

# Guam

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RISK & COMPLIANCE REPORT

DATE: March 2018

**Executive Summary - Guam**

<b>Sanctions:</b>	None
<b>FAFT list of AML Deficient Countries</b>	No
<b>Higher Risk Areas:</b>	Not on EU White list equivalent jurisdictions EU Tax Blacklist
<b>Medium Risk Areas:</b>	Compliance with FATF 40 + 9 Recommendations (no evaluation completed)

**Major Investment Areas:**

**Agriculture - products:**

fruits, copra, vegetables; eggs, pork, poultry, beef

**Industries:**

national defense, tourism, construction, transshipment services, concrete products, printing and publishing, food processing, textiles

**Exports - commodities:**

transshipments of refined petroleum products, construction materials, fish, food and beverage products

**Imports - commodities:**

petroleum and petroleum products, food, manufactured goods

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## Section 1 - Background

Spain ceded Guam to the US in 1898. Captured by the Japanese in 1941, it was retaken by the US three years later. The military installation on the island is one of the most strategically important US bases in the Pacific.



## Section 2 - Anti – Money Laundering / Terrorist Financing

### FATF status

Guam is not on the FATF List of Countries that have been identified as having strategic AML deficiencies

### Compliance with FATF Recommendations

Guam has not yet undertaken a Mutual Evaluation relating to the implementation of anti-money laundering and counter-terrorist financing standards.

### EU Tax Blacklist

Guam does not apply any automatic exchange of financial information, has not signed and ratified, including through the jurisdiction they are dependent on, the OECD Multilateral Convention on Mutual Administrative Assistance as amended, does not apply the BEPS minimum standards and did not commit to addressing these issues by 31 December 2018.

### EU White list of Equivalent Jurisdictions

Guam is not currently on the EU White list of Equivalent Jurisdictions

### World Governance indicators

[To view historic Governance Indicators Ctrl + Click here and then select country](#)

### Failed States Index

[To view Failed States Index Ctrl + Click here](#)

### Offshore Financial Centre

Guam is not considered to be an Offshore Financial Centre

### **US State Dept Trafficking in Persons Report 2012:**

The territory of Guam is a source and destination location for men, women, and children subjected to forced labor and sex trafficking. During the reporting period, there were no new reported human trafficking cases. With local and federal partners, the U.S. Attorney's Office held a two-day Pacific regional conference on trafficking in persons, which was the first of its kind. Since then, the U.S. Attorney's Office has sponsored additional human trafficking and immigration related training to community stakeholders. The first civil rights conference, which included human rights training, was also held in Guam. Sentencing and forfeiture proceedings are pending for a 69-year-old Guam bar owner who was convicted in the previous reporting period for conspiracy, sex trafficking, and coercion and enticement to travel for purposes related to prostitution, for a scheme to force young women and one minor girl into prostitution at his bar. Current Weaknesses in Government Legislation (2013 INCRS Comparative Tables):

## International Sanctions

None Applicable

## Bribery & Corruption

Index	Rating (100-Good / 0-Bad)
Transparency International Corruption Index	N/A
World Governance Indicator – Control of Corruption	88



### Section 3 - Economy

US national defence spending is the main driver of Guam's economy, followed by tourism and other services. Total federal spending (defence and non-defence) amounted to \$1.973 billion in 2014, or 40.4% of GDP. Service exports, mainly spending by foreign tourists while on Guam, amounted to \$651 million in 2013, or 13.3% of GDP. In 2013, Guam's economy grew 0.6%. Despite slow growth, Guam's economy has been stable over the last decade. National defence spending cushions the island's economy against fluctuations in tourism. Guam serves as a forward US base for the Western Pacific and is home to thousands of American military personnel. Federal grants amounted to \$373.3 million in 2013, or 32.6% of Guam's total revenues for the fiscal year.

#### **Agriculture - products:**

fruits, copra, vegetables; eggs, pork, poultry, beef

#### **Industries:**

national defence, tourism, construction, transshipment services, concrete products, printing and publishing, food processing, textiles

#### **Exports - commodities:**

transshipments of refined petroleum products, construction materials, fish, foodstuffs and beverages

#### **Imports - commodities:**

petroleum and petroleum products, food, manufactured goods

### Section 4 - Government

#### **Chiefs of State and Cabinet Members:**

For further information - <http://www.house.gov/representatives/>

#### **Legal system:**

Common law modeled on US system; US federal laws apply

#### **International organization participation:**

IOC, PIF (observer), SPC, UPU

## Methodology and Sources

### Section 1 - General Background Report and Map

(Source: [CIA World Factbook](#))

### Section 2 - Anti – Money Laundering / Terrorist Financing

	Lower Risk	Medium Risk	Higher Risk
<a href="#">FATF List of Countries identified with strategic AML deficiencies</a>	Not Listed	AML Deficient but Committed	High Risk
<a href="#">Compliance with FATF 40 + 9 recommendations</a>	>69% Compliant or Fully Compliant	35 – 69% Compliant or Fully Compliant	<35% Compliant or Fully Compliant
<a href="#">US Dept of State Money Laundering assessment (INCSR)</a>	Monitored	Concern	Primary Concern
<a href="#">INCSR - Weakness in Government Legislation</a>	<2	2-4	5-20
<a href="#">US Sec of State supporter of / Safe Haven for International Terrorism</a>	No	Safe Haven for Terrorism	State Supporter of Terrorism
<a href="#">EU White list equivalent jurisdictions</a>	Yes		No
<a href="#">International Sanctions UN Sanctions / US Sanctions / EU Sanctions</a>	None	Arab League / Other	UN , EU or US
<a href="#">Corruption Index (Transparency International) Control of corruption (WGI) Global Advice Network</a>	>69%	35 – 69%	<35%
<a href="#">World government Indicators (Average)</a>	>69%	35 – 69%	<35%
<a href="#">Failed States Index (Average)</a>	>69%	35 – 69%	<35%
<a href="#">Offshore Finance Centre</a>	No		Yes

### **Section 3 - Economy**

General Information on the current economic climate in the country and information on imports, exports, main industries and trading partners.

(Source: [CIA World Factbook](#))

### **Section 4 - Foreign Investment**

Information on the openness of foreign investment into the country and the foreign investment markets.

(Source: [US State Department](#))

### **Section 5 - Government**

Names of Government Ministers and general information on political matters.

(Source: [CIA World Factbook](#) / <https://www.cia.gov/library/publications/world-leaders-1/index.html>)

### **Section 6 - Tax**

Information on Tax Information Exchange Agreements entered into, Double Tax Agreements and Exchange Controls.

(Sources: [OECD Global Forum on Transparency and Exchange of Information for Tax Purposes](#) [PKF International](#))

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