

Dear Members of the Board

Our financial year closed on 31 March, but that annual milestone flashed by in the blur of the enormous amount of work undertaken by the Board and the Supervisor in the past year. The full detail is set out in the Report to the Minister and in the newsletter published today along with this letter. However, it would be no exaggeration to say that 2017/2018 has been a momentous year for the AML/ATF Board. The most comprehensive overhaul in a generation of the governing legislation for the legal and accounting professions is underway. The entire supervisory framework for monitoring firms in respect of ML/TF risk has changed from a compliance basis to a risk-based approach. Hundreds of hours were spent on submissions for the National Risk Assessment and for the CFATF Mutual Evaluation. The funding and staff of the Board has been significantly increased, in particular with the addition of an Assistant Supervisor and with technical staff coming on full-time. All our systems have in some way changed.

None of this could have been achieved without the dedication of our Board members, our Supervisor and our Technical Officer. Working overtime to hard deadlines was the norm. And in addition to this, our Board was able to make its own small contribution to Bermuda's good governance, helping with NAMLC research projects and preparing public presentational materials. We have much to be proud of.

I owe a thank you to you all for your support and encouragement in what was, in fact, my first year of office as Chairman – indeed of membership of the Board. But I would like to mention in particular James Jardine and Kim Wilson, without whom it would have been impossible for me to discharge my duties. We are fortunate to be able to draw on their breadth of experience.

In the coming months, the Board still has much work to do in preparing for the onsite visits from the CFATF assessors, with Town Hall meetings to organize and individual training sessions with regulated professional firms to conduct. We are fortunate as a supervisory authority to have such a constructive and co-operative relationship with our supervised entities, whose responsible officers show a welcome readiness to participate in protecting Bermuda from financial crime and to upholding our good reputation. We shall succeed together.

Yours sincerely,

Warren Cabral

21 June 2018