

The Marshall Islands Corporate Registry

Compliance Update

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD)

The Republic of the Marshall Islands (RMI) received a rating of “largely compliant” on 12 November 2019 following its second round review against the 2016 Terms of Reference, which analyzed the implementation of the international standard of transparency and exchange of information on request. Panama’s second round review was adopted at the same time, and they received a rating of “partially compliant.” Liberia also received a rating of “partially compliant” on 6 April 2020. Liberia had not been evaluated since 2012 because the country fell below the poverty index and faced challenges from an Ebola outbreak.

FINANCIAL ACTION TASK FORCE (FATF)

The RMI was put on regular follow-up after its 2011 evaluation. For reference, regular follow-up is the highest rating achievable. The RMI is currently being evaluated against the new FATF standards, with its report to be adopted in 2024. Several countries have already been evaluated under

the new standards, and a number of those jurisdictions were evaluated as having strategic deficiencies regarding anti-money laundering activities and in combatting the financing of terrorism. Both Liberia¹ and Panama have been listed as jurisdictions with strategic deficiencies.

EUROPEAN UNION (EU)

The RMI is currently whitelisted by the EU for enforcement of its economic substance regulations. It is important to note that Liberia has not yet been evaluated by the EU. When Liberia is evaluated, it will be held to the same standards and will also be required to implement economic substance regulations before it is evaluated to be in compliance with EU standards. Panama was placed on the EU blacklist on 18 February 2020.

¹ IMF Country Report no. 19/381 and FATF-style regional body, Inter Governmental Action Group Against Money Laundering in West Africa (GIABA) here, www.giaba.org/member-states/liberia.html, states, “. . . it would be logical to conclude that Liberia is the most backward in AML/CFT efforts and may present the highest risks and vulnerabilities for ML and TF in the region.”

Jurisdiction Comparison

| | OECD | | FATF | | EU |
|-------------------------|---|---------------------------------------|---|---|---------------------------------|
| | non-compliant <i>partially compliant</i> | compliant <i>largely compliant</i> | non-compliant <i>strategic deficiencies or expedited or enhanced follow-up</i> | compliant <i>regular or biannual follow-up</i> | compliant <i>whitelisted</i> |
| MARSHALL ISLANDS | | ✓ | | ✓ | Yes |
| BRITISH VIRGIN ISLANDS | x | | | ✓ | No |
| SEYCHELLES | x | | x | | No |
| PANAMA | x | | | ✓ | No |
| LIBERIA | x | | x | | No |

as of 20 February 2024

