

Prevention of Money Laundering and Terrorist Financing

Executive Decree 947, 5th December 2014, reorganises the Financial Analysis Unit for the Prevention of Money Laundering and Terrorist Financing, in order to align it with international standards. These include the establishment of national financial-intelligence units to receive and analyse reports on suspicious transactions.

The decree establishes the Financial Analysis Unit (Unidad de Analisis Financiera or UAF) as a state security body, under the umbrella of the Ministry of the Presidency. The amendments to its duties are mostly related more to their form than their content. These duties include:

Providing Financial Intelligence Report to the public administration when an investigation should be started. This used to be the duty of the National Public Prosecutor's Office.

Carrying out strategic analyses to determine patterns, risks and types of behaviour related to money laundering. This must be shared with the supervision and control bodies, the public administration and the national police.

Keep statistics on movements of cash and quasi-cash and on suspicious transactions.

Organisation and conservation of the files obtained in the performance of its duties.

Represent the state at the Financial Action Group and assist the financial and non-financial regulators.

Share financial intelligence information with similar security bodies abroad is maintained. The decree now adds that information may also be shared with jurisdictions that do not have specific agreements with Panama, provided they belong to the Egmont Group.

The regulation is focused on restructuring the administrative management of the UAF. It includes the requirements that the Director and Deputy Director must meet to qualify them for their positions, and some modification to their duties. It establishes that the unit must work closely with the High-Level Presidential Committee for the Prevention of Money Laundering and Terrorist Financing and tasks it with the actions agreed by the international bodies to which Panama belongs.

Previously this Committee only acted as an advisory service for the Republic's president. It was reorganised under Executive Decree 948, 5th December 2014.

Having a legal framework in line with international standards strengthens the financial sector. It helps to improve the country's image and performance with respect to preventing money laundering and the financing of terrorism. It should keep Panama off the list of non-cooperative jurisdictions.