies by TCSPs	Low

Trinidad and Tobago is not an international financial sector (“IFC”) or off-shore location; or an arms or weapons manufacturing economy; and has no industrial capability to produce military items. Trinidad and Tobago does not mine or produce gold and any other precious stones and metals. There is no evidence to suggest that the financial and DNFBP sectors are involved in financing proliferation activities. Sanctions checks of the Companies Registry does not indicate that DPRK designated persons have established corporate entities in Trinidad and Tobago. There is no history of any sanctioned individuals entering the country.

Financial institutions offering cross-border and trade financing services have adopted a zero-tolerance approach to the DPRK (and Iran), and review of the transaction flows between 2021 to 2024 did not identify any funds transferred to/or from DPRK.

While not an IFC, Trinidad and Tobago is of regional importance, due to the financial interconnectedness of a number of domestic financial institutions that are part of financial groups with regional (and international) footprints. As such, its exposure to financial systems which may be exposed to jurisdictions of proliferation concern, poses PF risk. Financial institutions are vulnerable to the potential breach of non-implementation of TFS obligations by

not being able to identify illicit PF transactions or methods that could be used to facilitate PF on behalf of designated persons. This can be attributed to the fact the DPRK uses nesting and layering mechanisms through intermediaries and non-state proliferation countries to evade sanctions and conduct PF activities. Furthermore, indirect actors who may not be placed on the UN sanctions list makes screening for PF using only third-party software a vulnerability.

There have been no PF-related investigations by the Trinidad and Tobago Police Service (“TTPS”) or intelligence and suspicious activity reports on PF activities. Similarly, there were no PF-related Mutual Legal Assistance (“MLAT”) requests during the review period.

This assessment suggests that existing controls, regulatory oversight, and risk mitigation measures are generally effective, however continued monitoring and targeted improvements remain essential to sustain this low risk profile. The following sections in this assessment explores the factors evaluated in greater detail.

#### **4.3 Assessment of Vulnerability of Exports and Border Controls Framework - Low**

Trinidad and Tobago maintains extensive trade connections with nearby islands such as Barbados, Grenada, and Jamaica, as well as with Central and South American nations. These regional ties while enhancing economic integration and fostering regional co-operation also pose challenges in terms of monitoring and regulating coastline activities such as Ship-to-Ship Transfer of cargoes (transshipment). Transshipment hubs often have vibrant informal economies characterized by informal trade networks and cash-based transactions. These casual channels may be exploited by proliferators to circumvent formal regulatory controls and conduct illicit transactions, including PF-related activities.

Notably the vessel registration process, if not adequately regulated or monitored, can become a vulnerable point for exploitation by those who seek to fund the spread of WMD and related technologies (PF actors). In jurisdictions where maritime laws are outdated or enforcement mechanisms are weak, these actors may take advantage of legal loopholes or administrative inefficiencies to register vessels under false pretenses or conceal the true ownership and purpose of the vessel.

#### *Control Measures*

In Trinidad and Tobago there are thirty (30) port facilities that enable international maritime traffic and have been deemed compliant with the International Ship and Port Facility Security Code, 1994. Vessel registration in Trinidad and Tobago is governed by the Shipping Act Chapter 50:10 and administered by the Maritime Services Division of the Ministry of Works and Transport. This process ensures that vessels operating in national waters are legally recognized and in compliance with safety standards and international maritime regulations.

The Maritime Services Division (MSD) and the Trinidad and Tobago Coast Guard<sup>13</sup> (TTCG) constantly monitor compliance with the security standards at the port facilities to ensure that there are suitable security arrangements at the ship/shore interface, on behalf of the State. This arm of the Government ensures ships entering the nation's ports are licensed and inspected to uphold compliance with national and international safety, security and anti-pollution standards.

### *Registration of Vessels*

The registration procedure for vessels is conducted in accordance to the following international conventions:

- ❖ The United Nations Convention on the Law of the Sea (UNCLOS), 1982;
- ❖ the Convention on Facilitation of International Maritime Traffic, (FAL), 1965 as amended; and
- ❖ the international best practice under the United Nations Convention on the Conditions for the Registration of Ships (UNCCROS), 1986.

### *Docking<sup>14</sup> Procedure*

Qualified and experienced officers of the MSD conducts robust surveillance and monitoring of ship arrivals, stay and departures. Dockings are screened against a maintained list of sanctioned persons<sup>15</sup> from which timely reports can be sent to the CED for analysis and action by Officers. Furthermore, MSD requires pre-notification of arrival information on the ship's particulars up to 72 hours before its processing. Arriving ships are processed through the TTBizLink system, launched in 2009 as an IT-based trade facilitation solution with an e-maritime services component with links to the national border control agencies that monitor the arrival, stay and

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<sup>13</sup> TTCG is the Designated Authority under the Shipping (ISPS) Regulations.

<sup>14</sup> The verb 'dock' shall be interpreted as the process for the arrival, stay and departure of ships.

<sup>15</sup> Sanctioned persons include persons, entities, bodies or vessels so designated.

departure of vessels for various specific reasons pertaining to their respective legislative and operational mandates..

Port State controls inspections of foreign registered ships visiting Trinidad and Tobago port facilities, focus more at this time on safety and security related to the ISPS Code and regulations and protection of the marine environment from ship generated pollution. Port State control inspections are also conducted when ships request approval for Ship-to-Ship Transfer of cargoes (Transshipment).

Coastal State control arrangements are also in place for ships transiting the waters of Trinidad and Tobago where the passage appears not to be innocent. Surveillance and monitoring at sea are carried out by various border control agencies including the MSD through the office of the Harbour Master, under the Archipelagic Waters and Exclusive Economic Zone Act.

Prior to 2023, there has been limited conduct of due diligence in respect of the aforementioned matters for the specific purposes of mitigating the security risk to Trinidad and Tobago and the region related to PF and the manufacture and proliferation of WMD. These exercises commenced in earnest after the stakeholder awareness initiative and preparation for the National Risk Assessment Survey. Notwithstanding, the robust procedure in place ensures that all vessels entering and exiting Trinidad and Tobago are accurately recognized, thus a rating of **Low** was awarded.

