

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. It will undergo its next evaluation in the first quarter of 2021, with its report to be adopted in 2021. 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 the Bahamas and Panama have been listed as jurisdictions with strategic deficiencies.

EUROPEAN UNION (EU)

The RMI is currently whitelisted by the EU after being removed from the EU blacklist of non-cooperative jurisdictions for tax purposes on 14 November 2019. This is due in part to the economic substance regulations that the RMI implemented. 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.

JURISDICTION COMPARISON

	OECD		FATF		EU
	non-compliant <i>partially compliant</i>	compliant <i>largely compliant</i>	non-compliant <i>strategic deficiencies or expedited follow-up*</i>	compliant <i>regular follow-up</i>	white list
MARSHALL ISLANDS	-	x	-	x	Yes
PANAMA	x	-	x	-	No
LIBERIA	x	-	x	-	No

* 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.”

as of 20 July 2020

