ON THE TRAIL OF ILLICIT GOLD PROCEEDS: STRENGTHENING THE FIGHT AGAINST ILLEGAL MINING FINANCES
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ON THE TRAIL OF ILLICIT GOLD PROCEEDS: STRENGTHENING THE FIGHT AGAINST ILLEGAL MINING FINANCES

Guyana’s case
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<th>Description</th>
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<tr>
<td>AML/CFT</td>
<td>Anti-Money Laundering/Combating the Financing of Terrorism</td>
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<td>ASGM</td>
<td>Artisanal and Small Scale Gold Mining</td>
</tr>
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<td>CANU</td>
<td>Customs Anti-Narcotic Unit</td>
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<tr>
<td>CDD</td>
<td>Customer Due Diligence</td>
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<tr>
<td>CFATF</td>
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<td>EPA</td>
<td>Environmental Protection Agency</td>
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<td>FATF</td>
<td>Financial Action Task Force</td>
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<td>FIU</td>
<td>Financial Intelligence Unit</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GGB</td>
<td>Guyana Gold Board</td>
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<td>GGDMA</td>
<td>Guyana Gold and Diamond Miners Association</td>
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<td>GGGMC</td>
<td>Guyana Geology and Mines Commission</td>
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<td>GNBS</td>
<td>Guyana National Bureau of Statistics</td>
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<tr>
<td>GOG</td>
<td>Government of Guyana</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<td>KYC</td>
<td>Know Your Customer</td>
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<tr>
<td>ML/FT</td>
<td>Money Laundering/Financial Terrorism</td>
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<tr>
<td>MOU</td>
<td>Memorandum of Understanding</td>
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<td>NCC</td>
<td>National Coordinating Committee</td>
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<td>NRA</td>
<td>National Risk Assessment</td>
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<td>PTCCB</td>
<td>Pesticides and Toxic Chemicals Control Board</td>
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<td>SA</td>
<td>Supervisory Authority</td>
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<td>SOCU</td>
<td>Special Organized Crime Unit</td>
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<td>STR</td>
<td>Suspicious Transaction Report</td>
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PROLOGUES

Within the global economy, transnational organized crime (TOC) has established a nexus that extends its reach across borders and jurisdictions. The illicit proceeds from such crimes infiltrate legitimate sectors, corrupting economies and destabilizing societies, with far-reaching international impact. Among the industries most profoundly affected is the gold mining sector, where criminal enterprises are drawn by the valuable commodity and its continued global demand.

This report is part of the project “On the Trail of Illicit Gold Proceeds: Strengthening the Fight against Illegal Mining Finances.” It elaborates on Guyana’s efforts to combat the illicit finances of organized crime in the gold mining sector, exploring its history, red flags, typologies, and the deterrence mechanisms employed by criminal networks.

The consequences of transnational organized crime are extensive, penetrating every facet of the gold mining supply chain. From illegal extraction and smuggling in remote regions to the laundering of proceeds through sophisticated financial networks, criminals exploit regulatory loopholes and corruption to evade detection. These activities have global ramifications, exacerbating environmental degradation, fueling conflicts, and perpetuating human rights abuses in pursuit of profit.

In addition, legitimate miners face unfair competition and reduced market opportunities, while governments struggle to safeguard their economies against the corrosive effects of illicit financing. This underscores the urgent need for concerted international action to counter this threat.

With the evolution of Guyana’s extractive sector, institutions have also evolved, introducing new legal frameworks and technologies like drones and GPS for improved monitoring. However, criminal groups have seized opportunities for money laundering, prompting constant amendments to legislation to address their ingenuity.

Investigation and enforcement are crucial in the gold mining sector to ensure diligent due diligence. Training officers from a wider range of sectors, from mining to banking, immigration, and police, is essential to recognize red flags indicating potential criminal activity. While Guyana has shown proactive action, synergies among agencies must be reinforced with data and information at the forefront of the gold mining sector. In a world driven by artificial intelligence and globalization, information emerges as the new ‘gold.’
The Department Against Transnational Organized Crime of the Organization of American States (OAS-DTOC) provides valuable expertise and oversight in regulating the mining sector in Guyana and the broader region, combating illegal mining and related criminal practices.

The OAS DTOC is committed to combating the pervasiveness and power of illegal miners in Guyana. We anticipate that this report and subsequent activities with Guyanese counterparts will contribute to this overarching goal, in line with efforts to combat transnational organized crime across the Americas.

Gastón Schulmeister
Director
Department against Transnacional Organized Crime
Secretariat for Multidimensional Security
Organization of American States
On behalf of His Excellency, Dr. Irfaan Ally, President of the Cooperative Republic of Guyana and its citizens it is an honour to present remarks in support of Guyana’s case: “On the Trail of Illicit Gold Proceeds: Strengthening the Fight Against Illegal Mining Finances”.

Gold mining has played a significant role in Guyana’s history since the 19th century. The mining industry is one of the key pillars that has over the decades supported Guyana’s development and continues to support the growth of the economy. It is a part of our rich history; it is what makes us Guyana – the city of El Dorado.

The Ministry of Natural Resources, along with its sector agencies and officers equipped with a suite of institutional and legislative frameworks oversees approximately 45.8 million acres of public lands divided into six (6) Mining Districts. The vastness of the terrain coupled with the willingness of some to disregard the legal framework within which mining exists in Guyana has led to an ongoing struggle with unauthorised mining activities that pose significant environmental risks due to operations not being in keeping with the regulations. These challenges have seen the government working post-2020 at a multi-agency/inter-ministerial level to collaboratively educate miners, tighten enforcement, and address issues of mining infractions within the sector, particularly where there is the detrimental effects on local communities and by extension, the environment.

The far-reaching consequences of illegal mining in Guyana necessitate urgent action from the government and other stakeholders to protect both the environment and the well-being of its citizens. A position the Government of Guyana has taken seriously.

It is, therefore, imperative to reinforce collaboration and foster partnerships between the relevant authorities and institutions in Guyana, as well as with international stakeholders, to more effectively tackle the issue of illicit gold proceeds and curb illegal mining. It is towards this objective that Guyana has created a robust framework to combat illicit financial activities and preserve the integrity of the global gold supply chain.

Relatedly, Guyana prides itself on its international standing on environmental protection. Guyana has distinguished herself by becoming the leader in the World for having the largest pristine forests on planet Earth by amassing in excess of 19,000 Gigabytes of carbon emissions. Guyana’s intact forests cover about 85% of the country’s landmass. Our forests are regarded as one of the World’s giant air-conditioning helping to absorb immeasurable quantities of harmful greenhouse gases. 18.5 million hectares of trees to be exact- and Guyana has been sustainably managing those resources through the Low Carbon Development Strategy (LCDS) created more than a decade ago by the Dr. Bharrat Jagdeo (who was Guyana’s President then). The LCDS as a model is one that speaks to sustainability, livelihoods, sustainable job opportunities, sustainable agriculture and within the LCDS, we speak about renewable energy and transition to renewable energy.

We are one of the largest sellers of carbon credits on the international market. Guyana has found ways to earn for keeping the trees standing. In 2009, it signed a US$250 million with Norway; last year, American
oil company Hess (which is producing oil in Guyana’s prolific Stabroek Block) bought Guyana’s newly-accredited carbon credits for at least US$750 million. On the latter deal, the LCDS makes it clear that 15% of all monies earned must go to Indigenous communities, the custodians of the forests. Thus, with these internationally recognized credentials, Guyana would have demonstrated a commitment with respect to the environment through our LCDS.

We would never allow as a Government, to participate or turn a blind eye to a sector that would harm the environment through illegal mining or affect our international standing.

Therefore, in keeping with our environmental commitments and its nexus with the extractive sector, and signaling Guyana’s commitment to combat money laundering and illegal mining, we have signed on to all major international conventions and treaties concerning illegal mining and have very recently made numerous amendments to our Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) legislation, to ensure that it is modern and complete with an administrative structure in keeping with and emanating from the international AML/CFT regime. For example, the Government recently passed the Guyana Compliance Commission Act No. 14 of 2023. The powers and functions of the Commission are to maintain a general review of designated non-financial businesses or professions, non-profit organizations and non-bank financial institutions in order to ensure their compliance with the AML/CFT Act of Guyana.

Moreover, the amendments are replete with added definitions and oversight of what may be considered assets that can be utilized in money laundering, such as, crypto assets, digital assets, precious metals (including gold) and precious stones amongst numerous others.

In addition, Guyana is now qualified to join the Egmont Group following the passage of the amendment to the AML/CFT Act in the National Assembly in August 2022. This will now allow the Financial Intelligence Unit to collaborate with other FIUs globally in combating money laundering and countering the financing of terrorism. Also, Foreign Judgments (Reciprocal Enforcement) Act No. 9 of 2023 has been enacted to facilitate the recovery of payments against international companies if no local assets are available. This assists greatly in the recovery of the proceeds of corruption and any ill-gotten gains.

Finally, Guyana concluded its Sixth Round of Cycle Review for the Inter-American Convention against Corruption and its Follow-Up Mechanism (MESICIC) with an onsite visit from October 2nd to 6th, 2023 and this included the involvement of Civil Society, Private Sector entities and Public Sector agencies with members from the MESICIC team.

The Government of Guyana wishes to thank Mr. Gaston Schulmeister, Director of Department against Transnational Organized Crime, Organization of American States, Mr. John Grajales, Technical Specialist and Project Manager of the Department against Transnational Organized Crime and members of their team who have consistently engaged with the Government of Guyana and worked together with the Government of Guyana to find a roadmap of how to continue to develop our infrastructure to combat illegal mining and conclude this Report titled “On the Trail of Illicit Gold Proceeds: Strengthening the Fight Against Illegal
Guyana remains committed to this mandate and shall continue to enhance its legislative and regulatory structure to ensure effective and transparent management of the mining sector.

**Mr. Mohabir Anil Nandlall SC MP**
Minister of Legal Affairs and Attorney General of the Co-operative Republic of Guyana
Reminding one of tales of an elusive El Dorado, Guyana’s pre-independence history reflects its continuing legacy as a mineral-rich country with bauxite, diamonds, gold, loam, and encrusted stone among the primary minerals extracted. The history of gold mining in Guyana may be traced to its indigenous population but it was the 19th century that witnessed a surge in gold mining activity, driven by the discovery of significant deposits in the Guyanese interior. With future administrations actively encouraging the exploration and extraction of gold, this led to the establishment of mining camps and the influx of diverse communities seeking fortune. This era saw the emergence of large-scale operations, with hydraulic mining and dredging techniques transforming the industry and shaping the physical and social fabric of the now sovereign nation.

The following chapter sets out the background, brief history, and trajectory of the mining sector in Guyana.

CHAPTER 1: BACKGROUND AND CONTEXT IN THE MINING SECTOR

BRIEF HISTORY OF GOLD MINING IN GUYANA

The first active gold mine in Guyana was recorded as the Peters Mine deposit (located in the Cuyuni Mazaruni region), which was discovered in 1904, although, according to some versions, it was discovered in 1890. In any case, the Peters Mine was an early example of mining activity in the region, which continued into the mid-1960s. This early example may be reminiscent of other similar endeavors such as the Aremu Mine Quartz Reef, which was discovered and exploited from 1906-1911.

Those examples illustrate Guyana’s geological setting and territory, which is still being explored today. Guyana, along with neighboring Suriname, Venezuela, French Guiana, and northern Brazil, are home to the vast Guiana Shield, a geological phenomenon covering over 400,000 square kilometers. Thus, today Guyana’s mining territory is divided into six regions or districts; while some gold mining exists in all six districts, Potaro, Mazaruni, and Cuyuni report the highest concentrations of mining licenses. The

2 https://g2goldfields.com/projects/history/
3 https://www.aleriogold.com/puruni-project/
4 https://g2goldfields.com/projects/history/
5 https://www.reuniongold.com/guyana
concentration of deposits within those regions explains Guyana’s historical involvement in the extractive industry. In fact, the evolution of the historic Peters Mine is reminiscent of today’s Puruni Gold Project, which is located in Puruni (250km southwest of Georgetown) and is still prompting exploration surveys and mining permits.

As mining activities increased, so too did mining technology. Land and river dredges were introduced by Brazilian migrant miners, called *garimpeiros*, in the 1970s and 1980s; they accelerated the expansion of the sector but also increased deforestation. Achieving a balance between environmental conservation and extractive industries remains a national priority for the Government of Guyana, with initiatives and policies being implemented to pursue sustainable practices and ensure low-impact mining.\(^7\)

As we continue to trace the historical roots of gold mining in Guyana, we find that large-scale mining started in 1992 when the multinational company Cambior began to operate the Omai mine. During the operation period (1992-2005), 3.7 million ounces of gold were produced by Omai.\(^8\) Unfortunately, in August 1995, an environmental disaster occurred in the Omai River in Guyana, in which the walls of an earthen tailings pond, constructed to contain cyanide utilized in the gold-mining industry, were breached. More than 400 million gallons of cyanide material, heavy metals, and pollutants spilled into the Omai River and, subsequently into the Essequibo River,\(^9\) causing damage and long-lasting impacts for the Guyanese community. That disaster triggered concern to create more sophisticated environmental management in Guyana, as will be later detailed. In 2006, Iamgold bought Cambior.\(^10\) Other significant large-scale projects\(^11\) that evolved during this period include Aurora (Guyana Goldfields, now Zijin Mining), which remains active, and Toruparu (Aris Mining Corp), which is in evaluation and development plan stages.\(^12\)

**GROWTH, DECLINE AND PROJECTIONS OF GOLD MINING IN GUYANA**

The real growth in Guyanese mining began in the mid-2000s. Between 2001 and 2014, Guyana’s gold mining activity quadrupled, with active gold mining operations occupying 80,770 hectares in 2014.\(^13\) This

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8 [https://goldenshield.ca/projects/about-guyana/](https://goldenshield.ca/projects/about-guyana/)
11 [https://www.reuniongold.com/guyana](https://www.reuniongold.com/guyana)
expansion occurred because of the increase in global gold prices and Guyana’s improved economic and political stability. According to the Ministry of Natural Resources, 634,905 ounces of gold were declared in 2019, surpassing the amount of gold output declared in 2018 by 18,682 ounces. Licensed gold dealers, who buy from artisanal and small-scale gold mining (ASGM), declared 57.69% of the gold. However, as the gold mining subsector is still somewhat unreliable when it comes to statistics, those numbers may be compared with those for the following years, such as 2022, when the gold mining industry declined by an estimated 1.5% based on lower amounts declared by small and medium-scale miners. Declarations totaled 236,728 ounces at the end of June 2022, compared with 240,318 ounces in 2021. (N.B. These figures are recorded as of mid-2022. Year-end numbers are shown in Chapter 4). Similarly, in 2023, the amounts declared fell further to 159,084 ounces by June 2023. That decline in amounts declared did not go unnoticed by the present Government of Guyana, and several consultations with stakeholders were held during 2023 to determine allegations of gold smuggling and its link to lower declarations. While gold smuggling may therefore have contributed to lower declarations, it would be remiss on the part of the author to attribute such results only to smuggling, as other factors may also have played a part, including but not limited to the closure of Troy Resources (Guy) Inc. in 2021, production at the large-scale mine (Aurora Gold Mines) not having yet reached its full capacity and, environmental factors such as depletion of shallow alluvial and adverse weather conditions resulting in flooding in main gold-producing regions. Further, as also flagged by the Guyana Gold and Diamond Miners Association, a group of private miners representing the interests of miners in Guyana, there may be other potential factors associated with lower declarations, including, but not limited to, the construction boom in Guyana and rising demand for labor in the oil and gas sector, and higher overheads due to the increased cost of services and supplies in Guyana. Despite such challenges, as reported in January 2024, the gold mining subsector is expected to grow in 2024 by 15.7%.