#### *4.1.1. Supply Chain Weaknesses in the Export Environment - Low*

Trinidad and Tobago's transshipment activities may involve the movement of dual-use goods, which have both civilian<sup>16</sup> and military applications. For example, Trinidad and Tobago's significant energy sector, particularly its oil and gas industry, may utilize dual-use technology and equipment. These resources could be targeted by proliferators seeking materials for WMD programs. Proliferators may seek to acquire or divert dual-use items for illicit purposes, such as constructing WMD or developing advanced military technologies.

#### *Control Measures*

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<sup>16</sup> Medical, manufacturing and oil and gas sectors

The Ministry of Trade and Industry and the Customs and Excise Division (CED) are the authorities responsible for trade regulation and enforcement in Trinidad and Tobago. The CED authorizes the delivery of cargo when all regulatory requirements are satisfied. Where an importer fails to meet a requirement, the CED has the authority to seize the shipment and pursue breaches.

#### *Permission to import and export dual-use goods*

The Pesticides and Toxic Chemicals Inspectorate (PTCI) of the Ministry of Health is responsible for identifying chemicals and products that are considered dual-use goods. These items when classified for importation purposes trigger an intervention through the Single Electronic Window for PTCI approval. PTCI issues permits and licences to importers when approval is granted and a record all importers of dual use goods is maintained.

#### *Training of CED Staff*

Customs Officers have attended training hosted by the World Customs Organization (“WCO”) in the United States of America and training to be WCO-certified in Strategic Trade Controls Enforcement (STCE). Following training at the WCO, a comprehensive report was submitted to the CED, the elements of which now form part of the Officer Basic training delivered to new recruits as well as awareness sessions with Field Officers.

Due to the low exposure of vessels to CoPC as well as the training of CED staff to identify dual-use goods in accordance with the STCE and the process in effect for permits/licences for importers and exporters to import or export dual-use goods, the risks from supply chain weaknesses was assessed as **Low**. Notwithstanding, it is recommended for the CED to publish and maintain a list of dual-use goods to foster public awareness.

#### *4.1.2. Presence of CoPC Nationals and Entities from CoPC - Low*

Nationals from COPCs residing in Trinidad and Tobago may gain access to domestic financial systems, enabling them to move funds covertly. The origin and designation of these transactions can be masked especially if the banking services are not equipped to detect or block sanctioned individuals. Additionally, nationals of CoPC may establish businesses that appear legitimate but are designed to procure restricted items and act as intermediaries.

### *Control Measures*

The Enforcement Unit of Immigration Division is the arm of the Ministry of Homeland Security that is responsible for upholding the Immigration Act Chapter 18:01, in instances where foreign nationals are found to be in breach of Immigration Regulations. Advanced Passenger Information System is generated and forwarded to the Immigration Division prior to the arrival of the flight. On arrival, all passengers are subject to an interview by an Immigration Officer and entry is facilitated given the adherence to immigration legislative requirements. The second schedule of this governing Act identifies DPRK as a country for which a visa is compulsory to enter Trinidad and Tobago for any purpose except bona-fide operating crew entering to join vessels. The Immigration Division has a Border Management System which comprises a Watch List Module. When the passport is presented, an alert will be generated if the visitor's name is flagged on the Watch List database and upon alert, a determination is made for entry/refusal or monitoring.

For the review period there were no persons from DPRK, Iran and Libya who were granted residency in Trinidad and Tobago. Overall, the number of nationals from CoPC residing in Trinidad and Tobago is negligible in comparison to the population resulting in an overall rating of **Low**. Notwithstanding, this underscores the importance of enhanced due diligence, sanctions list screening, inter-agency coordination and the monitoring of trade and financial flows.

## **4.2. PF Vulnerabilities in the DNFBP sector**

### *4.2.1. Dealers in high value goods such as gold and precious metals and stones*

The UN Security Council (UNSC) Panel of Experts<sup>17</sup> on the DPRK noted in 2023 that the partial border opening by the DPRK following the COVID-19 pandemic might increase the number of DPRK nationals couriering high-value items. The 2021 FATF Guidance also notes that precious stones and metal dealers provide an alternative method for UNSC designated individuals and entities to clandestinely move financial resources across international borders with UNSC designated individuals and entities engaging such dealers to transport gold and diamonds to obtain foreign exchanges to finance their transactions.

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<sup>17</sup> FATF Recommendation 7 suggests an implementation of Targeted Financial Sanctions to comply with the United Nations Security Council, who is responsible for imposing sanctions on DPRK since 2006, following their first nuclear test.

## *Control Measures*

### *Importation of raw precious materials*

Notably Trinidad and Tobago does not mine or produce gold and any other precious stones and metals but rather they are imported from jurisdictions such as Guyana and Suriname for manufacturing and resale purposes which occur mainly in the domestic market.

### *Authorization in Trinidad and Tobago*

Under the Exchange Control Act Chapter 79:50 (“ECA”), an entity in Trinidad and Tobago may be granted authorization to engage in transactions with gold<sup>18</sup> as an authorized dealer. No other person is permitted to buy, borrow, sell or lend gold in the country. The exportation of gold is prohibited except with the permission of the Central Bank. The Economic Sanctions (Implementation of United Nations Resolutions on the Democratic People’s Republic of Korea) Order, 2018, prohibits the direct or indirect export, sale, supply and transfer of luxury goods<sup>19</sup>.

### *Supervisory Authority*

Dealers in precious metals and stones (Jewelers) have been supervised for AML/CFT/CPF by the FIUTT for over ten (10) years and the level of PF risk awareness has varied over time. This is due to most Jewelers operating as solo Entrepreneurs, typically running small kiosks within shopping malls. Few established Jewelers are involved in the sale and exportation of manufactured (finished) products to foreign customers.

The Licensing of Dealers (Precious Metal<sup>20</sup> and Stones<sup>21</sup>) Chapter 84:06 requires a Jeweler to keep records of all sales, and empowers a police constable to enter and inspect these records. Therefore investigation into a specific Jeweler can be initiated following a prompt from either a SAR or request from a foreign LEA concerning that individual. Presently, there are no reports of suspicious activity or requests from LEAs on any licensed Jeweler in Trinidad and Tobago. Moreover, there have been no reports of travelers’ belongings being confiscated due to undeclared or declared high value items in their luggage while on route to CoPCs.

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<sup>18</sup> ‘Gold’ refers to gold coins and bullions.

<sup>19</sup> ‘Luxury Goods’ refer to jewelry with pearls, gems, precious and semi-precious stones (including diamonds, sapphires, rubies and emeralds) and jewelry of precious metal or of metal clad with precious metal.