18 Interview and comments with representatives of the Ministry of Natural Resources (2024)
REGULATORY FRAMEWORK OF GOLD MINING IN GUYANA

Under Chapter 65:01 of the 1989 Mining Act, Guyana’s primary legislative instrument governing the prospecting and mining of metals, minerals and precious stones, as well as their transportation and related matters, all minerals in the territory of Guyana are subject to State control. Accordingly, under this Act, the Guyana Geology and Mines Commission (GGMC) shall be in charge of and act as guardian over, all minerals in Guyana. The GGMC was established under Chapter 66:02 of the Guyana Geology and Mines Commission Act, which describes its functions. It is important to note that the GGMC and the Guyana Gold Board are separate entities. The Guyana Gold Board, established under Chapter 66:01 of the Guyana Gold Board Act, is responsible for the purchase, sale, and trading of gold in and outside Guyana, pursuant to that Act. While the GGMC therefore licenses mining activities, the Gold Board secures an adequate supply of gold from the licensed parties to ensure equitable distribution at fair prices and other commercial activities. These and other associated entities shall be examined in due course. According to the most recent USGS report (published in April 2022), the mining sector accounted for around 13.7% of Guyana’s economy in 2017, a sizeable increase compared to the 10.9% it represented in 2013. As at 2023, the gold mining subsector accounted for 8.3% of GDP- the third largest non-oil sector of the economy- and more than 58.2 percent of total non-oil export earnings.

MAJOR PLAYERS IN GOLD MINING IN GUYANA

The Mining Act does not preclude foreign companies operating in Guyana. As part of the requisite licensing process under the GGMC, there are specific commercial requirements prior to the issuance of a license. This is consistent with the 2004 Investment Act as both foreign and local investments are treated equitably. Accordingly, and as previously noted, two prominent large-scale gold mining projects in Guyana were the Aurora and Karouni mines, owned respectively by Guyana Goldfields and Troy Resources. However, the Chinese multinational Zijin Mining bought Guyana Goldfields in June 2020, while Troy Resources is no longer in operation, as this area has now reverted to the State for issuance of mining lands for small/medium-scale operators. At present, at least three (3) other large-scale operators are in their respective Exploration Stages and it is estimated that they will begin production within three to four years. These include Omai, Reunion

21 Mining Act 1989 Chapter 65:01, s. 6
22 Ibid s. 13
26 Mining Act 1989 s. 17
Guyana

Gold, and Stronghold. Additionally, there is Marudi Mountain in Region 9, which has both its Large Scale Exploration License and Mining Permit. Other categories of miners, such as artisanal and small-scale and medium-scale miners make up a significant portion of the mining population, both local and foreign. Because of the remoteness of locations, it is difficult to estimate the total number of individuals employed in the sector, although this number may be over fifteen thousand. Moreover, as evidenced by the GDP and contribution of mining to Guyana, the benefits of mining far extend the number employed.

RELATIONSHIP BETWEEN GOLD MINING AND ANTI-MONEY LAUNDERING

The Financial Action Task Force (FATF), the global money laundering and terrorist financing watchdog, serves as the premier international body that sets standards to prevent such illegal activities. Regionally, the Caribbean Financial Action Task Force is a FATF-style regional body, of which Guyana is a member. Thus, based on the increases in Guyana’s GDP and its position on the international stage for the extractive industries as a member of the Caribbean Financial Action Task Force (CFATF), in 2016, the Government of Guyana secured funding to conduct the first ML/TF National Risk Assessment (NRA) in compliance with Recommendation 1 of the FATF. In April 2017, this Report was published and served as the foundation for the implementation of a National Action Plan to strengthen the AML/CFT regime. This detailed assessment, although largely relying on 2015 data, outlines most of the vulnerabilities discussed with Government of Guyana (GOG) officials in the various agencies dealing with the gold trade and tasked with combating the illicit gold supply chain. As such, it provides a useful tool for a local understanding of the country’s situation from the perspective of the GOG monitoring and enforcement community. Based on this NRA in 2017, the assessment found that the overall money laundering risk for Guyana was high, while its national capability to combat the phenomenon was medium-low. This was due to “a lack of capacity to investigate and prosecute financial crimes and the cash-based nature and large informal economy of Guyana, combined with the absence of a National Strategy/Policy to combat ML/TF.” The 2017 NRA also addressed the linkages between smuggling and customs collusion and bribery, although the NRA does not indicate its sources or provide examples of such linkages. The document quoted the Minister of Natural Resources in 2016 as estimating that 15,000 ounces of gold per month were smuggled out of Guyana. However, there appears to be a dearth of data to support this notion.

28 https://www.planetgold.org/guyana
32 At this time, the author remains unable to find any evidence supporting this claim or factual data to substantiate this notion as cited. It was understood through the Ministry of Natural Resources in 2023 that there were investigations by the US Department of Homeland Security and the United States Federal Bureau of Investigations and no evidence was found to support said claim.
In July 2021, the second National Risk Assessment was updated and published.\textsuperscript{34} According to this NRA, the overall money laundering risk for Guyana was reduced from high in 2017 to medium-high and the national overall terrorism financing risk was assessed as medium, with the national capacity to combat it as medium-low. As noted in that NRA, the problem area was the weak national ability to combat money laundering, which is a result of ‘poor Quality of Criminal Investigations, Quality of Prosecutions, Quality of Adjudication, Quality of Asset forfeiture frameworks, Quality of AML Policy and Strategy and Quality of cross-border controls on cash and similar instruments’.\textsuperscript{35}

The 2017 NRA cited jurisdictional leakages as a contributory factor for the risk levels estimated, along with ineffective monitoring and reporting of suspicious activity by the banking sector. The fact that Guyana is, fundamentally, a cash-based society; and, on the enforcement side, the lack of robust funding, adequate training, and sophisticated technology-based systems were some of the variables assessed to measure its ML/FT risk exposure.\textsuperscript{36} However, as evidenced by the 2021 NRA, there was a significant improvement in banking sector vulnerability after anti-corruption and staff integrity policies were put in place (as will be illustrated throughout the Report). Notwithstanding the deficiencies cited in both NRAs, in 2022, the IMF conducted discussions with GoG officials regarding its Article IV Consultation and Mission. In accordance with the Concluding Statement, the Mission recognized that Guyana had recently strengthened the AML/CFT framework and recommend further advances in this area. Reiterating that Guyana had been removed from the Financial Action Task Force (FATF) Grey List, the Caribbean Financial Action Task Force (CFATF) enhanced follow-up process, and the European Commission’s Money-Laundering Blacklist, it further highlighted ongoing efforts to strengthen the AML/CFT framework which will be reviewed on a regular basis.\textsuperscript{37}

One notable sign of progress was that, in December 2022, the Government of Guyana also drafted and published its 2021-2025 National Policy and Strategy for Combating Money Laundering, Terrorism Financing, and the Financing of Proliferation. Also worth mentioning is the fact that the NCC has also completed other National Risk Assessments relating to legal persons and virtual assets. Additionally, as of July 2023, the National Coordinating Committee in Guyana published its Report on Updates since the last Terrorism Financing and Proliferation Financing Risk Assessments in the 2021 NRA (produced by the AML/CFT/PF National Coordinating Committee in July 2023).\textsuperscript{38} This 2023 Report will be further examined in Chapter 5 on Guyana’s position, along with a September 2023 CFATF Mutual Evaluation of Guyana.

As evidenced by the course of Guyana’s efforts to combat money laundering, financial terrorism, and illegal gold activities, the Government of Guyana has taken significant steps to address the deficiencies identified in said reports, with continuous legislative amendments since 2017, including regulation of gold dealers


\textsuperscript{35} Ibid p 8

\textsuperscript{36} “Money Laundering/Terrorist Financing National Risk Assessment for Guyana 2017,” op. cit.


\textsuperscript{38} Guyana National Coordinating Committee, ‘Updates since the last terrorism and proliferating financing risk assessment’ (July 2023)
and traders in accordance with AML/CFT. There is clearly an ongoing, resolute, and collective effort by enforcement and regulatory entities to manage allegations of gold smuggling, especially as oversight of AML/CFT administration comes under the direct purview of the Chambers of the Hon. Attorney General and Ministry of Legal Affairs, highlighting not just an appetite for legal compliance but reiterated political will to ensure such compliance. This does not, however, preclude additional recommendations to ensure consistency and comprehensiveness in the current context. They include compliance with FATF Recommendations (as updated and amended in 2023), recognition of indicators of possible criminal activities in the gold trade which may be applicable to the Guyana context, and continued due diligence by relevant entities to recognize such indicators and trends which serve as red flags, that inevitably, will curb the potential for illegal gold trade. This will be further explored in the following chapters.


CHAPTER 2: LEGAL AND REGULATORY FRAMEWORK

The mining sector in Guyana is regulated and managed according to statutes governing the sector as a whole, the entities involved, and other stakeholders. Overall, Guyana has a relatively robust legal framework for its mining sector. These include the Guyana Geology and Mines Commission Act of 1979 (as amended), the Guyana Gold Board Act of 1981, the Mining Act of 1989 (and its 2005 amendments and Regulations), the Environmental Protection Act (1996), the Geological Surveys Act (1997), and the Amerindian Act (last amended in 2006). These statutory instruments address the operational aspects of issuing mining permits and licenses, mining production protocols, the declaration of gold, environmental degradation, and the rights of indigenous communities in areas where mining may be taking place. There are several agencies tasked with managing Guyana’s mining sector, all of which are under the purview of the Ministry of Natural Resources. They include the Guyana Geology and Mines Commission (GGMC) and the Guyana Gold Board (GGB).41 These bodies shall be examined in greater depth in the course of this chapter.

The Mining Act of 1989 and the Mining Regulations of 2005 serve as the primary regulatory framework for mining in Guyana.42 As previously noted, the latter emphasizes the role of the State and the vesting of guardianship of mineral rights in the Guyana Geology and Mines Commission. In addition, the Act contains instructions on the issuance of licenses, including for medium and small-scale prospecting and mining,43 quarrying,44 and geological and geophysical surveys for mining purposes.45 It is important to note that while the Guyana Geology and Mines Commission is established as the regulatory body under Chapter 66:02 of the Guyana Geology and Mines Commission Act, both Acts apply, although if there is any inconsistency, the

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42 Mining Act 1989 cap 65:01
43 Mining Act 1989 cap 65:01 s 55
44 Ibid s. 88
45 Ibid s. 96
Mining Act shall prevail. The five main divisions responsible for executing the GGMC's core functions are the Geological Services, Mines, Environmental, Petroleum, and Land Management divisions. It must be noted that while, as mentioned above, the GGMC remains the primary body, the Minister is still responsible for ensuring that the Commission carries out specific functions as detailed in the Act. While this ministerial authority has been criticized as encouraging discretionary powers by the Minister/Cabinet, from a legal perspective, it may be conversely interpreted that the inclusion of Ministerial powers may be deliberate and designed to reflect other pieces of extractive sector legislation in Guyana, and ensure that the Commission does not exercise exclusive power, resulting in potential for mischief. Rather, the role of the Minister is not to usurp the function of the GGMC, but to empower it through his representation of the State based on his ministerial powers. That said, it remains true that the power of the Minister is not unfettered and still remains subject to administrative law controls and principles.

Apart from this primary institutional framework, the Amerindian Act of 1976 (amended in 2006) provides that most of Guyana’s indigenous communities have the right to use or extract the minerals on their land for artisanal mining. However, individual miners or mining companies may also negotiate with indigenous communities for concessions and authorization to mine within those communities’ territories. In the case of small or medium-scale mining, miners who are granted authorization to mine there must pay the indigenous communities at least 7% of any mining proceeds as a land-use fee, while for large-scale mining, this fee is subject to negotiation overseen by the Ministry of Amerindian Affairs. The incorporation of mining activities within the Amerindian Act 2006 is designed to protect the rights of the indigenous and principles of free, prior and informed consent, while allowing freedom to carry out activities, provided that there is consensus ad idem by and between the parties. While the GGMC may therefore facilitate discussions, its statutes preclude it from negotiating on any party’s behalf thereby reiterating the Commission’s regulatory role. Finally, the Mining Act 1989 and the Geological Surveys Act, last amended in 1997, set the rules governing the Geological Survey Director and individuals or companies conducting exploration surveys on Guyanese land with a view to potential future mining.

46 Ibid s. 3
47 The GGMC has 10 divisions in total. The other five divisions provide support services and include Legal, Human Resources, Administration, Audit, Finance, and Special Projects.
49 such as the Petroleum Activities Act 2023
50 Guyana Geology and Mines Act 1979 cap 65:06 s. 3
51 Amerindian Act 2006 cap 29:01 s. 48
52 Ibid s. 51
53 Ibid s. 48(2)
In light of the aforementioned core statutes, the following entities shall be examined with regard to their regulatory functions related to mining in Guyana. This summary does not include the Ministry of Natural Resources as its role includes oversight, policy, and ministerial guidance for the sector, as applicable.