<sup>20</sup> ‘Precious metals’ include bullion, platinum, gold and silver coins, and jewellery made from same.

<sup>21</sup> ‘Stones’ include diamonds, rubies and precious and semi-precious stones.

Due to the nature of jewelry businesses in Trinidad and Tobago and the aforementioned controls, the risk of travelers surreptitiously carrying items of high value<sup>22</sup> in their luggage with the intention to evade UNSC sanctions is assessed as **Low**.

#### *4.2.2. Trust and Company Service Providers (TCSPs) responsible for the creation of shell or front companies- Low*

The UNSC Panel of Experts on the DPRK indicated that TCSPs present a vulnerability in the implementation of financial sanctions, by allowing the DPRK to create front companies offshore in some financial centers, where the DPRK leverages the assistance of non-DPRK nationals and uses the companies to open and maintain bank accounts to move monies worldwide. The UNSC Panel of Experts also noted the DPRK's reliance on TCSPs to facilitate (both wittingly and unwittingly) its sanctions evasion activities.

In Trinidad and Tobago, most TCSPs primarily facilitate the company formation process but do not normally manage or control the companies they help incorporate. TCSPs' involvement is typically limited to the incorporation stage and the fulfilment of ongoing regulatory obligations. Moreover Trinidad and Tobago is not an offshore jurisdiction and is not an international financial center.

#### *Control Measures*

Financial institutions and DNFBPs (including TCSPs) in Trinidad and Tobago must comply with the ESOs. For corporate transparency and to reduce the risk of bad actors (including proliferators) misusing Companies, the Registrar Generals' Department (RGD) has amended the Companies Act, requiring companies in Trinidad and Tobago to collect and maintain adequate, accurate and up-to-date information on their beneficial owners, and to file such information with the RGD. This beneficial owner's register can be accessed by Competent Authorities. Additionally, upon registration and incorporation of non-profit companies and organisations, screenings are conducted on listed individuals and entities using the United Nations website by the Companies Registry. As at December 2024, the Office of the Registrar General reported that in Trinidad and Tobago there are no registered companies with ties to the DPRK and other CoPC<sup>23</sup>.

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<sup>22</sup> Items of high value include cash, gold and wildlife products.

<sup>23</sup> Other countries include Iran, Syria, Pakistan, Russia, Libya, Myanmar and Liaoning and Jilin regions of China.

The FIUTT is the AML/CFT/CPF Supervisory Authority for TCSPs. TCSPs are required to carry out CDD checks such as the identification and verification of the identities of their customers and customers' beneficial owners. As such, the FIUTT monitors TCSPs' compliance with the ESOs as part of its regular AML/CFT/CPF supervisory efforts and outreach and awareness sessions to raise TCSPs' risk awareness. TCSPs have put in place AML/CFT/CPF policies, procedures and controls and they are required to screen and report any designated sanction entity via the ESR form and STR/SAR to the FIUTT. The FIUTT continues to increase TCSPs' understanding of their CPF obligations and other compliance materials which provide guidance on PF red flag indicators and CPF obligations. Notably, the FIUTT and LEAs have not observed any involvement with TCSPs and the establishment of companies for the purpose of PF.

### **4.3. Proliferation Financing Vulnerabilities in the Financial Sector**

This assessment focused on the financial institutions that are more vulnerable to PF risk, either through the processing of cross-border payments or in providing trade finance services (letters of credit / collection items), i.e. the commercial banks and NBFIs who are authorized by the Central Bank as foreign exchange dealers; general insurers providing marine insurance; and money remitters who facilitate cross border remittances.

#### ***4.3.1. Assessment of Financial Products and Services with PF Exposure***

The assessment of the banking, general insurance and remittance sectors resulted in an overall vulnerability rating of **Medium**. There is no evidence to suggest that regulated financial institutions are involved in proliferation financing.

- ***Use of banks to facilitate payments/movement of funds via wire transfers - Medium***

The Companies (Amendment) Act, No. 6 of 2019 mandates that each company on the Register of Companies, disclose all of the beneficial owners holding an interest in the company.

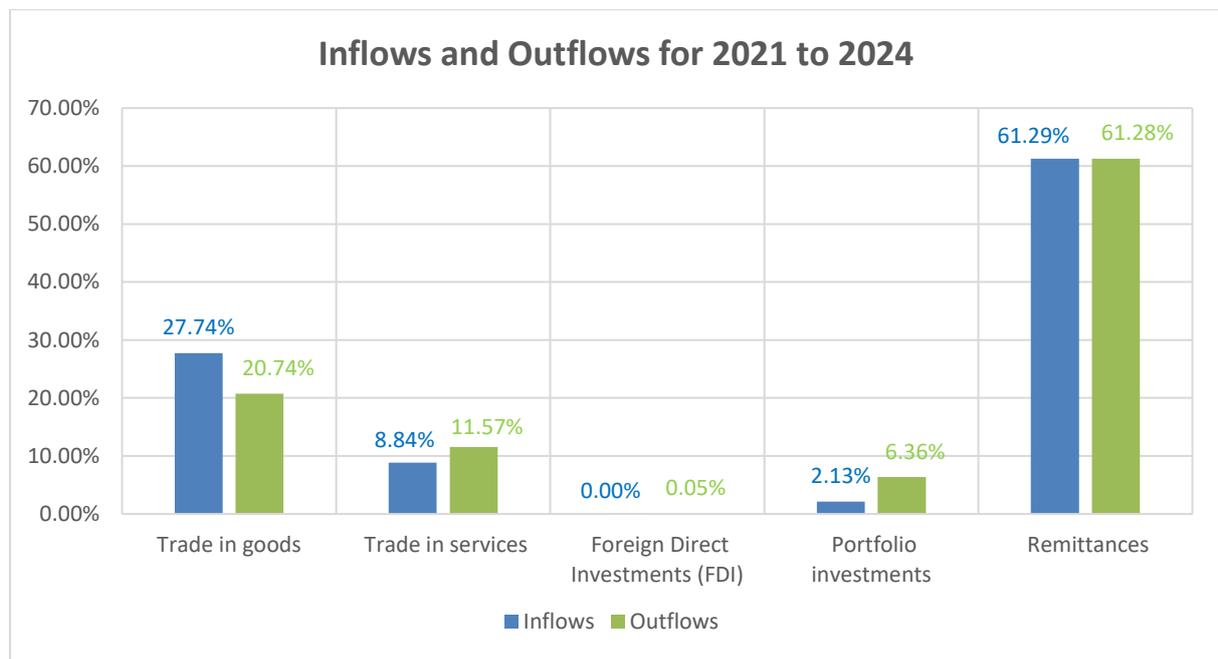
The DPRK and Iran do not have diplomatic missions nor representatives in Trinidad & Tobago. Further, in accordance with the Economic Sanctions Orders, financial institutions are prohibited from providing financial and/or other related services to a listed person or entity, facilitating the collection or provision of funds for use by a listed entity and acting on behalf of, at the direction of, or in association with a listed entity. This zero-tolerance approach is also

driven by market pressure imposed by the correspondent banking relationships <sup>24</sup> maintained by domestic banks. There have not been any cases where a financial institution was found to have a designated person or entity as a customer or conducted transactions with designated persons or entities, directly or indirectly.