**GUYANA GEOLOGY AND MINES COMMISSION (GGMC)**

As previously mentioned, the functions of the GGMC are defined in both the GGMC Act and the Mining Act. The GGMC’s mission may be summarized as follows: ‘To promote, facilitate, monitor, and regulate for the sustainable utilization of Guyana’s minerals resources (including petroleum); To provide effective stewardship of Guyana’s minerals resources (including petroleum) through the deployment of competent human resources employing innovative tools and methods, research, and analysis; To collaborate with relevant stakeholders in an enabling environment for optimum, mutually beneficial outcomes.’ The GGMC is therefore responsible for the administration of licenses and, technically, for keeping an inventory of all minerals and all mining estates. Therefore, the purpose of prospecting is to draw up an inventory of existing minerals and related substances and establish their commercial potential. Based on the Mining Act, and as indicated in the Environmental Protection Agency Act, the GGMC is also mandated in its jurisdiction over the mining sector to rule on environmental and stewardship matters while mining activities persist, such as the use of mercury and cyanide where Codes and Standards have been established for safe practices within the sector. In fact, in a demonstration of synergy between stakeholders, while the Environmental Protection Agency is the body responsible for ensuring safety of the environment and mitigation of pollution et al, due to lack of capacity the EPA executed a Memorandum of Understanding with the GGMC in 1997 which delegates responsibility for oversight for small and medium scale mining in connection with environmental management issues. This delegation persists, but the bodies involved reportedly coordinate to ensure a concerted effort to ensure compliance with required practices.

**GUYANA GOLD BOARD (GGB)**

In addition to the GGMC, the Guyana Gold Board (GGB), currently an agency under the Ministry of Natural Resources, was established in 1981 under the Guyana Gold Board Act and serves as the primary statutory entity to carry on the business of trading in gold among other statutory functions. While the GGMC remains responsible for the collection and recovery of gold royalties, the Gold Board may, if appointed, act on behalf of the GGMC. In essence, it is responsible for overseeing gold declarations and purchases. The GGB is also

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54 [https://www.ggmc.gov.gy/page/who-we-are](https://www.ggmc.gov.gy/page/who-we-are)

55 Mining Act 1989 Chapter 65:01 s. 135


57 Guyana Gold Board Act 1981 Chapter 66:01 s. 4
mandated to license agents of the Guyana Gold Board, which permits agents to possess, sell, or export gold. The Guyana Gold Board may be considered the ‘end of the supply chain’ as the Supervisory Authority (SA) for AML/CFT purposes for gold dealers. Once production is initiated based on a license from the GGMC, the quantities produced must then be declared to the GGB, which is considered to be a sister agency to the GGMC. The synergy among the GGB, GGMC, the Financial Intelligence Unit (and the Special Organized Crime Unit- SOCU, as applicable), and the Commercial Registry is based on due diligence and verification of the beneficial owners and the parties involved. There are two main categories of clients of GGB-licensed miners: traders licensed by the GGMC and gold dealers licensed by the GGB. The licensed traders are provided with record/transaction books for tracking any ‘mine to market’ sale within the local communities, under a process governed by Sections 9(2) and 10 of the Guyana Gold Board Act and Regulations 193-200 of the Mining Regulations contained in Section 79 of Chapter 65:01 of the Mining Act. The licensed gold dealers are authorized by the GGB and can only sell to the GGB or export. As of 2023, there were six gold dealers licensed by the GGB. The licensing process is sequential and involves submission of documents and requirements pursuant to Chapter 66:01 of the Guyana Gold Board Act and respective Regulations (Guyana Gold Board Dealers Regulations). One correlation between the Guyana Gold Board Act and the AML/CFT Act can be seen in the amendment of Chapter 66:01 of the Guyana Gold Board Act to include the AML ‘fit and proper’ criteria to determine the qualification of an Applicant for the issuance of the Authorization to Possess, Sell, or Export Gold under Section 9 (1) of the Guyana Gold Board Act. This complies with Recommendation 28 of the FATF Recommendations, regarding the regulation and supervision of Designated Non-financial Businesses and Professions, whereby Supervisors or Self-regulatory bodies are responsible for (a) taking the necessary measures to prevent criminals or their associates from being professionally accredited, or holding-- or being the beneficial owner of -- a significant or controlling interest or holding a management function, for example, evaluating persons based on a “fit and proper” test; and (b) having effective, proportionate, and dissuasive sanctions in line with Recommendation 35 available to deal with failure to comply with AML/CFT requirements. In Guyana, to determine and verify these criteria, every applicant to the Guyana Gold Board is vetted by the FIU and SOCU through the conducting of due diligence analysis and corresponding communication between parties. SOCU and FIU’s review is limited to whether the principals have been the subject of any adverse report to the Unit and any criminal investigation. This chain of information sharing is critical in the context of money laundering as it allows for information to be vetted prior to the final licensing decision, which is conducted annually. Additionally, in circumstances where there may be submission of information that appears suspicious or requires further verification or where information regarding suspicious transactions is received, such reports are prepared by the Legal and Compliance Department for dispatch to the FIU. For the duration of the license, declarations of gold by dealers to the GGB are required on a bi-weekly basis.

While GGB is a licensing authority, it is also a supervisory Authority under section 22 of the AML/CFT Act, allowing it to conduct AML/CFT compliance examinations of Licensed Gold Dealers. In practice, the GGB also has a program of enhanced due diligence which involves on-site visits to dealers’ premises to verify and scrutinize their records and books and observe business operations. These on-site visits are typically risk-sensitive in accordance with FATF’s Guidance on Risk-Based Supervision with compliance examinations conducted twice per year at licensed dealers’ premises. Additionally, compliance examinations may be

58 Ibid s. 9
conducted wherever GGB determines that a higher ML/TF risk exists. During the pandemic in 2020, when on-site visits were suspended, dealers were required to submit records and other specified documents so that desk-based reviews of the dealers’ AML/CFT Compliance Programs could be conducted. However, on-site visits to accessible locations have since resumed. However, the GGB has noted that when such sites remain inaccessible, dealers must submit information. Sanctions for non-compliance are based on the laws in effect, although non-compliance is treated as something that can be cured rather than a subject of litigation. Notwithstanding this capability to exercise such diligence, the GGB is admittedly unable to execute law enforcement exercises or activities, resulting in a gap between diligence and execution. This leaves room for potential understatements in declarations given that there is no checking of physical means of verification. As of 2023, to bridge this gap, exercises and sting operations by the NCC, GGB, GGMC, and SOCU have commenced to detect unlicensed gold trading operations. The GGB sits on the AML/CFT/ PF National Coordinating Committee with other related authorities (in accordance with the AMLCFT Act) along with SOCU, and has signed a number of MOUs, all of which has allowed for improved cooperation and collaboration with other stakeholders. There may be further opportunities to improve the level of enforcement, including more trained personnel being hired to ensure more frequent visits to premises.

ENVIRONMENTAL PROTECTION AGENCY

While they are outside the specific mining legal framework, there are several other agencies and entities relevant to the gold mining industry in Guyana. First, Guyana’s Environmental Protection Agency (EPA) is tasked with managing and protecting the country’s natural resources, including issues related to deforestation and environmental degradation; it works together with the Guyana Forestry Commission and the Pesticides and Toxic Chemicals Control Board to carry out their environmental mandates.

As noted, the EPA has a Memorandum of Understanding with the GGMC, but it has also begun a collaboration program with GGMC to target particular areas for increased monitoring and working with small-scale miners to help improve practices to minimize environmental degradation, especially where small-scale miners use mercury. This has helped the EPA to assess improvements and best practices to reduce the use of mercury, where applicable in keeping with the Minamata Convention. At present, there is also a National Action Plan that addresses this practice, which was approved in 2021, under the purview of the Ministry of Natural Resources, following contributions by the EPA and GGMC regarding implementation. In addition to this Convention, there are several other multilateral environmental agreements to which Guyana is party, such as the Convention on Biological Diversity, the Amazon Cooperation Treaty Organization, and the United Nations Convention to Combat Desertification. Each of these Agreements is geared to environmental management and implicitly involves the practice of mining and its compatibility with the promotion of environmental best practices.

60 Environmental Protection Agency http://www.epaguyana.org/epa/.
As regards gold mining in Guyana, the synergy between the EPA and GGMC goes beyond their commitment to sustainability and primarily consists of: i) Improvement of detection capability utilizing satellite imagery, where Maxar technology is being employed to improve monitoring and geospatial imagery capacity in the monitoring of key areas,\textsuperscript{61} including mining centers and (ii) The requirement for environmental authorization for large scale mining. With regard to (i), the employment of this technology will increase the monitoring of otherwise remote areas and in some cases substitute the need for persons to actually enter jurisdictions to monitor mining activities. Regarding (ii), the process of application to the EPA for environmental authorization for large scale miners (and EIA) is a prerequisite for the GGMC to grant its required license. Once environmental authorization has been granted, the miner is bound by the terms and conditions of the permit that requires annual reports and/or specific reports on such matters as water quality, air quality, and so on along with visits by the EPA to ensure compliance with the terms agreed upon. Based on information received from the EPA as at December 2023,\textsuperscript{62} there are presently two (2) active environmental permits for gold mining (one in 2021 and one in 2023), with other active permits in the areas of sand mining, bauxite, quarrying, etc. Although these permits are for large-scale mining operations and not small-scale miners, the latter are still required to comply with national regulations, standards, and the law relating to environmental protection, so that all mining licenses can be issued and managed efficiently. For the record, draft new regulations to deal with illegal mining and environmental degradation issues were passed by Parliament and are incorporated in Regulation 248 of the GGMC Mining (Amendment) Regulations of 2005.

**FINANCIAL INTELLIGENCE UNIT (FIU)**

On the intelligence side, the Financial Intelligence Unit (FIU) and the Guyana Revenue Authority take the lead in monitoring and tracing suspicious transactions and financial irregularities, with support from the Special Organized Crime Unit (SOCU), which is a part of the Guyana Police Force.

The FIU is an intelligence organization that is responsible for the receipt, analysis, and dissemination of intelligence from reporting entities and other competent authorities. The Financial Intelligence Unit (FIU) was first established in 2004 under the Money Laundering Prevention Act of 2000, which was since repealed and replaced by the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Act No. 13 of 2009. The core functions of the FIU are outlined under section 9(1) and 9(4) of the AML/CFT Act. These include, among others, requesting, receiving, analyzing, and disseminating information on suspicious transaction reports and other information relating to money laundering, terrorist financing, or the proceeds of crime. The FIU operates as an administrative entity and carries out its functions independently, as provided for in the AML/CFT Act. The unit’s functions are aimed at supporting the work of law enforcement agencies and other competent authorities in Guyana’s fight against money laundering, terrorist financing, predicate offences, and proceeds of crime.\textsuperscript{63}

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\textsuperscript{61} EPA, ‘MAXAR Partnership Launch’ ([Environmental Protection Agency, 31 December 2021](https://epaguyana.org/maxar-partnership-launch/)) accessed 16 December 2023

\textsuperscript{62} Information provided by the Head of Department (Mining) at the EPA on December 18, 2023 via interview

\textsuperscript{63} Financial Intelligence Unit [https://fiu.gov.gy](https://fiu.gov.gy)
from the FATF standards and recommendations, from which it derives its operational independence. That said, its relationship with the Executive Branch is linked to the Ministry of Finance (for administrative purposes), and the Ministry of Legal Affairs, as the latter is the main point of contact for all matters relating to AML/CFT as the Chair of the National Coordinating Committee in Guyana, which is the body responsible for the National Risk Assessment, policy, and strategy as well as AML/CFT/PF-related national policies and strategies.

The relationship between the mining sector and the FIU is therefore premised on the core responsibilities of reporting suspicious transactions and other related information, in compliance with the AML/CFT Act. The Mining Act is therefore essential for the GGMC, while the AML/CFT Act plays a similar role for the FIU. As noted, one of the main sources of intelligence consists of suspicious transaction reports (STRs), which, once flagged, enable the FIU to access other intelligence at its disposal and determine whether the subject is party to a type of financial crime or criminal offence. Based on those findings, intelligence reports may then be referred to law enforcement agencies, such as the Guyana Revenue Authority, the Special Organized Crime Unit, the Customs Anti-Narcotics Unit, or, if applicable, to the Central Bank, Gold Board, or GGMC, or other AMLCFT supervisory authorities. It is to be noted that the FIU is not an investigative or enforcement arm within this set of bodies. Rather, its primary objective is to conduct analysis based on information received, followed by investigations by law enforcement bodies. Accordingly, it is worth noting the degree of separation from the Ministry of Home Affairs in Guyana, which is in essence, responsible for ‘the maintenance of public order and safety throughout Guyana by formulating appropriate security policies that are responsive to the changing conditions; overseeing the effective implementation of these policies by related Agencies and guaranteeing their execution as a result of appropriate resource allocations that include an emphasis on competent human capital as well as modern technology.’

While therefore there is an indirect link through the relationship of the FIU with SOCU (which falls under the purview of the Ministry of Home Affairs as it is part of the investigative arm of the Guyana Police Force), there may be room for improvement in terms of the direct enforcement aspect.

To create oversight in the mining sector with the objective of supporting the fight against ML/TF and illegal activities in the mining sector, the FIU collaborates, exchanges, and shares information with several international bodies and similar FIUs as the nature of money laundering and related predicate offences may be linked to potential cross-border activities. Therefore, international cooperation is necessary for the FIU. However, in a local context, the FIU has employed methods to improve receipt and analysis of information in an organized manner. CaseConnect is a tool/platform employed by the FIU in which reports may be received in a confidential manner from the registered reporting entities who have reporting obligations such as the licensed dealers. This can be used for suspicious and all other reports, and serves as the medium by which required information can be channeled and managed in an effective and protected way, with minimal potential for leakage of confidential information.

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64 Ministry of Home Affairs https://moha.gov.gy
The protection of confidentiality is the backbone of the FIU and impacts its impending membership to the Egmont Group, which is the international association of financial intelligence units. As a non-governmental agency, membership is by qualification only. Having had its application under review since 2010, and thanks to a number of systems having been put in place to demonstrate independence, including updating of the AML/CFT legislation, as at February 1, 2024, Guyana was formally accepted as a member of the Egmont Group during the Egmont Plenary and Working group Meetings held in the first quarter of 2024.

As an aside, the AML/CFT legislation underwent several iterations and amendments since its inception in 2009, along with related regulations. Recognition of the deficiencies in the legislation based on practice and feedback from other countries and stakeholders such as CFATF and CARICOM has assisted in advancing such amendments. One of the major incentives for continuous amendment was also the changing landscape of the nature of offences and vulnerabilities and international trends in the AML/CFT network. The series of amendments to Guyana’s legislation also reflect the ever-evolving nature of the sector, but also the provision of means and methods to address money laundering in a structured and organized manner based on actual experiences adapted to the local Guyanese judicial system. Thanks to this updating of the regulatory framework, the notion that Guyana’s mining legislation is somewhat archaic has been partially dispelled as the AML/CFT seeks to embrace better monitoring, establish mechanisms for tracking offences, and increase transparency in order to create a robust system for effective prosecutions, and the fight against potential smuggling or money laundering.

The Mining Act and the AMT/CFT Act are therefore interrelated in their quest for continuity and information. Obviously, it is up to the organization receiving information to determine the purpose of the information based on its respective mandate. However, the recognition of the dealers in precious minerals and stones create vulnerabilities for money laundering due to the inherent value of the assets involved. Therefore, as designated non-financial businesses or professions, they are required, as reporting entities, to provide declarations. Furthermore, under the Mining Act, the second section of the AMT/CFT Act recognized certain offences as predicate offences. Therefore, where there may be serious offences which may be categorized as predicate offences and thus be considered for money laundering investigations, the link is established via suspicious activities. In essence, it may not be considered accurate to state that the FIU’s role is curbing gold smuggling; rather it is focused on the identification, tracking and tracing, analysis and reporting of suspected unlawful conduct, proceeds and/or links to organized crime within the mining sector, as ‘fringe benefits’.

The following updated data for the past three years were received from the FIU in January 2024. As clarified by the FIU, the Suspicious Transaction Report (STR) numbers and values in Figure 1 are based on what was received from reporting entities over the years and must be understood as the reported entities’

65 https://egmontgroup.org
perception of transactions, which may or may not result in intelligence reports or investigations for further prosecution. Figure 2 provides the threshold transaction numbers which are the number of transactions completed that exceed the established threshold of GYD$2 million within the sector, during the period January 2020 to October 2023.

### Table 1: All Suspicious Transaction Reports (STRs)* received by the FIU Guyana for the period 2020 to 2023

<table>
<thead>
<tr>
<th>Year</th>
<th>ALL STRS RECEIVED BY FIU GUYANA</th>
<th>ILLEGAL TRADING IN PRECIOUS MINERALS</th>
<th>SMUGGLING OF PRECIOUS METALS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of STRs filed</td>
<td>Value (G$ Millions)</td>
<td>No. of STRs filed</td>
</tr>
<tr>
<td>2020</td>
<td>342</td>
<td>7,444</td>
<td>4</td>
</tr>
<tr>
<td>2021</td>
<td>223</td>
<td>11,717</td>
<td>1</td>
</tr>
<tr>
<td>2022</td>
<td>107</td>
<td>1,956</td>
<td>1</td>
</tr>
<tr>
<td>2023</td>
<td>180</td>
<td>153,348</td>
<td>0</td>
</tr>
<tr>
<td>Grand Total</td>
<td>852</td>
<td>174,465</td>
<td>6</td>
</tr>
</tbody>
</table>

**NB.** During the period under review, the FIU completed and shared three (3) reports to law enforcement agencies (LEAs)/ investigative authorities for further investigation and action. This included one (1) in 2022 and two (2) in 2023. A strategic analysis was also completed using threshold data (2018-2019) for this sector and the Cambio sector. Strategic Analysis Reports are not public documents. This report was shared previously as required, with policy makers, including the current Minister responsible for Finance and the Attorney General and Minister of Legal Affairs as Head of the NCC.
Table 2: Number of Threshold Transactions reported to the FIU Guyana for the period January 2020 to October 2023

<table>
<thead>
<tr>
<th>TYPE OF THRESHOLD REPORTS</th>
<th>2023 (Jan - Oct)</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Betting Shop</td>
<td>29,249</td>
<td>28,720</td>
<td>20,816</td>
<td>7,301</td>
</tr>
<tr>
<td>Cambio</td>
<td>20,461</td>
<td>21,104</td>
<td>21,658</td>
<td>16,050</td>
</tr>
<tr>
<td>Casino</td>
<td>683</td>
<td>239</td>
<td>181</td>
<td>-</td>
</tr>
<tr>
<td>Credit Unions</td>
<td>4,096</td>
<td>6,660</td>
<td>3,001</td>
<td>2,143</td>
</tr>
<tr>
<td>Currency Declarations</td>
<td>785</td>
<td>1,061</td>
<td>529</td>
<td>259</td>
</tr>
<tr>
<td>Dealers in Precious Minerals</td>
<td>74</td>
<td>60</td>
<td>23</td>
<td>32</td>
</tr>
<tr>
<td>Dealers in Precious Metals</td>
<td>9,051</td>
<td>11,868</td>
<td>11,976</td>
<td>12,302</td>
</tr>
<tr>
<td>Insurance Companies</td>
<td>2,495</td>
<td>2,497</td>
<td>1,683</td>
<td>1,360</td>
</tr>
<tr>
<td>Large Cash</td>
<td>146,234</td>
<td>144,839</td>
<td>100,280</td>
<td>72,416</td>
</tr>
<tr>
<td>Lottery</td>
<td>150</td>
<td>230</td>
<td>380</td>
<td>122</td>
</tr>
<tr>
<td>Money/Wire Transfers</td>
<td>224,229</td>
<td>240,203</td>
<td>216,179</td>
<td>165,241</td>
</tr>
<tr>
<td>Pawnbrokers</td>
<td>382</td>
<td>469</td>
<td>285</td>
<td>545</td>
</tr>
<tr>
<td>Real Estate Agents</td>
<td>-</td>
<td>24</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Securities Companies</td>
<td>2,363</td>
<td>2,200</td>
<td>837</td>
<td>912</td>
</tr>
<tr>
<td>Used Car Dealers</td>
<td>4,856</td>
<td>2,901</td>
<td>2,163</td>
<td>989</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>445,108</strong></td>
<td><strong>463,075</strong></td>
<td><strong>379,995</strong></td>
<td><strong>279,672</strong></td>
</tr>
</tbody>
</table>

OTHER RELATED AGENCIES

The Guyana Forestry Commission (GFC) oversees all forestry policy and environmental land management related activities, focusing primarily on logging and deforestation. For the purposes of this Report, the GFC will not be further examined. There are also a few unions and organizations that work to protect the rights of miners, including the Guyana Women Miners Organization, the Guyana Gold and Diamond
Miners Association\textsuperscript{67}, and the National Mining Syndicate.\textsuperscript{68} Such organizations represent various facets of the mining community and are active on behalf of their constituents. Overall, Guyana’s legal framework outlines and institutionalizes many of the necessary regulatory and operational aspects of gold mining.

In analyzing the legal and regulatory framework of Guyana, it transpires from the interviews conducted and the literature reviewed that one major discussion point is the definition and interpretation of ‘illegal’ mining and the connotations associated with this terminology. For the GGMC, it was noted that from 2019-2023 illegal activities were divided into three main categories: mining in prohibited areas\textsuperscript{69} (as prescribed by subsidiary legislation, those areas not open to mining such as national parks, reserved areas, statutory protected areas, and ‘closed areas’ under the jurisdiction of the Closed Area Committee, buffers, such as river banks, and Amerindian titled lands), activities violating permit conditions, and activities utilizing unregistered machines. For illegal mining, unlike other areas, there is no prohibition on the type of machines that may be used; what is banned in mining districts is the use of machinery that is not properly registered. In the above mentioned period, 117 instances of individuals mining in ways that contravened their licenses were identified, including 26 instances of mining in restricted zones and 59 instances of making use of registered dredges of specified equipment.\textsuperscript{70} However, the penalties envisaged in Sections 14 and 127 of the Mining Act are generic, disproportionate, and rarely deter such violations. Nevertheless, in cases involving prosecution, there is still a need for solid preparation and execution as in some cases there is insufficient evidence and there are issues of witness credibility. For instance, in the above-mentioned period, in criminal cases involving a total of 202 infractions, there were 141 convictions and 24 cases that were settled through the payment of fines. As this illustrates, there is a problem with enforcement, especially where small miners may move from district to district, creating monitoring challenges. In such cases, while there have been instances of repeat offenders, GGMC determines whether such offences involve the same breach of the law and could therefore prompt legal charges, or whether larger fines may be imposed based on the statutory ceiling.

For the purposes of this Report, the concept of illegal mining focuses mostly honed on the concept of organized criminal activity in the mining sector involving more large-scale exploitation. However, it would be remiss not to consider the typical daily challenges within the sector that border on illegality. Therefore, in light of the above, and for further analysis, etymologically, the definition of ‘illegal’ gold mining is straightforward, as it means activities that are conducted that are not in compliance with the law. For example, in the case of EPA and GGMC synergy, a breach of an environmental condition contained in a permit triggers a breach of the mining license, resulting in ‘illegal’ mining, in the strictest interpretation. This therefore is true in instances of jurisdictional overlap and the handling of land ownership issues resulting in trespass and illegality of mining operations. However, such instances may be curative, and do not impact on the overall operations to create predicate offences and impact the chain of transparency, or money laundering. While, therefore, there may be an administrative perception of legal vulnerability in certain cases in which the primary enforcement mechanism is settlement, avoidance of trials, and the paying of fines, alternative dispute resolution measures in semi-autonomous agencies and bodies corporate in Guyana are often used

\textsuperscript{67} \url{https://ggdma.com}
\textsuperscript{69} The Protected Areas Act 1999 (as amended), s.4(1) and s. 122, Regulations under the Mining Act 2005 Part XXVII s. 251(1)(a)
\textsuperscript{70} Presentation by GGMC Officials at the OEA/DDOT Workshop held at Cara Lodge, Guyana (November 30, 2023)
and enshrined in relevant statutory instruments based on the type of offences where fines may be paid to avoid litigation and protracted processes that could affect capacity. This is currently the case at the Guyana Energy Agency where compensation is accepted from offenders where there may be instances of illegal fuel smuggling or trading. Nonetheless, it was explicitly stated during consultations with the Chambers of the Hon. Attorney General and the GGMC in recent interviews that higher fines are currently being contemplated to serve as a deterrent, as the current fines, ranging from USD$50 to USD$120, are generally considered too low to avoid such malpractices. It is therefore important to differentiate between types of offences, rather than generalize about ‘illegal mining’ where some illegitimate gold mining operations may be regularized. While, therefore, it would be short-sighted to say that there are no instances of illegal gold smuggling and trade in Guyana resulting in financial terrorism, the supporting evidence is transient and therefore, should be looked at from the perspective of typologies, red flags, and challenges faced in the local context to determine the risk, vulnerability, and opportunities that exist to facilitate such cases.

Overall, it is apparent that the legislation cited in this chapter was passed several decades ago, and may require updating due to the technological progress made and experience garnered in the sector over the years, as well as the need to boost enforcement capabilities and other aspects of the entities involved, as mentioned earlier. In short, while the GOG has already adopted some of the legal instruments needed to regulate the gold trade effectively, enforcement mechanisms have been more difficult to develop. The final chapter of this Report therefore makes recommendations for strengthening the capacity of officials to counter illegal or illicit gold mining.
CHAPTER 3: SUPPLY CHAIN IN GOLD MINING: RISKS AND OPPORTUNITIES FOR ILLICIT MINING

This chapter explores the gold mining sector chain, from exploration or ‘prospecting’ to export, where applicable. Within this chain, there exist risks and opportunities for illicit mining, particularly based on the location of a concession.

EXPLORATION AND PROSPECTING

Companies can apply for prospecting licenses to explore potential mine sites under the Mining Act for large-scale mining, and prospecting permits for medium and small-scale mining. According to the Mining Act, the GGMC may, with the approval of the Minister of Natural Resources, grant or refuse the license.

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71 Mining Act 1989 Chapter 65:01 s. 29
For any grant of license, the statutory provisions are clear on the requirements for submission and confer on the licensee (subject to the Act and conditions specified in the license) the exclusive right to explore for any mineral covered by the license. In accordance with the Act (Section 19), Mineral Agreements may also be reached by the Commission with the approval of the Minister, which would set out the procedure to be followed and conditions for granting a license. As of 2021, there were 11 Mineral Agreements in force with the GGMC. The role of the Minister was described in the preceding chapter and is to be understood in connection with the licensing process in order to avoid any suggestion that rules can be bypassed or flaunted.

**LICENSING**

The Mining Act of 1989 establishes the different categories of licenses and permits available to individuals working in the sector. All licenses, permits, concessions, and fees are issued by the Guyana Geology and Mines Commission (GGMC). Small- and medium-scale mining is only permitted for Guyanese citizens, not foreign nationals. That said, medium-scale joint ventures are acceptable with foreign investors as long as foreign nationals work alongside Guyanese-owned companies. One major stipulation outlined in the Mining Act is that large-scale mines may be 100% foreign-owned and those licenses last for 20 years or the lifetime of a mine. By contrast, licenses for small and medium-scale operations last for only between one and five years, and are subject to renewal.

There are different types of permits or licenses that the GGMC can issue to miners or mining companies in Guyana in accordance with the Mining Act. These include prospecting licenses (small-scale and medium-scale), mining licenses, prospecting permits, mining permits, claim licenses, and quarry licenses. In addition, the Minister is empowered to grant permissions for geological and geophysical surveys. For the purposes of this Chapter, the various processes shall not be repeated as they are governed by statutes, monitored by the GGMC. Traditionally, after a mining company is issued a prospecting license, the next step is to apply for a mining license. That said, concessions and permits for mining on indigenous land must all be permitted by the village council with at least a two-thirds vote of approval for mining activities to commence. The Amerindian Act outlines several provisions for the miners to carry out operations, which are also applied in the Mining Act.

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72 Ibid s. 30

73 Claims to renew licenses can remain active for an indefinite period once the permit holder makes the annual rental payment. For renewals of prospecting permits for medium-scale mining operations, the claims could remain active following GGMC’s approval of an annual renewal application.


75 Mining Act s. 111
MINING

Gold mining in Guyana is carried out through both land and water dredging, with the sluice box technique being used by the majority of small-scale gold miners given the expensive nature of the practice. Small-scale mining in Guyana is specifically defined as up to 1,500 ft by 800 ft of one mile of navigable river, whereas medium- and large-scale mining (150 to 1200 acres for the former, and up to 12,800 acres for the latter) are determined on an acreage basis. Scales of mining may also be determined based on the volume of material moved every twenty-four hours.

As part of the licensing requirements, each day every mine is required to fill out a GGMC-provided Production Book listing not only the amount of gold taken out, but also the amount of fuel used, the number of miners who worked, the volume of earth removed, the amount of waste discharged, and other details (see Figure 3). This is viewed by the GOG as a primary tool to reconcile the amount of gold extracted with mercury use and other cross-references to verify that the amount of gold declared as coming from a mine is the actual amount mined. To this end, the GGMC has produced a series of pamphlets which are distributed in the mines, reminding mine administrators of the importance of keeping day-to-day records.

Figure 1: Example of a production sheet for registering daily mining operations.