Comparatively, the TF control measures implemented by financial institutions have had the desired outcome of identifying designated persons and reporting and freezing their assets, in accordance with the requirements of the ATA, indicating that the banks' TF mitigating strategies are effective.

As previously noted, only banks and NBFIs are authorized by the Central Bank to conduct wire transfers in Trinidad & Tobago. Therefore, cross-border payments made and receipts received by other financial institutions must be processed through a commercial bank. Cross-border wire transfers data indicate that outflows account for approximately 91% of total flows broken down as follows:

**Figure 1: Inflows and Outflows for 2021 to 2024**



In the context of trade finance, for the period of 2021 to 2024, the United States accounted for approximately 52.2% of total flows for the country, of which 61% were outflows. China recorded a total outflow value of TT\$7.17 billion (US\$1.05 billion), which accounted for

<sup>24</sup> CBRs provide a wide range of services including international wire transfers, cheque clearing and foreign exchange services)

1.48% of the total outflow for the four (4) year period. These jurisdictions are major trading partners of Trinidad and Tobago.

The Immigration Division of the Ministry of Homeland Security noted that there is an in-country population of persons from Barbados, India, St. Lucia, Singapore and Turkey in Trinidad & Tobago who may account for a portion of the remittances. Additionally, all the Caribbean jurisdictions with the exception of the British Virgin Islands are participating CARICOM countries that are part of the CARICOM Single Market and Economy (CSME) arrangement among the fourteen (14) CARICOM Member States for the creation of a single enlarged economic space through the removal of restrictions resulting in the free movement of goods, services, persons, capital and the Right of Establishment. The free movement of skills/labour under the CSME may also account for inflows and outflows reflected as remittances.

#### ***4.3.1.1. Use of Trade Finance Products - Low***

In Trinidad and Tobago, only customers of the commercial banks can access trade finance services and all related transactions pass through their bank account. The customers are subject to due diligence and transactional activity is monitored for unusual activity and screened against lists of designated persons and entities, and lists of sanctioned or high risk countries. Further, trade finance services are not widely offered by the commercial banks and represented approximately 1% of international flows.

Banks' employees, particularly those who are involved in the processing of wire transfers or those who are involved in trade finance transactions received specialized training related to PF, including the risks associated with dual-use goods.

#### ***4.3.1.2. Use of Remittances to send funds – Medium***

The money remittance sector comprises three (3) institutions with a combined asset size of approximately US\$11.1 million in 2024. Two (2) licensed money remitters<sup>25</sup> dominate the market and are authorized agents of international money remittance operators.

Approximately 99% of money remitters' transactions are cross-border, valued at over US\$184 million and US\$73 million in inflows and outflows, respectively, for the year 2024. This is a

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<sup>25</sup> MRSTL and GKTT are licensed to conduct business with MoneyGram International and Western Union respectively, and by the Central Bank to conduct currency conversion for international transfers.

notable decrease, from 2016 to 2020, where remittance inflows and outflows annually averaged US\$243 million and US\$168.5 million. Notwithstanding, the trend reflects a deceleration trending back to pre-pandemic levels, following the extraordinary spike experienced during the pandemic. This is consistent with trends across the Latin America and Caribbean (LAC) region (source Inter-American Development Bank report dated November 2024).

Trinidad & Tobago, all remittance transactions are person-to-person transfers, typically to and from family and friends. The identity and address of each customer is ascertained before sending or receiving remittances. The remittance companies have also implemented a zero-tolerance approach, and transfers are also screened against the lists of designated persons and entities and high risk countries including Iran and DPRK.

As at 2024, the money remittance sector accounted for less than 0.05% of the total financial sector assets<sup>26</sup>. The average cross-border remittance transaction size for 2024 was:

- ❖ For funds received: TT\$1,528 (US\$224.71); and
- ❖ For funds sent: TT\$3,210 (US\$472.06).

For 2024, the cross-border inflows in the remittance sector, the top contributing countries were United States, Canada and United Kingdom, while for cross-border outflows were primarily to the United States, Jamaica, and Guyana.

For 2024, the client demographic of the two (2) remittance companies indicated that high-risk clients accounted for 0.2% of the total client base. Additionally, on average 75.5% of money remitters customers are repeat customers. As aforementioned, Trinidad & Tobago has a small population of in-country residents from countries identified as higher risk for PF. these persons accounted for less than 1% of the T&T population<sup>27</sup>.

### ***Marine Insurance - Low***

In Trinidad & Tobago, marine cargo insurance primarily covers imports and exports for regional conglomerates, port to warehouse insurance coverage for cargo and goods in transit domestically, with a small book of business covering the import of machinery from outside the

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<sup>26</sup> Source: Central Bank of Trinidad & Tobago regulatory returns.

<sup>27</sup>Source:

[https://data.worldbank.org/indicator/SP.POP.TOTL?end=2023&locations=TT&most\\_recent\\_year\\_desc=false&start=1960](https://data.worldbank.org/indicator/SP.POP.TOTL?end=2023&locations=TT&most_recent_year_desc=false&start=1960) , T&T 2023 population is 1, 367, 510

region. Additionally, marine hull insurance is primarily provided for pleasure crafts/vessels with local and regional owners.

Marine insurance represents a small portion of the general insurance sector's business. As of December 2024, marine insurance accounted for less than 5% of the total general insurance gross written premium (GWP). Notably, one (1) general insurer accounted for approximately 63% of the sector's total Marine Insurance GWP, while seven (7) companies accounted for the remaining portion. Four (4) insurers cover neither international cargo imports nor exports. Six (6) insurers cover pleasure crafts with regional owners, of which four (4) of these also cover internationally. Considering the low risk exposure of the marine insurance industry, the nature of insurance coverage offered and the PF control measures implemented by insurance companies, the risk was assessed as Low.