76 Pasha (6)
One of the perceived difficulties may arise where the production books for small-scale miners may not be accurate or cannot be reconciled with the GGB. The GGMC currently has field teams, whose primary objectives are to provide better reconciliation of gold amounts reported as well as to monitor for illegal mining activities in national parks or areas that are not licensed for mining or prospecting. It is therefore important to reiterate the necessity for increased capacity for enforcement and monitoring for the GGMC and other associated entities to ensure compliance across regions and at specific locations most likely to lend themselves to non-compliant trade. This differs from the case of communities that trade gold in return for goods rather than cash when goods are more readily available. This is a legal and regulated activity under sections 9 and 10 of the GGB Act – any person authorized by the Tax Act to sell, barter or expose goods for sale in a mining district is authorized by the GGB to purchase gold, but books are required to be kept on such transactions.
MERCURY AND HEAVY EQUIPMENT

Mercury is a key element in the gold sector supply chain in Guyana and surrounding countries. While there are alternatives to the use of mercury to separate out the gold from the soil, mercury is used in more than 95% of the small and medium-sized mining projects that most commonly process gold-containing slurry in sluice boxes.\textsuperscript{77} The amalgamation of gold and mercury is done in the mine itself, where the first phase of the burning or mercury evaporation already takes place. That said, the reliance on mercury for mining operations may be waning with the ratification of the Minamata Convention and increased regulations on mercury imports. Additionally, the GGMC also has codes for mining environmental management practices with regard to the use of mercury, mine effluents, and environmental effects management. With the current National Action Plan, the objective is to gradually reduce mercury use in gold mining to 75% of the baseline consumption by 2027. In short, while the use of mercury appears to still be common in most small and medium-scale mining operations, this reliance may continue to decrease, or miners will have to look outside of official channels to continue mining with mercury in future years.

One important step taken to monitor the supply and flow of mercury into the gold sector is a Memorandum of Understanding signed by the Ministry of Natural Resources, the GGMC, the EPA, and the PTCCB on August 30, 2019, to set up protocols to manage, monitor, and dispose of mercury. The MOU establishes various requirements, including an import cap of 1,000 flasks or 34,500 kg a year, which will be gradually reduced.\textsuperscript{78} It is further understood that the EPA and GGMC are also in the process of consultations regarding a revised MOU which caters to the use of cyanide as an alternative. However, this is still being drafted. Despite this inter-agency cooperation, there is still a need for increased monitoring and observation of use in the field to ensure that the commodity is being used effectively. In addition, within Guyana's borders, no permits are needed to buy mercury. The retail price of mercury in Guyana can amount to over 10 times the import price. On average, mercury is imported for US$17.40 a kilo, wholesalers sell it for US$126, but in mining areas it is sold over the counter for between US$159 and US$234. The net result of these weaknesses is that, despite the MOU that was signed, the PTCCB has recorded no violations on the import of mercury into Guyana in recent years.\textsuperscript{79}

As regards heavy equipment, the import, registration, and licensing of equipment refers to mining operations.\textsuperscript{80} With the use of high-cost equipment, there is also the potential to import heavy machinery surreptitiously for alternative purposes, other than mining. This risk of unregulated activity is one to be addressed within the mining sector, as tracking heavy machinery imports is likely to provide an indication of the amount of gold being extracted from a particular mine and whether the amount declared bears any


\textsuperscript{79} Information provided by the PTCCB in written response to questions, August 13, 2020 as posed by the OAS DTOC Representative in 2020.

\textsuperscript{80} Mining Act 1989 Chapter 65:01 s. 97
relation to the amount of gold extracted. To avoid any unnecessary doubts, under the Mining Regulations, heavy machinery is permitted during the prospecting periods as Regulation 4(6) gives holders of a prospecting license for small scale operations the right to work pending the determination of an application for a claim license. Under Regulation 19, any gold or mineral obtained by any person pending issuance of a license shall be recorded and dealt with as if a license had been obtained. Therefore, the potential for undeclared gold is mitigated and managed accordingly. It is part of due process that even when regulators detect the illegal or unlicensed use of machinery, the machinery cannot be confiscated without recourse to legal processes, as this preserves the miners' right to be heard. Instead, small fines may be levied or “cease work” orders can be issued by the GGMC in situ-an option that may have its own enforceability issues.

REFINING

Most gold from Guyana is refined elsewhere. Much of the gold also appears to be exported out of Guyana prior to refining processes with the gold above 95%, and it is later refined in other destination countries. The Guyana Gold Board (GGB) has historically been the entity responsible for amalgamating gold in Guyana that will later be refined. That said, in 2018, there were reports of the GGB and Guyanese authorities looking for private companies to enter Guyana and begin the refining process, all in an attempt to modernize the Guyanese gold sector.\footnote{“South African Company to Conduct Feasibility Study,” The West Indian Online, April 18, 2018, accessed at: \url{https://www.thewestindianonline.com/guyana-looking-to-establish-gold-refinery/}.} However, there are no recent updates, nor a current government mandate to this effect. It needs to be pointed out, however, that while the GGB monitors gold exports, it does not monitor the refining processes, as once the gold has been exported, third-party countries proceed with their own refining process.

DECLARING AND PURCHASING

The Guyana Gold Board (GGB) is the entity charged with purchasing all gold produced by miners in Guyana. These purchases can be made directly by the GGB, licensed gold dealers (dealerships licensed by the GGB), or licensed gold traders (licensed by the GGGMC).

The GGB operates from offices at three locations - Georgetown, Bartica, and Port Kaituma. When gold is purchased it is kept at the Bank of Guyana (Georgetown location), and the Citizen's Bank (Bartica location). Gold purchased by the Port Kaituma office is securely kept in a vault in the office until it is ready for shipment to Georgetown for smelting prior to export. A small quantity of gold purchased by GGB is refined locally by the GGMC and held for sale to jewelers in Guyana. The remainder is exported to be refined and sold on the world market.
To become a dealer, a new applicant must provide documentation that it has the financial resources to run the enterprise, followed by a background check and character references. The FIU (and SOCU) are also involved in verification of due diligence. While the gold that moves through the GGB is easy to trace both within Guyana and on the international market, there is always a risk that gold may never be registered with the GGB or the additional state-licensed dealers. However, state entities continue to trace and examine books, declarations, and trends.

**EXPORTING AND IMPORT COUNTRIES**

The GGB signs off on exports of gold by its licensed gold dealers and foreign investors. Following the formal application to export to an approved repository/refinery, the sealing and packaging process is carried out at the premises of the dealer. GGB’s officers weigh the metal in the presence of a Customs officer and package it in the container built in accordance with GGB’s specifications. Additionally, the seals of the two agencies (GGB and CE&TO) are affixed to the containers. The transportation and exporting of gold is traditionally handled by the Guyana Gold Board (GGB), which works with the Bank of Guyana, Guyana’s Citizens Bank, and GBTI. While gold may travel by boat or car into Georgetown, GGB prescribes that the gold should be exported by air (plane) and the port of exit is the Cheddi Jagan International Airport, Timehri. In order to export gold legally, the exporter is required to have: an export license; written permission from the GGB; evidence of payment of royalties and taxes (these are levied on a sliding scale of 1.5% to 3.5%, depending on the amount and the international market price per ounce of gold); processing of an export document through the Guyana Revenue Authority (GRA) called an E-Sad; and submission of an application to export. Export documents are submitted electronically into the Automated System for Customs Data (ASYCD) and gold leaving through the International Airports is blocked in the system and reviewed by a compliance team, unless it is being shipped on a charter aircraft. The Customs Anti-Narcotics Unit, the Police Narcotics Unit, and Port Control can each initiate follow-up actions if the shipment is deemed to be suspicious. Notwithstanding such measures, there have been previous instances of smuggling at the airport. However, with the increased AML/CFT measures, further enforcement and management are required to ensure stricter monitoring.

An estimated 99% of all declared gold is sold overseas, with the majority being exported to the United States and the United Arab Emirates and Belgium. The following table accessed from COMTRADE shows the numbers (value and weight) on imports of gold from Guyana reported by destination countries.

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82 Interview with the General Manager of the Guyana Gold Board in January 2024.
83 “Guyana Extractive Industries Transparency Initiative (GYEITI) Report 2021 (71)
84 “Exportation of Gold Procedure,” PowerPoint provided by the GOG to OAS, August 11, 2020.
86 Pasha (6)
Table 3: UN COMTRADE data on Imports from Guyana

<table>
<thead>
<tr>
<th>PERIOD</th>
<th>REPORTING COUNTRY</th>
<th>TRADE VALUE (US$)</th>
<th>NET WEIGHT (KG)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>Belgium</td>
<td>$58,350,415</td>
<td>1306</td>
</tr>
<tr>
<td></td>
<td>Canada</td>
<td>$363,711,993</td>
<td>8632</td>
</tr>
<tr>
<td></td>
<td>Netherlands</td>
<td>$104</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Switzerland</td>
<td>$34,042,947</td>
<td>754</td>
</tr>
<tr>
<td></td>
<td>United Arab Emirates</td>
<td>$332,819,695</td>
<td>9423</td>
</tr>
<tr>
<td></td>
<td>USA</td>
<td>$15,687,721</td>
<td>353</td>
</tr>
<tr>
<td>2020</td>
<td>Belgium</td>
<td>$18,895,816</td>
<td>373</td>
</tr>
<tr>
<td></td>
<td>Canada</td>
<td>$289,512,912</td>
<td>5661</td>
</tr>
<tr>
<td></td>
<td>Switzerland</td>
<td>$58,518,801</td>
<td>1027</td>
</tr>
<tr>
<td></td>
<td>United Arab Emirates</td>
<td>$466,316,953</td>
<td>9212</td>
</tr>
<tr>
<td></td>
<td>United Kingdom</td>
<td>$3,306,828</td>
<td>59</td>
</tr>
<tr>
<td></td>
<td>USA</td>
<td>$29,830,301</td>
<td>525</td>
</tr>
<tr>
<td>2021</td>
<td>Belgium</td>
<td>$5,550,092</td>
<td>93</td>
</tr>
<tr>
<td></td>
<td>Canada</td>
<td>$140,921,535</td>
<td>2551</td>
</tr>
<tr>
<td></td>
<td>Switzerland</td>
<td>$7,099,834</td>
<td>127</td>
</tr>
<tr>
<td></td>
<td>United Arab Emirates</td>
<td>$670,894,195</td>
<td>12292</td>
</tr>
<tr>
<td></td>
<td>USA</td>
<td>$22,385,417</td>
<td>400</td>
</tr>
<tr>
<td>2022</td>
<td>Belgium</td>
<td>$1,869,317</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>Canada</td>
<td>$163,929,152</td>
<td>2928</td>
</tr>
<tr>
<td></td>
<td>Italy</td>
<td>$273,792</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>United Arab Emirates</td>
<td>$805,815,362</td>
<td>14364</td>
</tr>
<tr>
<td></td>
<td>USA</td>
<td>$19,340,956</td>
<td>336</td>
</tr>
</tbody>
</table>

(Source: COMTRADE Database)
As above Table 3 shows, the United Arab Emirates has become the primary purchaser of exports from 2020, overtaking countries such as the USA and Canada. The following graph demonstrates this trend from 2012-2023. To support the above graph, Annex 1 has been included to show imports (in kgs and USD) reported by country from 2012-2023.

Figure 2. Gold Imports from Guyana (in Kilograms) Reported by Country 2012 – 2023

(Source: Elaborated by John Grajales, DTOC Specialist with data from UN COMTRADE)
CHAPTER 4: GOLD PRODUCTION AND EXPORT

GOLD PRODUCTION

While gold production increased during the mid-2000s, by 2022, there was a decrease in gold declarations. According to the 2022 Bank of Guyana Annual report, total gold declarations declined by 2.5 percent to 486,415 troy ounces, reflecting decreased declaration by small and medium-scale miners, while the sole operating foreign company recorded higher declarations. Small and medium-scale miners, which accounted for 79.1 percent of total declarations, showed a 10.6% decline in declarations to 384,998 troy ounces, partly due to poor weather conditions which made access to mining sites difficult. Guyana Gold Fields Inc. (Zijin), the sole operating foreign company, showed an increase in declarations by 97.4 percent, to 101,418 troy ounces at the end of 2022. This is reflected in Table 4 below:

<table>
<thead>
<tr>
<th>SELECTED PRODUCTION INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMMODITY</td>
</tr>
<tr>
<td>-----------------------</td>
</tr>
<tr>
<td>Bauxite (tonnes)</td>
</tr>
<tr>
<td>Gold (oz)</td>
</tr>
<tr>
<td>Diamond (mt. Ct)</td>
</tr>
<tr>
<td>Stone (tonnes)</td>
</tr>
<tr>
<td>Crude Oil ('000 barrels)</td>
</tr>
</tbody>
</table>

(Source: BOG)

In regional terms, gold is primarily produced by small- and medium-scale mining operations in only three of Guyana’s districts: Potaro, Mazaruni, and Cuyuni, in the west of the country. Figure 2 indicates the main mining regions. The majority of Guyana’s mining occurs in the Cuyuni and Mazaruni River basins. Table 5 provides a breakdown of the Gold Declarations by Mining Districts as of 2023, provided by the GGMC.

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### Table 5: Gold Declarations by Mining Districts (2023)

<table>
<thead>
<tr>
<th>MONTH</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>SUB-TOTAL</th>
<th>PORT KAITUMA</th>
<th>DEALERS</th>
<th>AGM INC. ZIJIN MINING GROUP CO.</th>
<th>MONTH TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>Nil</td>
<td>1,376.77</td>
<td>1,744.72</td>
<td>998.62</td>
<td>1,269.43</td>
<td>5.39</td>
<td>5,394.93</td>
<td>215.57</td>
<td>18,675.53</td>
<td>9,808.73</td>
<td>34,094.76</td>
</tr>
<tr>
<td>February</td>
<td>Nil</td>
<td>1,651.80</td>
<td>2,105.59</td>
<td>1,332.17</td>
<td>873.60</td>
<td>5,963.16</td>
<td>254.83</td>
<td>19,228.53</td>
<td>7,278.98</td>
<td>32,725.50</td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>Nil</td>
<td>1,471.30</td>
<td>3,046.21</td>
<td>2,716.37</td>
<td>1,356.46</td>
<td>44.03</td>
<td>8,634.37</td>
<td>311.18</td>
<td>18,313.64</td>
<td>12,816.24</td>
<td>40,095.43</td>
</tr>
<tr>
<td>April</td>
<td>175.51</td>
<td>2,137.91</td>
<td>1,735.85</td>
<td>1,590.21</td>
<td>1,356.46</td>
<td>5.84</td>
<td>6,223.91</td>
<td>357.58</td>
<td>25,324.00</td>
<td>7,345.73</td>
<td>39,251.22</td>
</tr>
<tr>
<td>May</td>
<td>Nil</td>
<td>1,869.26</td>
<td>1,808.48</td>
<td>924.41</td>
<td>626.23</td>
<td>12.06</td>
<td>5,240.44</td>
<td>257.30</td>
<td>20,675.33</td>
<td>5,908.27</td>
<td>32,081.34</td>
</tr>
<tr>
<td>June</td>
<td>1.03</td>
<td>1,165.85</td>
<td>1,948.24</td>
<td>988.83</td>
<td>1,056.95</td>
<td>Nil</td>
<td>5,160.9</td>
<td>227.34</td>
<td>18,605.33</td>
<td>7,514.43</td>
<td>31,508.00</td>
</tr>
<tr>
<td>July</td>
<td>Nil</td>
<td>1,838.45</td>
<td>4,230.61</td>
<td>1,041.40</td>
<td>2,741.91</td>
<td>Nil</td>
<td>9,852.37</td>
<td>223.32</td>
<td>17,912.23</td>
<td>8,198.55</td>
<td>36,186.47</td>
</tr>
<tr>
<td>August</td>
<td>Nil</td>
<td>2,909.56</td>
<td>2,003.69</td>
<td>1,091.39</td>
<td>2,021.35</td>
<td>4.82</td>
<td>8,030.81</td>
<td>268.75</td>
<td>23,643.48</td>
<td>8,771.08</td>
<td>40,714.12</td>
</tr>
<tr>
<td>September</td>
<td>9.74</td>
<td>2,569.49</td>
<td>2,588.95</td>
<td>884.62</td>
<td>433.55</td>
<td>3.89</td>
<td>6,490.24</td>
<td>252.00</td>
<td>15,122.71</td>
<td>11,682.99</td>
<td>33,547.94</td>
</tr>
<tr>
<td>October</td>
<td>0.85</td>
<td>2,938.57</td>
<td>2,897.08</td>
<td>839.23</td>
<td>1,786.01</td>
<td>6.77</td>
<td>8,468.51</td>
<td>238.85</td>
<td>17,055.84</td>
<td>7,668.35</td>
<td>33,431.55</td>
</tr>
<tr>
<td>November</td>
<td>Nil</td>
<td>2,386.74</td>
<td>2,311.42</td>
<td>1,256.86</td>
<td>1,197.32</td>
<td>21.52</td>
<td>7,173.86</td>
<td>294.85</td>
<td>21,631.02</td>
<td>11,738.89</td>
<td>40,383.62</td>
</tr>
<tr>
<td>December</td>
<td>Nil</td>
<td>2,392.36</td>
<td>2,541.46</td>
<td>1,395.10</td>
<td>1,161.34</td>
<td>2.25</td>
<td>7,492.51</td>
<td>300.45</td>
<td>19,219.16</td>
<td>10,626.15</td>
<td>37,638.27</td>
</tr>
<tr>
<td>Total</td>
<td>187.13</td>
<td>24,708.06</td>
<td>28,962.30</td>
<td>15,059.21</td>
<td>15,108.58</td>
<td>100.73</td>
<td>84,126.01</td>
<td>3,222.02</td>
<td>235,406.80</td>
<td>109,358.39</td>
<td>432,113.22</td>
</tr>
</tbody>
</table>

(Source: GGMC)

Figure 3: Land allocated to mining in each district of Guyana (Source: GGMC)
GOLD EXPORTS

Based on data from the Bank of Guyana Annual Report for 2022, gold export receipts amounted to US$829.8 million, 3.3 percent or US$28.6 million lower than the 2021 level of US$858.4 million. This was due to a decline in the volume exported since average prices were higher. The volume of gold exported declined by 4.0 percent or 19,868.2 ounces to 482,934 ounces as a result of lower declarations. The average export price per ounce of gold was higher by 0.6 percent or US$11.07, moving to US$1,718.28 per ounce from US$1,707.21 per ounce in 2021. This is shown in the table below.

![Figure 4: Gold export data in troy ounces, 2020-2022]

These figures have been reconciled with data gathered from the GGMC, in which gold among other minerals (diamond, bauxite, sand), as one of the main commodities exported from Guyana, accounted for 39.96% of the total exports in 2020. This may be compared to previous years, in which, in 2019 for example, 636,410 ounces of gold were exported, and mineral exports accounted for 73.7% of total exports. The primary factors contributing to lower export rates in 2020 compared to 2019 and 2018 were the effects of the COVID-19 pandemic and the impact of gold prices on exports.

HISTORICAL DATA FOR REFERENCE PURPOSES

In 2016, the year of the jump in production, large-scale mining in Guyana really began, accounting for most of the 37% rise in production. However, there may have been another factor contributing to the increase. In 2016 Venezuelan president Nicolás Maduro signed a decree called the Orinoco Mining Arc and opened up an area of 112,000 square kilometers for mining development, including significant territory on Guyana’s 743-kilometer western border with Venezuela. The area partly overlaps with protected environmental areas and the ancestral lands of indigenous communities. Thus, gold production rose significantly in Venezuela.
While this circumstance poses an opportunity for cross-border gold smuggling and gold smuggling has been reported, prompting investigations by enforcement agencies and policymakers,\(^9\) hard evidence and statistics to support such claims are anecdotal and will not be presented in this Report in any great detail, as it is not possible to quantify with any accuracy the amount of gold between and among borders, as allegations have not included the statistical data or detailed information on gold previously provided by Brazilian garimpeiros.

Nevertheless, for miners and supporting organizations, border security and tracking remain a prime concern to avoid instances or opportunities for smuggling. While further statements have been made by members of the previous administration and government on the illegal gold trade and losses suffered by Guyana, there are no known statistical data or trends to support those claims.

**GOLD AND GUYANA’S GDP**

Gold represents a significant portion of Guyana’s overall GDP and, even more so, of the country’s exports. According to macroeconomic data disclosed in the Bank of Guyana’s 2022 annual report, the mining and quarrying sector (other than oil and gas) accounted for GYD 128.81 and 131.45 billion in the financial years 2020 and 2021, respectively, which represent 12.15% and 8.35% of the national GDP at current prices. Most of Guyana’s gold is exported to two countries, the United States and Canada, though Guyanese gold continues on to other countries such as the United Arab Emirates (UAE), Saudi Arabia, and Hong Kong.

![Figure 5: Ounces of gold exported by dealers and large-scale mining companies](source: GGB)

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The table above provides export data from licensed dealers, Guyana Goldfields, and Troy Resources, from 2015 to 2019. While dealers did export more gold in 2019, the figure did not jump that dramatically and remained constant from 2016 through 2018. In contrast, both major mining companies increased their exports dramatically in that same time period. Moreover, they are the primary private entities permitted to declare and export gold from Guyana. As demonstrated above, more than 16 tons of gold were exported by these entities in 2018, and they exported more than 17 tons of gold in 2019.

Updating the above, the following figures were provided by the Guyana Gold Board as of January 2024 (Table 6), directly comparing exports for GGB, GGF, Troy Resources, and Licensed Dealers in 2015-2023 and showing the drop in exports post 2020, compared to 2019, based (as previously highlighted) on the low declarations by licensed dealers and zero exports by Troy Resources.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GUYANA GOLD BOARD</td>
<td>144,133.00</td>
<td>202,057.88</td>
<td>169,585.80</td>
<td>88,833.12</td>
<td>81,019.35</td>
<td>90,667.51</td>
<td>97,715.03</td>
<td>84,449.48</td>
<td>89,954.84</td>
</tr>
<tr>
<td>DECLARANT A</td>
<td>36,807.00</td>
<td>160,636.64</td>
<td>168,111.61</td>
<td>163,568.37</td>
<td>141,315.80</td>
<td>73,154.74</td>
<td>51,383.56</td>
<td>99,212.41</td>
<td>109,358.38</td>
</tr>
<tr>
<td>DECLARANT B</td>
<td>2,684.00</td>
<td>69,457.81</td>
<td>66,024.42</td>
<td>90,684.37</td>
<td>45,268.13</td>
<td>26,727.07</td>
<td>16,884.73</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LICENSED DEALERS</td>
<td>264,624.00</td>
<td>245,634.99</td>
<td>261,345.38</td>
<td>268,149.12</td>
<td>368,806.46</td>
<td>411,377.27</td>
<td>336,819.31</td>
<td>299,272.01</td>
<td>237,746.39</td>
</tr>
<tr>
<td>TOTAL (OZS)</td>
<td>448,248.00</td>
<td>677,787.32</td>
<td>665,067.21</td>
<td>611,234.98</td>
<td>636,409.74</td>
<td>601,926.51</td>
<td>502,802.63</td>
<td>482,933.90</td>
<td>437,059.61</td>
</tr>
</tbody>
</table>

(Source: GGB (January 2024))

OVERALL SUMMARY OF DECLARATION/EXPORT DATA

Supplementing the above information on gold declarations and exports, Annex 2 has been included as a quantitative summary of trends from 2014-2023 for declarations/output and corresponding exports for each financial year. This information was provided by the GGB in January 2024 and is reconciled with the abovementioned BoG reports. The reasons for the trends have already been highlighted above. While Annex 2 has been included, this Report also reviewed alternative data from Comtrade that displayed discrepancies in the reporting of exports from 2021-2023, compared to data from the Guyana Gold Board. For this reason, the official data taken from the GGB serves as the primary source of information for official purposes for this report. However, this Report highlights the necessity and recommendation of ensuring that an official record of data regarding production and export be maintained and updated prior to the publication of further data. Such a recommendation allows for reconciliation among all stakeholders and parties to ensure there is less error in reporting for official purposes.
MINING LICENSES AND MINERS

In 2013, there were an estimated 35,000 individuals engaged in mining in Guyana. Based on the number of licenses issued in 2013, small-scale miners account for about 91% of the total, with medium-scale mining representing about 9% and large-scale operations comprising less than 1%. In comparison to Venezuela and Colombia, most individuals engaged in mining in Guyana are small-scale actors; an estimated 67.7% of gold in Guyana comes from small- and medium-scale mining. Furthermore, both prospecting permits and mining permits for small- and medium-scale drastically increased. Between 2006 and 2013, the number of small- and medium-scale mining permits rose from 270 to 1,979. By comparison, during the same period, mining permits issued for large-scale endeavors ranged from 10 to 16. The following Figure 5 shows the breakdown of the issuance of licenses in Guyana as of 2021:

<table>
<thead>
<tr>
<th>LICENSES AND PERMITS AWARDED DURING FY 2021</th>
<th>NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining Permits (MP) Medium-Scale</td>
<td>353</td>
</tr>
<tr>
<td>Prospecting Permits Medium-Scale (PPMS)</td>
<td>81</td>
</tr>
<tr>
<td>Prospecting Permits Small-Scale</td>
<td>888</td>
</tr>
<tr>
<td>Prospecting Licenses (PL)</td>
<td>1</td>
</tr>
<tr>
<td>Mining Licenses (ML)</td>
<td>-</td>
</tr>
<tr>
<td>Quarry Licenses (QL)</td>
<td>12</td>
</tr>
<tr>
<td>Dredge Licenses (DL)</td>
<td>1,127</td>
</tr>
<tr>
<td>Claim Licenses (CL)</td>
<td>714</td>
</tr>
<tr>
<td><strong>Total permits awarded during FY 2021</strong></td>
<td><strong>3,176</strong></td>
</tr>
<tr>
<td>Mining Permits (MP)</td>
<td>281</td>
</tr>
<tr>
<td>Mining Licenses (ML)</td>
<td>1</td>
</tr>
<tr>
<td>Claim Licenses (CL)</td>
<td>186</td>
</tr>
</tbody>
</table>

(Source: GGMC as provided in the 2022 GYEITI Report)


92 Pasha (6)
The changes in the number or conversion of PPMS to MPs correlates with the gold price at any given time. While the price for gold in 2013 was around $1,674 USD per ounce, gold prices dropped in subsequent years as previously stated, but recovered from 2019 to the present, ranging from $1,282 to $2,062 USD per ounce.

**MERCURY IMPORTS**

Since 2012, there has been a significant decline in Guyana’s declared mercury imports. This is likely explained by the government’s decision to sign the Minamata Convention in 2013 and the additional step taken in 2018 and 2019 to begin limiting the amount of imported mercury by quota.\(^93\) The importing, storage, and distribution of mercury are managed through an inter-agency approach with the Pesticides and Toxic Chemicals Control Board (PTCCB) and Environmental Division of the GGMC taking the primary lead, and other agencies — including the Environmental Protection Agency, the Guyana Revenue Authority, and the Ministry of Natural Resources — playing other roles in the permit issuing and monitoring process.

According to the Guyana Bureau of Statistics, mercury most commonly originates in the United States, followed by Spain and China. Since 2015, China and India have been Guyana’s primary suppliers of mercury. Moreover, the United States has not sent the country any mercury since 2013, when Guyana signed the Minamata Convention.

Guyana’s imports of mercury peaked between 2011 and 2012 and have declined steadily since. Guyana is a particularly important country for nearby countries’ mercury supplies as it is the only nation in the Guianas Shield that permits mercury imports of any kind, which may provide an opportunity for potential smuggling for those countries that require them for ASGM.\(^94\)

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**Figure 7: Mercury imports by country of origin, in kilograms, 2010–2018**

(Source: GNBS)

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As supported by the above table, most of Guyana’s mercury needs are met through imports from different countries. Over the period 2008-2018, mercury was imported from 14 countries. Over the past five years, the United Kingdom has been the main supplier, followed by India. European Union countries, such as Spain, which used to be one of the major suppliers to Guyana, no longer do so as exports of mercury and certain mercury compounds from the EU have been banned since March 15, 2011.95 As of 2020-2023, the supplier countries varied as shown in the following Table:

### Table 7: Mercury imports from 2020-2023

<table>
<thead>
<tr>
<th>COUNTRY OF ORIGIN</th>
<th>QTY (KG)</th>
<th>VALUE (G$)</th>
<th>VALUE (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHINA</td>
<td>1,400</td>
<td>6,255,000</td>
<td>30,000</td>
</tr>
<tr>
<td>INDIA</td>
<td>3,800</td>
<td>15,637,500</td>
<td>75,000</td>
</tr>
<tr>
<td>UNITED KINGDOM</td>
<td>2,968</td>
<td>12,040,875</td>
<td>57,750</td>
</tr>
<tr>
<td>UNITED STATES</td>
<td>0.23</td>
<td>18,101</td>
<td>87</td>
</tr>
<tr>
<td>VIETNAM</td>
<td>1,750</td>
<td>7,818,750</td>
<td>37,500</td>
</tr>
<tr>
<td></td>
<td>9,918</td>
<td>41,770,226</td>
<td>200,337</td>
</tr>
<tr>
<td></td>
<td>2021</td>
<td></td>
<td></td>
</tr>
<tr>
<td>INDIA</td>
<td>14,814</td>
<td>58,954,626</td>
<td>282,756</td>
</tr>
<tr>
<td></td>
<td>2022</td>
<td></td>
<td></td>
</tr>
<tr>
<td>INDIA</td>
<td>5,551</td>
<td>23,487,525</td>
<td>112,650</td>
</tr>
<tr>
<td></td>
<td>2023</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UAE</td>
<td>22,584</td>
<td>93,931,335</td>
<td>450,510</td>
</tr>
</tbody>
</table>

(Source: Guyana National Bureau of Statistics (as obtained from the Customs TRIPS/ASYCUDA World Data))

Geological Services Division of the Guyana Geology and Mines Commission
CHAPTER 5: APPEAL OF GOLD: ILLICIT PRACTICES AND GENERAL RED FLAGS

As gold is a fungible product, relatively easy to move, and free of significant criminal penalties if illegally trafficked, it has become increasingly attractive to criminal organizations for money laundering, corruption, and other forms of fraud. With gold (mining) serving as an alternative means for criminals to transfer assets and channel financial proceeds, the prospect of the use of gold poses an indelible threat to law enforcement and intelligence agencies because of its transient nature and unassuming qualities as a source of future money laundering and terrorist financing. Since gold is a relatively ‘anonymous’ source, the value of receiving proper information and data increases (becomes the new ‘gold’) for entities like GGMC and FIU as the gold mining supply chain (explored in Chapter 3) becomes more complex with additional parties involved making it easier to commit, and more difficult to track, predicate offences.