#### ***4.3.1.3. Virtual Assets (VAs) and Virtual Asset Service Providers (VASPs) - High***

As at December 2024, VAs were not recognized as legal tender in Trinidad and Tobago, and Virtual Asset Service Providers were not regulated or supervised under existing laws. In the absence of VA/VASP regulatory framework and quantitative data, a conservative approach was adopted with an overall assessment of 'High' in respect of VA/VASP exposure to PF risk.

#### ***Subsequent Developments Post-PF Risk Assessment***

The risk assessment of the VA/VASP sector was completed in September 2025. The four (4) identified VASPs demonstrated nascent AML/CFT/CPF frameworks with the quality of mitigating measures assessed as 'Low'. As such, VAs and VASPs were assessed as having a 'high' level of vulnerability to ML/TF/PF risks.

The Virtual Assets and Virtual Service Providers Act 2025 ("VA/VASP Act 2025") was passed in November 2025, imposing a time-bound prohibition on commercial VASP activities expiring December 2026. The moratorium will allow the country sufficient time to develop an appropriate regulatory framework. The VA/VASP Act 2025 also introduced a Regulatory Sandbox framework during the prohibition period, allowing limited, supervised VASP activity which will assist with the development of a more comprehensive regulatory framework. This framework will aid *inter alia* with safeguarding the sector from PF risk.

The following is a summary of the ML/TF assessment ratings which are deemed relevant for PF purposes:

RISK ASSESSMENT SUMMARY	AS AT SEPTEMBER 2025
Overall ML/TF Threat Exposure	High
Overall ML/TF Vulnerability of Products & Services / Types of VA	Very High
ML/TF Risk Level <i>before</i> Mitigating Measures	High
Quality of ML/TF Mitigating Measures	Low Mitigation
ML/TF Risk Level <i>after</i> Mitigating Measures	High

#### ***4.3.2. Proliferation Financing Control Measures in the Financial Sector***

##### ***4.3.2.1. Analysis of non-implementation, potential breach or evasion of TFS for PF in the assessed financial sectors***

###### ***A. Legal and Regulatory Infrastructure***

Trinidad and Tobago’s AML/CFT regulatory framework complements the PF regime and includes *inter alia* requirements for the conduct of customer due diligence and identification and verification of beneficial owners, implementation of an AML/CFT/CPF Compliance Programme, recordkeeping, and suspicious transactions monitoring and reporting.

Trinidad and Tobago implements all financial sanctions as imposed by the UN and can also impose its own domestic financial sanctions based upon specific criteria and in certain circumstances. As noted, the ESA and the ESOs are the legal mechanisms implemented by Trinidad and Tobago to give effect to TFS, which include *inter alia*:

- That funds or assets are prevented from being made available by nationals to or for the benefit of designated entities or person unless licensed, authorised or otherwise notified in accordance with the relevant UNSCRs. The prohibitive provisions in Clauses 11 – 15 of the DPRK Order and Clauses 11 – 13 of the Iran Order respectively apply to listed entities. Clause 2 of the DPRK Order defines listed entity as including an individual or

entity on the 1718 List, while the Iran Order defines listed entity as an individual or entity on the 2231 List. These prohibitions (which include prohibitions against making property available to a listed entity, dealing with property owned or controlled by a listed entity, and provision of property to a listed entity) apply as soon as the UN adds an individual or entity to the 1718 or 2231 List respectively, and thus occur without delay and without prior notice. These prohibitions apply to all natural and legal persons including financial institutions, immediately restricting the ability of listed entities to deal with their property and denying them access to the financial system. These prohibitive provisions became applicable to all listed entities immediately upon the enactment of the Iran and DPRK Orders respectively and will also immediately apply to any other individual or entity subsequently added to the 1718 or 2231 Lists.

- Mechanisms for communicating designations to FIs and DNFBPs immediately and their obligation to take action under the freezing mechanism where the FI or DNFBP may be holding targeted funds or assets;
- For the submission of suspicious activity reports to the FIUTT by FIs and DNFBPs where a listed entity attempts to enter into a transaction or continue a business relationship;
- That FIs and DNFBPs report to competent authorities any action taken in compliance with the freezing obligation; and
- That failure to comply with the freezing obligation would be subject to civil, administrative or criminal sanctions.

Section 8 of the DPRK Order and the Iran Order respectively, provide for the Attorney General to circulate the list of listed entities to the financial institutions and listed businesses requesting information to be provided to the FIUTT on whether the listed entities have property in Trinidad and Tobago.

The FIUTT immediately upon receiving the Notice and list of listed entities (UNSCR 1718 and 2231) informs all compliance officers of financial institutions and listed business via emails of their obligations to immediately freeze any transaction and report to the FIUTT on a prescribed form. Notices to financial institutions and listed businesses regarding the High Court orders and their obligations are also circulated by the AGLA's website (<https://agla.gov.tt>) and social

media. Information published on the Ministry's website is not only for FIs and LBs but for the general public.

Further, the FIUTT has published on its website ([www.fiu.gov.tt](http://www.fiu.gov.tt)) Guidance Notes to assist FIs and LBs in understanding their obligations to freeze property and immediately report to the FIUTT on the prescribed form any listed entity suspected to have property with the FI or LB or attempting to conduct any transaction. The FIUTT continues to update the Guidance Note to provide better guidance and clarification on said obligations of FIs and LBs. Information published on the FIUTT's website is not only for FIs and LBs but for the general public.

Additionally, both the DPRK and Iran Orders, contain both lists of listed entities, the prescribed report form, the STR/SAR form and links to the UNSC sanctioned material lists (UNSCR 1718 and 2231) were emailed to all compliance officers of FIs and LBs.

The Attorney General has also published guidance on rights and responsibilities under the Iran and DPRK Orders on the AGLA website and through social media platforms. Guidance on financial sanctions in Trinidad and Tobago was published to guide members of the public in understanding their obligations, enforcement and effect of financial sanctions under international law and the legislative framework in Trinidad and Tobago. On March 25, 2022, the UNSC extended the mandate of the Expert Panel Overseeing Sanctions against Democratic People's Republic of Korea until 30 April 2023 and this was conveyed to all regulators via the ATU together with the relevant legal notices.