Identifying potential illicit mining typologies is therefore crucial. In addition, the production and export of gold— and illicit and unregulated mining in particular — poses dangers that go beyond just money laundering: deforestation, extortion, and human trafficking are also real risks. In short, illicit practices

96 FATF Report, Money Laundering/terrorist financing risks and vulnerabilities associated with gold 2015 (39)

related to gold production and export could occur throughout the gold mining supply chain and lead to both institutional and sectoral challenges in combating different forms of illicit mining.

What makes gold attractive as the potential vehicle for money laundering and profiteering is its world market price stability, or lack thereof, as the case may be, but the worldwide acceptance of its inherent value creates an internationally shared basis for exchange, or ‘global currency’. For example, as previously noted, in Guyana, gold is used by miners as a barter currency within remote mining communities, which may not always be subject to proper documentation and registration. However, as a barter currency, it is also valuable for other businesses such as pawn shops, and as cash for gold businesses, and even scrap metal businesses. This complicates the supply chain as it provides potential for tax evasion, unobtrusive and anonymous transportation and even concealment of the asset through changes of appearance (i.e. smelting and repurposing), as well as hiding of the identity of the persons involved.

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98 FATF Report, Money Laundering/terrorist financing risks and vulnerabilities associated with gold 2015 (39)

99 Notwithstanding this deficiency, in accordance with s.9(2) of the GGB Act, there is provision for a person bartering to possess a trading license issued by the GGMC and for transaction records to be documented.

100 Ibid
According to the FATF Report on Money Laundering/Terrorist Financing Risks and Vulnerabilities associated with Gold, a report published in July 2015 by the FATF-Asia/Pacific Group on Money Laundering (APG), there were five (5) main categories of red flags that signal potential money laundering and terrorist financing activity. The following list taken from the Report is not intended to be exhaustive but provides examples that can be applied in any context, and which the AML/CFT legislation in Guyana is seeking to address:

(i) **CUSTOMER BEHAVIOR:** occupation inconsistent with a customer’s financial profile, unusual pattern of transactions, and the nature of those transactions;

(ii) **COMPANY BEHAVIOR:** failure by reporting entities to report to the FIU, movement of large sums of money in various individual accounts, changes of business names, large number of companies registered under one person’s name;

(iii) **TRADE-BASED BEHAVIOR:** cash payments for high value orders, misclassification of gold purity, weight, etc. on customs forms, use of shell companies, transshipment through alternative jurisdictions;

(iv) **PRODUCT DIFFERENTIATION:** gold prices are higher than those of the local gold market;

(v) **PAYMENT BEHAVIOR:** payments to shell companies, granting of loans, bank withdrawals, inability to trace original source of funds, third party transactions.

While the above may be applicable across jurisdictions as general red flags for money laundering and terrorist financing, there may be more specific red flags within the gold mining sector, including but not limited to the following:

i) Production of Gold without the requisite mining license and without compliance with the required (environmental, technical, etc.) regulations

ii) Decreased production at licensed mines and correspondingly lower declarations

iii) Machinery and equipment that may not be licensed or, where licensed, do not reflect the nature of activities for small-scale miners;

iv) Mining in prohibited areas.

These red flags in mining are echoed in publications and training sessions for Dealers in Precious Metals and Dealers in Precious Stones issued or conducted by the GGMC as AML/CFT Supervisory Guidelines.

101 Further details and red flags are contained in OAS/DTOC, Typologies and Red Flags Associated with the Laundering of Money from Illegal Mining in Latin America and the Caribbean (January 2022)
In red flags such as unwillingness to report or provide information on the business, incomplete production sheets, high degrees of secrecy, frequency of transactions, known terrorism or criminal backgrounds, inconsistent financial profiles et al are all identified as pointing to suspicious transactions. It is important to note, as indicated in previous chapters, that not all STRs result in further investigations or prosecutions. The aforementioned serve as a starting point enabling the conduct of miners, reporting entities, and Designated Non-Financial Businesses and Professions (DNFBPs) to be managed, assessed, and monitored to prevent such potential occurrences. The linkage between the general red flags and those specific to gold mining illustrate how companies/individuals who work in the mining sector can evade the regulatory system through transactional and commercial actions.

In Guyana, based on the National Risk Assessments (NRAs) conducted in 2021, there may be challenges facing the mining sector, which create possible red flags indicating vulnerabilities and potential for money laundering and terrorist financing. Some of these challenges include:

- The lax nature of enforceable and unified regulations for small-scale mining. As previously noted, responsibility for such regulations has been delegated to the GGMC, but institutional challenges such as the remoteness of some small-scale mining concessions and a shortage of human capacity for inspections and monitoring create practical challenges that diminish the full enforceability of regulations for all small miners.

- Guyana’s extensive border regions with Venezuela, Suriname, Brazil, Trinidad and Tobago, and other Caribbean countries create a natural geographical setting for possible porous borders. As a jurisdictional issue, there may also be geopolitical issues with neighboring countries that may hinder enforcement of border security (as with the Guyana/Venezuela border controversy). While borders are subject to oversight, there are other international factors that may discourage further investigations, sting operations, and other enforcement mechanisms to curtail any allegations or reports of illegal gold smuggling.

- Under-resourcing of law enforcement officers and inspectors from the different agencies responsible for monitoring the mining sector and a significant lack of resources given for the scale of mining activities and the remoteness of many of the mining sites. Again, this is exacerbated by the very real security concerns that non-state armed actors pose in their efforts to limit the presence of the State. This particular concern derives from institutional shortcomings and was considered to be pervasive by all the entities consulted. Building capacity and developing technology to access remote communities is vital to ensure coordinated and concerted efforts to address allegations or reports of illegal gold smuggling.

- Increased monitoring and control over the movement of mercury from the point of import to mining sites, and reconciliation of the amounts of mercury needed and the actual amounts acquired, in order to improve identification of points of diversion.

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102 The GGMC AML/CFT Supervisory Guidelines on The Reporting of Suspicious Transactions for Dealers in Precious Metals and Precious Stones (2022)
• Complex and possibly confusing formalities and regulations that deter miners from complying with the licensing process in a timely manner without resorting to non-compliance to bypass the system. This may be due to a lack of understanding by the miners and may require continual engagement with them. While this may be a GGMC function, the ‘Others’ described in Chapter 2, such as non-governmental bodies, play a significant role in serving as a liaison between the mining interests and the Government of Guyana.

• As indicated in Chapter 2, there is a robust legal framework (various legislative instruments) in Guyana to address the potential for smuggling. However, the main challenge is enforcement due to the need for increased collaboration with existing enforcement bodies and prosecutorial support, based on proper findings. The bodies directly involved in the mining chain are not enforcement entities, but their mandates are governed by statutes.

• As in any country, there may be reports of corruption within the system, from officers in the field reflecting efforts by applicants to introduce incentives for enhancing access and licensing. This is not unique to Guyana but may apply here given the number of the entities involved and changing dynamics in the sector.

• The complexity, diversity, and adaptability of transitional organized crime in the region that sees gold as its favorite commodity.

The following chapter provides a more detailed assessment of money laundering typologies used in gold mining that are directly applicable in the Guyana context as well as a detailed assessment of the challenges in Guyana that increase vulnerabilities for money laundering and financial terrorism, while the final chapter not only presents recommendations on how to deal with such challenges, but ongoing activities that are already addressing such challenges.

Geological Services Division of the Guyana Geology and Mines Commission
CHAPTER 6: MONEY LAUNDERING RED FLAGS AND TYPOLOGIES USED IN GOLD MINING

The FIU, as the primary intelligence unit, regularly compiles typologies applicable to various sectors of the economy based on the information sent by obligated entities. In 2015, the GOG FIU identified several money laundering typologies in the gold jewelry trade based on its past experiences and practical analysis of information received in Guyana. These typologies may still be applicable today. However, they should be interpreted in light of the passage of the AML/CFT Act which has undergone several amendments since 2009. For the purposes of the present Report, these typologies will be examined, along with the way they have been managed so far, where applicable.

ALTERED IMPORT/EXPORT OF SCRAP GOLD DECLARATION AND QUANTITIES

This includes gold that is amalgamated into different types of jewelry to be taken out of Guyana without paying taxes or declaring the gold. Ultimately, the gold is simply melted back into gold bars once outside the country. This typology reportedly allows gold to be exported without being declared or taxed. In its case study, the FIU identified the following characteristics of these types of financial transactions:

- The initial funding or working capital was not traceable to any licensed or traditional source.
• Significant incoming transfers from businesses registered in North America (or elsewhere outside Guyana) benefiting the same group of persons and/or businesses.

• Money transfers from overseas processed to accounts at different local financial institutions.

• Subject’s overseas registered company made transfers to several local individuals.

• Subject’s source of funds declarations, which usually state “proceeds from precious metal trading,” cannot be validated.

• Financing for operations (local purchases) is/are not traceable at local financial institutions.

• Working capital financed by cash.103

USE OF MONEY TRANSFER AGENCIES (MTAS)

During the period 2016-2018, a typology was devised for Money Transfer Agencies.104 Observations by the FIU at this time noted that MTAs were being used to create layers of transactions, facilitating complexity regarding the personnel involved, thereby creating distance from the source. Because MTAs do not require the actual identity of the customer, there were two means of creating the chain: ‘structuring’ and ‘flipping’, as described in the Report. As the FIU notes in its 2019 Report:

• Criminals seek to hide, move, and use funds generated from their illicit activities in a variety of ways without attracting the attention of law enforcement and other authorities.

• Structuring (breaking up a large transaction into amounts below the reporting threshold, thereby obscuring the funds trail) and flipping (where funds received through an MTA are immediately sent on to another destination to obscure the movement) are two prominent ways criminals use MTAs in laundering schemes.

• Money laundering involves three interrelated stages:

  – Placement: The introduction of cash acquired from illicit sources into the financial system.


Layering: Carrying out complex financial transactions to conceal the illegal source of cash by creating as much distance as possible between the source of ill-gotten proceeds and the true beneficiary.

Integration: The final stage in the money laundering process. It involves reintroducing laundered funds into the legitimate economy while making them appear as though they have originated from a legitimate source.

The Report cites several money laundering indicators or red flags (for example, frequency of transactions over a short period of time, single customer receiving transfers from a high number of senders, customer appearing to be avoiding reporting requirements by using various MTA locations or cashiers on the same day, multiple transfers of equal amounts over a very short period, unwillingness of customer to provide routine information, customer’s overall behavior such as nervousness and receipt of instructions from others), and includes recommendations. In November 2019, the Bank of Guyana issued Supervision Guideline No. 12 pursuant to the 2009 AML/CFT Act for Money Transfer Agencies and Cambios. This Guideline provided guidance on the requirements for implementation of an adequate AML/CFT compliance-risk-based framework for MTAs (licensed under the 2009 Money Transfer Agencies [Licensing] Act) and cambios (Dealers in Foreign Currency [Licensing] Act 1989), in accordance with Bank of Guyana expectations regarding minimum standards for AML/CFT practices for such entities. Such policies and requirements included the implementation of the KYC (Know Your Customer) and CDD (Customer Due Diligence) requirements to ensure that customers/agents/employees are accepted (Customer Acceptance Policy) and identified (Customer Identification Procedures), so that there is traceability of transactions and transparency in business relations. For high-risk customers, enhanced due diligence is also required when the sources of funds are not clear. The purpose of such stringent measures is to ensure risk management through the collection of detailed information and to establish internal controls that audit the business and achieve compliance with AML/CFT requirements. In short, this Guideline clearly establishes all requirements that must be put in place by the entities to ensure statutory compliance. While training and appointment of officers are also included, it is the responsibility of the relevant entities to meet these requirements.

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105 Ibid


107 AML/CFT Act 2009 s. 22 mandates the Governor of the Bank of Guyana as the Supervisory Authority of MTAs and Cambios.
FALSE INVOICING OF GOLD EXPORTS TO DISGUISE ILLICIT TRANSACTIONS

Use of fictitious sale agreements to justify large cash deposits related to illegal mining: As described by the FIU in its August 2016 Report on this subject, this typology has multiple variations, all of which have been used to significant effect in the Guyanese gold trade. The first variation is when a local company in Guyana reports an agreement with a foreign company to sell gold (or diamonds or other precious metals) and makes false statements about the sale of gold to justify large cash deposits in Guyanese financial institutions. Alternately, the large transactions for the fictitious sale of gold can end up in financial institutions outside of Guyana, principally the United States, justified as being from the sale of gold when gold was not actually delivered. Another variation is to under-report the amount of gold exported in order to pay less in taxes while preparing documents that allow the gap to be explained by reporting the excess as part of fictitious transactions described above.109

In such cases, AML/CFT amendments post 2016, specifically the 2018 and 2023 AML/CFT Amendment Act, introduced measures applicable across the board, especially for banking institutions, to counter such sale transactions. The FIU and Gold Board are therefore key to tracking those trends where there may be instances of underreporting.

USE OF CASH COURIERS/ALTERNATIVE SYSTEMS FOR CHANNELING ILLICIT RESOURCES FROM ILLEGAL MINING

In accordance with the report published by the FIU that tracked typologies from 2009-2015, cash couriers are considered to be groups of individuals involved in the physical exporting of foreign currencies, in significant cash amounts, from Guyana across international borders. The source of the main foreign currencies exported cannot be verified by the sales of licensed foreign currency merchants (including licensed financial institutions). Neither can the importing of these foreign currencies into Guyana be traced. In the period monitored by the FIU (January 2009 to August 2015), US dollars accounted for 5% of the currency exports, while pounds sterling accounted for 16%, euros accounted for 28%, and Canadian dollars accounted for 28%. According to the FIU typologies derived from the study of multiple cases, cash courier group members share the following common traits:

- Similar “source of foreign currency” declared.