#### *B. Supervisory Oversight*

The Central Bank of Trinidad & Tobago has the responsibility for monitoring the banks, insurers and the remittance companies licensed to do currency conversion for compliance with AML/CFT/CPF regulatory requirements. The Central Bank has adopted a risk based supervisory framework and executes its supervisory mandate through off-site monitoring and risk based on-site examinations.

The Central Bank has issued Guidelines, Supervisory Policies and Circulars to guide the compliance efforts of licensed financial institutions including *inter alia*:

- AML/CFT Guideline: [https://www.central-bank.org.tt/sites/default/files/page-file-uploads/AML\\_CFT%20Guideline%20Final-April%2013%202018\\_0.pdf](https://www.central-bank.org.tt/sites/default/files/page-file-uploads/AML_CFT%20Guideline%20Final-April%2013%202018_0.pdf)

- Risk Based AML Supervision Policy: [https://www.central-bank.org.tt/sites/default/files/page-file-uploads/aml-cft-risk-based-supervisory-framework-jan-2020\\_0.pdf](https://www.central-bank.org.tt/sites/default/files/page-file-uploads/aml-cft-risk-based-supervisory-framework-jan-2020_0.pdf)
- Supervisory Ladder of Intervention Policy: <https://www.central-bank.org.tt/sites/default/files/page-file-uploads/supervisory-ladder-of-intervention-policy-202200606.pdf>

The Central Bank has a wide range of discretionary, dissuasive and proportionate intervention powers to secure compliance in accordance with its ladder of intervention policy. These include requiring remedial action through formal recommendations, to meetings with the Board of Directors of the institution and the Chairman of the Audit Committees, to issuing warning letters and applying stricter enforcement measures such as:

- issuing compliance directions, requiring the financial institution to cease and desist or to take certain actions;
- imposing administrative fines;
- removing or replacing senior officers, directors, and substantial and controlling shareholders or restricting their powers;
- suspension, restriction, variation or withdrawal of a licence or registration;
- pursuing civil or criminal court action; and
- seeking other injunctive relief.

Additionally, the Central Bank has established a multilateral memorandum of understanding with the FIUTT and the TTSEC, with established protocols for *inter alia* sharing information on dual registrants and for cooperating on AML/CFT/CPF matters. In this regard, as part of the 2023 TFS review, the Central Bank, the Anti-Terrorism Unit of the Office of the Attorney General and the FIUTT ran a simulation exercise to test the responsiveness of the institutions' to screen without delay, the updated lists of designated persons when notified by the FIUTT.

#### ***4.3.2.2. Operational and Other Control Measures - Medium***

##### ***A. AML Policies/ Compliance Programme***

In August 2020, the Central Bank conducted a thematic targeted financial sanctions (“TFS”) examination of the eight (8) commercial banks. In August 2021, the Central Bank published the thematic report which outlined the key findings of the 2020 desk based thematic review.

The findings and recommendations for remedial action were shared with the respective institutions and the banks have since submitted revised policies and procedures addressing the deficiencies.

#### **B. Effectiveness of Sanctions Screening Systems**

Financial institutions have implemented processes to screen against the UN lists on the DPRK, and WMD related lists of other jurisdictions. Screening against sanctioned persons/entities/countries occurs at account opening and subsequent batch screening of the client database that is completed on varying frequency (either daily, weekly, or monthly basis) and all are required to screen client names when the FIUTT notifies of updates to the designated lists.

A follow-up cross-sector thematic TFS review was conducted in August 2023 of thirty (30) financial institutions, which included the banks and non-banks, general insurers and the remittance companies. Generally commercial banks' screening systems were found to be fairly effective with an average match percent of 97.5% for Iran and DPRK related names on the OFAC and UNSC lists for the control (exact names on sanctioned lists) test and 90% for the manipulated test. Subsequent to the thematic review, institutions were directed to take remedial action and provide status updates to the Central Bank. Updates received to date indicates that the institutions are implementing the Bank's recommendations, including *inter alia* conducting model validation reviews to assess the screening parameters.

#### **4.3.3. Assessment of the Securities Sector - Low**

Trinidad and Tobago's securities market is regulated by the Trinidad and Tobago Securities and Exchange Commission, which is also the designated AML/CFT/CPF Supervisor. The sector is predominantly domestic with few regional listings on the Trinidad and Tobago Stock Exchange. Accounts of investors held by Broker Dealers are tied to bank accounts where deposits and depositors are subjected to due diligence. The opening of brokerage accounts and securities transactions conducted by these investors are further subjected to due diligence by the broker dealers registered with the TTSEC.

The TTSEC collaborates and coordinates its regulatory activities with the other Supervisory Authorities, the Central Bank and FIUTT, and participated in the working group in the PF National Risk Assessment. TTSEC also provides PF guidance to its sector by reissuing to Compliance Officers (via electronic mail) FIUTT notifications of new listings or any changes to the Sanctions List, as well as posting on the Commission's website. TTSEC also uses

Outreach Sessions to sensitize its registrants to developments or any areas of relevant guidance. Act No. 1 of 2024 amended the Securities the Act to include provisions for registrants' submission of beneficial ownership information (for entities that are listed on the Stock Exchange) requiring the identification of beneficial owners and retention of relevant records, and conduct of on/off-site reviews to verify registrants' compliance.

To ensure its registrants' compliance with TFS screening requirements, TTSEC conducted a Sanctions Screening Thematic Review. This review, which was conducted by a third-party vendor using sup-tech, tested registrants' manual and automated sanctions screening systems and reviewed results. Registrants were informed of test results and appropriate remedial actions were recommended. TTSEC is currently monitoring the results post the review to confirm that recommendations were implemented.

Considering the above, proliferation financing risk is viewed as **low**.

## 5. OVERALL FINDINGS

Trinidad and Tobago's overall vulnerability to PF risk was assessed as "**Low**".

Trinidad and Tobago is not an international financial sector ("IFC") or off-shore location; or an arms or weapons manufacturing economy; and has no industrial capability to produce military items. Trinidad and Tobago does not mine or produce gold and any other precious stones and metals. There is no evidence to suggest that the financial and DNFBP sectors are involved in financing proliferation activities. Sanctions checks of the Companies Registry does not indicate that DPRK designated persons have established corporate entities in Trinidad and Tobago. There is no history of any sanctioned individuals entering the country.

Financial institutions offering cross-border and trade financing services have adopted a zero-tolerance approach to the DPRK (and Iran), and review of the transaction flows between 2021 to 2024 did not identify any funds transferred to/or from DPRK (or Iran). Additionally, the marine insurance sector represents less than 5% of the general insurance gross written premium ("GWP") and primarily covers retail and commercial imports and exports for regional conglomerates, domestic in transit port to warehouse insurance coverage for cargo and goods, with a small book of business covering the import of machinery from outside the region. Marine hull insurance is primarily provided for pleasure crafts/vessels with local and regional owners. There are no links between Trinidad and Tobago to financial institutions based in DPRK.

There have been no PF-related investigations by the Trinidad and Tobago Police Service (“TTPS”) or intelligence and suspicious activity reports on PF activities. Similarly, there were no PF-related Mutual Legal Assistance (“MLAT”) requests during the review period.

Notwithstanding the foregoing, whilst there may be no direct or overt PF links, Trinidad and Tobago’s geographical location as the southernmost Caribbean Island with transit hubs to North, Central, and South America as well as Europe and beyond, the country can be targeted by PF actors to move dual-use goods and proliferation-sensitive exports from one location to another.

Further, while not an IFC, Trinidad and Tobago is of regional importance, due to the financial interconnectedness of a number of domestic financial institutions that are part of financial groups with a regional (and international) footprint. As such, its exposure to financial systems which may be exposed to jurisdictions of proliferation concern, poses PF risk. Financial institutions are vulnerable to the potential breach of non-implementation of TFS obligations by not being able to identify illicit PF transactions or methods that could be used to facilitate PF on behalf of designated persons. This can be attributed to the fact the DPRK uses nesting and layering mechanisms through intermediaries and non-state proliferation countries to evade sanctions and conduct PF activities. Furthermore, indirect actors who may not be placed on the UN sanctions list makes screening for PF using only third-party software a vulnerability.

Emerging DPRK PF activities namely, cybercrime and use of new technologies, such as virtual assets pose a threat to Trinidad and Tobago. The 2025 NRA identified that Cyber risk and fraud, have increased significantly in tandem with the rapid pace of technology, digitilisation of financial services and online payments. Identity verification, a key pillar of AML/CFT controls, will be more at risk due to the misuse of digital and AI technologies, underscoring the need for continued monitoring and vigilance by competent authorities and the sectors.

Given the absence of a regulatory framework for the sector as at September 2025, the VA/VASP NRA identified that the overall ML/TF threat exposure was ‘High’; the overall ML/TF vulnerability of VA products and services was ‘Very High’ and the quality of VASPs mitigating measures was ‘Low’. As such, legislative measures passed in November 2025 will introduce a time-bound prohibition on the VASP activities covered under the FATF. This is important to safeguard the sector from ML/TF/PF threats and mitigating the PF risk.

While there have not been any PF-related investigations, should such arise, a lack of PF intelligence and limited specialist experience by analysts, investigators and prosecutors in dealing with illicit PF activity poses a challenge to investigations and ultimately prosecution.

## **6. RECOMMENDATIONS**

This assessment suggests that existing controls, regulatory oversight, and risk mitigation measures are generally effective, however continued monitoring and targeted improvements remain essential to sustain this low risk profile.

### *National Recommendations*

#### *1. Strengthening Inter-Agency Capacity and Coordination on PF Matters*

Ensure that the relevant competent authorities and law enforcement agencies are:

- a. adequately trained on an ongoing basis on with regard to identification, investigation and prosecution of PF and PF related activities;
- b. adequately resourced and equipped with the appropriate tools for effective identification, investigation and prosecution of PF and PF related activities.

As such, a recommendation was put forward to include PF within the mandate of Task Force Charlie (“TFC”) and institute the Maritime Services Division and the Customs and Excise Division as members. The matter was subsequently raised at the NAMLC and was agreed with no objections.

#### *2. Implement systems to collect, maintain and analyze data to ensure ongoing understanding and mitigation of PF risk by competent authorities*

#### *3. Finalise and implement the legislative, regulatory and operational frameworks for the regulation of VASPs*

#### *4. Advancement of the Shipping Bill 2020*

A comprehensive upgrade of the legislative and administrative frameworks governing shipping is needed, including the urgent passage of the Shipping Bill 2020 and related regulations to enhance ship registration, vessel traffic management system, and surveillance of arrivals and departures. This should be supported by improved and automated access to the ships’ registry and movement data for relevant border control agencies to strengthen oversight and enforcement capabilities

***5. Consideration for introduction of an authorization process to export precious metals and stones to strengthen regulatory controls***

***Sectoral Recommendations***

- 6.** Creation of a Maritime Authority to be staffed with qualified officers<sup>28</sup>.
- 7.** Implementation of a post clearance audit unit to scrutinise financial flows specifically related to strategic goods.
- 8.** Source guidance from World Customs Organisation (“WCO”) on PF-based typologies
- 9.** Publication of Government-issued reference lists of proliferation-sensitive goods, dual-use items, and high-risk jurisdictions to support financial institutions, exporters and regulators.
- 10.** All LEAs and relevant competent authorities to consider the findings of this report when developing their internal policies and procedures to combat PF; ensure they have documented policies, procedures and strategies to address PF related matters, and finalise any existing PF policies and strategic documents

***Technological***

- 11.** Digitilisation and automation of access to information on the Register as well as arrival and departure information by relevant border control agencies should be considered.
- 12.** Digitization of all related systems and the inclusion of vessel tracking technology for suspicious routing.

***Financial Sector and DNFBS***

- 13.** Provision of guidance from the Central Bank and other competent authorities such as the FIUTT and the Office of the Attorney General on PF red flag indicators, dual-use goods understanding and PF typologies.
- 14.** Central Bank to define data sets for in-depth collection of data on cross-border flows, focusing on the nature of goods involved in trade finance and the jurisdictions or counterparties participating in the transactions; greater detail of payment types categorized as “remittances” by banks, to improve transparency and risk identification. This data should be digitalized and readily accessible.
- 15.** Central Bank to conduct follow-up TFS thematic to ascertain the level of TFS compliance amongst its regulated sectors.

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<sup>28</sup> Chief Harbour Master, Harbour Officers and Assistant Harbour Officers

**16.** Banking, Insurance, Remittance and Securities sectors: Implementation of the action plans to address the findings of the 2023 TFS thematic review by financial institutions to further improve the effectiveness and efficiency of their sanctions screening systems.

**17.** All regulated sectors to:

- a. conduct and document institutional PF risk assessments which should also account for PF risk;
- b. develop/update and maintain PF policies and procedures based on findings of this PF assessment and the institutional PF assessments, and ensure all staff are familiar with these policies and procedures

### ANNEX I- Rationale for determining the Countries of Proliferation Concern (COPCs)

For the purpose of this report, the DPRK, China (Liaoning and Jilin regions), Russia, Syria, and Pakistan are considered Countries of Proliferation Concern (CoPC) for the following reasons:

1. **Nuclear Programs:** These countries possess nuclear capabilities and have actively pursued the development and expansion of their nuclear arsenals. Concerns arise regarding the potential for these countries to transfer nuclear technology, materials, or expertise to other states or non-state actors seeking to acquire nuclear weapons illicitly.
2. **Dual-Use Technology Export:** The DPRK, China, Russia, Syria, and Pakistan have advanced industrial and technological capabilities, including areas with dual-use applications<sup>29</sup>. There have been instances where these countries have exported dual-use technologies that could contribute to WMD proliferation.
3. **Chemical and Biological Weapons:** Russia has been accused of using chemical weapons for targeting individuals as evidenced by the Skripal case in the UK and the Navalny case, raising concerns about its possession and potential proliferation of such weapons. While Syria, China, Russia, and Pakistan are parties to the Chemical Weapons Convention (“CWC”), there have been concerns about their compliance and the potential for dual-use chemicals or technologies to be diverted for illicit purposes. Further, Pakistan, as a signatory to the CWC, has enacted national legislation to fulfill its CWC obligations, which includes criminalizing the unauthorized transport or transfer of chemical weapons and their precursors.
4. **Missile Proliferation:** The DPRK, China, Russia, Syria, and Pakistan have active missile programs and have been involved in the proliferation of missile technology to other countries. The transfer of ballistic missile technology raises concerns about the spread of delivery systems for WMDs.
5. **Limited Transparency and Regulatory Oversight:** Concerns persist about the transparency and effectiveness of export control measures and regulatory frameworks in these countries. Weaknesses in oversight and enforcement mechanisms may facilitate the illicit transfer of WMD-related materials or technologies.

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<sup>29</sup> Technologies that can have both civilian and military uses.

6. **Geopolitical Considerations:** The strategic interests and geopolitical dynamics involving these countries also contribute to concerns about proliferation. Their relationships with other countries, including those facing international sanctions or embargoes, raise the possibility of clandestine and overt cooperation in sensitive areas. Open-source reports indicate a high level of overt cooperation, highlighted by evidence of increased collaboration between Russia and the DPRK, involving the supply of ballistic missiles and troops to support Russia in the Ukraine conflict<sup>30</sup>. The Russian invasion of Ukraine in 2014 and 2022, plus the United States' withdrawal from the Joint Comprehensive Plan of Action (JCPOA), also opened the opportunity for increased cooperation between Russia and Iran. In 2023, Iran signed a new bilateral trade agreement with the Russian-led Eurasian Economic Union with the intent of entering into a new arms deal with Russia for more military and technological cooperation<sup>31</sup>.
7. **Transshipment Hub/Transit Countries:** Global shipping lines use Chinese routes on a frequent basis for the movement of goods. High traffic shipping routes would increase the risk associated with actors seeking proliferation financing opportunities.

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<sup>30</sup> <https://www.rusi.org/explore-our-research/publications/commentary/brothers-arms-assessing-north-koreas-contribution-russias-war-ukraine>; <https://www.cfr.org/article/how-north-korea-has-bolstered-russias-war-ukraine>

<sup>31</sup> <https://orionpolicy.org/iran-russia-military-technology-collaboration/>

**ANNEX II- Good and Poor Practices identified from the Central Bank’s Thematic TFS Review**

Examples of good practice	Examples of poor practice
<b>Screening of customers</b>	
Screening new customers against multiple sanctions list.	Reliance on exact name matching only, which excluded variations and led to missed alerts.
Ensuring the TTC list updates are shared with relevant departments.	Inconsistent application of updated sanction lists across business units.
Periodic validation of vendor lists to ensure that they are up-to-date and accurate.	Limited screening of natural persons associated with legal persons and arrangements.
Screening all natural persons including beneficial owners of legal persons and arrangements.	
<b>Screening of lists</b>	
Re-screening of existing customers when notified of changes/additions to lists.	Lack of documented periodic reviews or assessments
Periodic analysis of systems to determine if parameters require fine-tuning.	Outdated or incomplete sanction list updates.
Regular updates to sanction lists and policies.	Over-reliance on vendors for updating lists in screening systems without periodic independent reviews.
Tailored training for business units with high PF exposure	
<b>Screening of transactions</b>	
Ensuring sender and beneficiary details are screened as both individuals and organizations.	Having weak configurations, which leads to the pre-existing systems producing excessive false positives.
Implementing batch file screening solutions for higher accuracy and efficiency.	Poor data handling (e.g. incomplete or misclassified fields in transaction files).
<b>Fuzzy matching arrangements</b>	
Adopting batch-screening solutions to strengthen transaction screening.	Reliance on narrow fuzzy matching threshold leading to blow benchmark performance.
Recalibrating fuzzy logic to improve accuracy and reduce false negatives.	
Implementing advanced fuzzy logic and multiple field searched to strengthen detection.	

**ANNEX III- FATF's List of Typologies for PF and Sanctions Evasion Schemes**

<b>TYPOLGY</b>	<b>SUB-CATEGORIES</b>
1. Use of intermediaries to evade sanctions	Front and Shell Companies Transit through Third Countries Bank Accounts and Financing
2. Obscuring beneficial ownership information (“BOI”) to access the financial system	Third-party Facilitators Supporting Financial Access Networks of Unlicensed Financial Facilitators Using Different Types of Legal Persons Exploitation of Credit and Debit Cards by the DPRK
3. Using virtual assets and other technologies	Regulatory Challenges Using Virtual Assets to Move Funds Virtual Assets and Generation of Funds Foreign Entities and Individuals supporting DPRK IT Workers
4. Exploiting the maritime and shipping sector	Altering Vessel ID Ship-to-ship transfers Disabling AIS Broadcast Falsifying documents