109 Ibid

• Similar “intended use of foreign currency” declared.

• Multiple foreign currency types are indicated on a single declaration.

• Relatively large denominations for foreign currencies declared.

• Individuals within the group share a common address.

• Individuals within the group have the same last names.

Groups shared the following common characteristics:

• Identifiability of group leader, who also acts as a courier.

• Attempts to legitimize operations by conducting purchases of nominal proportions, compared with exports, at licensed foreign exchange merchants.

• Trade names registered as foreign exchange businesses, but not licensed as such.

• Declaration of significant amounts of not easily obtained non-USD cash.

• International airlines used as the mode of transportation across borders.

• Groups containing both male and female couriers.

• Group members are mostly middle-aged and senior individuals.

As Guyana complies with the recommendations of the FATF, increased measures dealing with cash couriers have been implemented since 2015. The provisions of FATF Recommendation 32, with which Guyana complies, aimed to ensure that countries have measures to: (a) detect the physical cross-border transportation of currency and bearer negotiable instruments; (b) stop or restrain currency and bearer negotiable instruments that are suspected of being related to terrorist financing or money laundering; (c) stop or restrain currency or bearer negotiable instruments that are falsely declared or disclosed; (d) apply appropriate sanctions for making a false declaration or disclosure; and (e) enable confiscation of currency or bearer negotiable instruments that are related to terrorist financing or money laundering.

In Guyana, under Section 36 of the AML/CFT Act and Section 6 of the Foreign Exchange (Miscellaneous Provisions) Act Chapter 86:01, it is an offence to fail to make a declaration or to make a false cross-border

111 Ibid
foreign currency declaration at the various airports and ferry crossings. The Guyana Revenue Authority is required to send reports of the Declarations of International Transportation of Currency to the FIU for continuous analysis and determination of trends. This coordination between the GRA and FIU provides an added layer of monitoring involving cooperation with customs officials and immigration. Although under the legislation (and recommendation), gold and precious metals are not included, where there is suspicious activity in terms of cross border transport, this should be communicated to authorities. It is important to note, however, that while the declaration forms may not necessarily include gold et al, the liquid currency declarations provide a means to track any unusual funds that may have emanated from the sale of gold.

THREATS AND VULNERABILITIES ASSOCIATED WITH THE GOLD SUPPLY CHAIN IN GUYANA

As mentioned in the previous chapter, this section highlights a few of the illicit mining methodologies specific to Guyana as well as broader illicit mining red flags, which have been adapted based on the current circumstances. They are aligned with and expand on the FATF definitions for alerts or red flags in the gold supply chain and incorporate information provided by GOG officials during the preparation of this report. Overall, any mining activity that includes one or more of these warnings represents a higher risk of illicit mining practices. While mining activities that report one or more of these red flags are not necessarily involved in illicit mining, they are indicators of risk that should be taken seriously. Nonetheless, it would be remiss of the author not to stress that this chapter should be read in tandem with the final chapter that not only seeks to present recommendations for managing and mitigating such challenges, but also highlights the current initiatives undertaken in Guyana to counter the red flags for illicit mining in the country, as indicated throughout this Report.

1. DIFFICULTIES IN MONITORING MINING LICENSES: Both informal and small-scale mines are difficult to monitor and regulate because of their small size and location in remote areas, an absence of state presence and institutions, a lack of licenses or otherwise invalid licensing, and the difficulty in monitoring gold declarations and exports following the production phase. In Guyana, this poses a risk in areas where indigenous communities may authorize mining (in the Amerindian communities under the Amerindian Act) and in instances where large-scale mining companies operate by subcontracting to small-scale miners. Further difficulties may arise if there are unlicensed mining operations on already established concessions, for which the concession holder can report to GGMC but may not have locus standi under the Mining Act to seek a claim or file corresponding charges. It is, however, noteworthy that Section 128 of the Mining Act gives the Court power to issue an order to forfeit any minerals recovered or the proceeds

113 OAS/DTOC, Typologies and Red Flags Associated to Money laundering from Illegal Mining in Latin America and the Caribbean (January 2022)
of the sale of the minerals in the course of the commission of the offence. This is only useful if the minerals are found or traced. With low fines and difficulty in enforcement in some instances, there are circumstances that weaken illicit mining operations and hamper the movement of gold among remote groups.

2. **ANOMALIES IN DATA COLLECTION:** Under usual circumstances, a strong indicator of illicit activities is wide year-on-year variations in imports and exports of either gold or necessary precursor chemicals, such as mercury imports. When exports outstrip declared production, it is often an indicator that the country is being used as a final destination or export point for gold originating elsewhere. When imports outstrip measurable needs for a commodity it is often an indication that the product is moving to markets outside the country, usually at a significant mark-up in price, thereby generating the profits that make smuggling economically attractive. If any of these indicators shift markedly from year to year without a rational economic explanation (such as a major new mine beginning production), it is often an indicator of illicit market adjustments to either internal forces or shifts in the immediate geographic neighborhood. In the case of Guyana, this particular risk needs to be considered carefully, as it is dependent on tracking of statistics and data accuracy and can also be dependent on the country’s own idiosyncrasies relating to variations in imports. With Guyana’s sensitivity to changes in climate and possible flooding in mining areas, mining operations and logistics may be affected in terms of transportation to the sites, fuel supply, and maintenance of a stable contingent of employees. Therefore, when looking at data collection in Guyana, all extraneous factors must be considered.

3. **POROUS AND UNMONITORED BORDERS:** Mining operations occurring along international borders are particularly susceptible to illicit mining activity, since precursor materials, machinery, gold, and even the movement of miners are difficult to monitor. This is especially true in areas of border conflict and regions where traditional smuggling has been a way of life for generations and many of the residents are bi-national, cross the border daily, and have families on both sides. Because of the value of the commodities needed and produced in the gold chain (gold, mercury, heavy machinery) and the accessibility of significant amounts of ready cash, gold-producing border areas are an indicator of illicit gold mining activities. In addition, the states themselves are often at odds with each other and have different regulatory systems and legal structures, as is presently the case with Guyana/Venezuela. In Guyana, this appears to be especially a concern along the Venezuelan border, as gold arriving from Venezuela may become mixed
into Guyanese declarations. Such border issues are often geopolitical matters and subject to international law, or in the local context, are currently before international courts. Guidance derive from international precedents would be useful in curbing such instances, but actions undertaken should be overseen by the Executive to avoid any national incidents.

4. **LACK OF CONTROL IN LOCAL PURCHASING:** When multiple entities can approve gold declarations or sales, there are more opportunities for fraud, money laundering, and corruption. A potential red flag in Guyana is that, apart from the Guyana Gold Board (GGB), there are other local dealers who are authorized to purchase gold produced in Guyanese mines, which may make it difficult for GGB authorities to monitor respective due diligence processes. However, the GGB is mandated to request information and also require reporting.

5. **EXPORTING TO A (HIGH-RISK) COUNTRY:** The majority of Guyanese gold is exported to UAE as indicated in previous statistics. In one study, researchers estimated that gold output is smuggled into Suriname, where circumstances may be similar to those found in Guyana. Similarly, in 2013, it was reported that a small amount of Guyanese gold also appeared to move into Curaçao before continuing on to the United States or other jurisdictions.

6. **THE COMPLEXITY OF MINING PERMITS AND LICENSES:** Multi-step, multi-jurisdictional permit and licensing processes are often vulnerable to errors, overburdening of the system, or potential for the corruption of public officials, inspectors, or other authorities. While Guyana has the significant advantage of having a strong legal framework that sets parameters for different licensing and permit categories, these are spread across multiple agencies, each with specific and partial authority over parts of the gold supply chain. It therefore creates some convoluted systems in certain cases (such as mining licenses from GGMC, but

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tax registration and customs requirements established by the Guyana Revenue Authority, GRA which can create layers of bureaucracy and possibilities for inaccuracies or mischief.

7. THE ROLE OF UNIONS VS. STATE CONTROL: As previously indicated, mining associations serve as intermediaries between the government and the miners, based on their representation. The GGDMA, for example, is permitted to sit on the Board of Directors of the GGMC as this practice enables unions and members of civil society to be represented in the governance of the sector, in such a way that the state does not act unilaterally without grassroots private sector input and representation of reality. While this is not a risk or red flag for the Guyanese context as it presently stands, there is still a need for enforcement to ensure accurate representation, covering more than just a small segment of the mining population.

8. DIVERTING INSTEAD OF PROSECUTING: The ability to settle mining infractions out of court is one rooted in alternative dispute resolution and practical settlement considerations, where infractions may be curative or corrective, rather than continuous. It must be noted that there have been matters brought before a court regarding mining rights\textsuperscript{117} and orders issued to cease mining activities\textsuperscript{118} and quarrying activities.\textsuperscript{119} Thus, it is inaccurate to say that no matters are brought to trial, as investigations are not publicized but are conducted by the GGMC and enforcement authorities, as indicated in Chapter 2. Although, conversely, it has been argued by the GGMC that the minimal fines induce a pattern of non-regularization of activities and repeat offenders are often able to continue paying fees, since there is no real enforcement mechanism to ensure compliance with mining regulations and to dismantle illicit mining activities, it is important first to differentiate between types of offences and their gravity before they are categorized as red flags.

\textsuperscript{117} https://jamaica-gleaner.com/article/business/20230519/tiny-guyana-village-battles-gold-mine-court-over-land-rights


\textsuperscript{119} The Commissioner of the GGMC v Diamond Quarry Inc and Baracara Quarries Inc [2022] CCJ 11(AJ) GY
9. **SECONDARY ILLICIT ACTIVITIES**: With illicit mining, there are often other illicit activities that make up a broader eco-system of illicit economies operating in the same territories. In many cases, in addition to illegal mining, illicit gold sales, and illegal mercury movements, informal mining regions are fertile ground for forced labor, human trafficking, child labor, extortion, and other activities. These crimes generally flourish in the absence of a strong state presence and, in more remote areas, miners and mine owners exercise far more real power than the government based in the capital. Such crimes and activities appear to be particularly pronounced along the Guyanese-Venezuela border and serve as another indicator of areas where illicit mining may be occurring.\(^{120}\)

The activities listed above, either individually or in combination, while not always signaling illicit mining activity, are clear indicators of the possibility that the gold supply network has been penetrated and is being used by illicit actors. In instances where more than one of these activities is occurring at the same time, there is an increased likelihood that some illicit activity is occurring with regards to mining operations. With each additional incident, the likelihood of illicit mining increases. The issues addressed here are not easily resolvable and have less to do with improving the country’s legal framework and more to do with enforcement, resources, and border security. These are issues that will need to be addressed at a local, national, and regional level to be truly effective. As in the cocaine trade and other illicit supply networks, illicit gold supply chains exploit the “balloon effect” of moving to somewhere else when there is pressure placed on one country. Coordination among the customs, law enforcement, justice, and intelligence communities within a common framework is crucial to making significant progress on this issue. In addition, improved data collection and dissemination for identifying anomalous trends and maintenance can work to identify instances of illicit mining.

Notwithstanding the above, **significant** steps and measures appear to be taken in Guyana as has been evidenced by the Report on Updates since the last Terrorism Financing and Proliferation of Financing Risk Assessments in the 2021 NRA (produced by the AML/CFT/PF National Coordinating Committee in July 2023).\(^{121}\) As previously indicated in the Introductory Chapter, Guyana published its second AML NRA which rated the risk assessment of terrorist financing as ‘Medium’, due, principally, to the lack of strategic and operational frameworks. Rather than dispute this rating, this Report therefore sought to update the risk assessment by describing how the 2021 NRA has helped strengthen actions in Guyana.. Guyana is still in an evolving learning curve, with constant efforts to strengthen and implement best practices, as recently evidenced by the passage of the 2023 AML/CFT Amendment Act. Other implementation measures taken since then, as further detailed in the Report, include an amendment to the 2015 Anti-Terrorism Act, which formally established a National Anti-Terrorism Task Force; MOUs being implemented between the SOCU and FIU; and training sessions by CFATF, IMF, et al. As also noted, the National Policy and Strategy for Combating Money Laundering, Terrorism Financing, and the Financing of Proliferation (2021-2025) published by the

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\(^{120}\) Bram Ebus, *Ibid*.

\(^{121}\) Report on Updates since the last Terrorism Financing and Proliferation Financing Risk Assessments within the 2021 NRA (produced by the AML/CFT/PF National Coordinating Committee in July 2023)
Government of Guyana in December 2022 illustrates the strategic objectives to address these challenges and mitigate existing ones. Comprising eight objectives and implementation measures, this Strategy sets out clear-cut measures and deadlines for compliance with them. This Strategy may therefore be read in tandem with the following chapter as it addresses identified recommendations and an understanding of the sector and its nuances. Also, praiseworthy is the recent on-site evaluation conducted in September 2023 in Guyana by the Caribbean Financial Action Task Force (CFATF), which sought to evaluate Guyana’s efforts to abide the FATF recommendations and Methodology for countering money laundering, terrorist financing, and proliferation financing. According to the Chambers of the Hon. Attorney General, it was reported that, through the National Coordinating Committee, Guyana was well equipped to coordinate the identification and mitigation of money laundering/terrorist financing risks. The level of support for these actions provided by the aforementioned Policy and Strategy was also examined and found to be acceptable due to fulfillment of a number of policy goals, particularly, amendments to the legislation and codification of the Special Branch Anti Terrorism Task Force. In support of the recommendations contained in the following chapter, areas for further improvement remain greater training of personnel, including Attorneys at Law, on the AML/CFT obligations, and a unified approach among law enforcement agencies to combat money laundering more effectively as delays contribute to low conviction rates.

CHAPTER 7: RECOMMENDATIONS AND CONCLUSIONS

The history of the mining sector in Guyana reflects its evolution over the years thanks to technology, development of legislation, and environmental management. As the world has developed, so too have the challenges for ensuring full compliance and transparency within an ever-growing sector. However, as evidenced by the typologies and reinforced measures in Guyana, each challenge and risk must be addressed in a systematic, coordinated, and organized approach. In interviews with several entities\(^\text{123}\) within the mining sector, it is evident that while there continues to be significant progress in the AML/CFT framework\(^\text{124}\) and corresponding implementation of guidelines and recommendations across bodies, there may be institutional improvements that are still required and in some cases, already in process. These shall be discussed in the following sections.

As has been noted throughout the Report, the GoG’s National Risk Assessment indicated its rating as medium-high for money laundering with a medium-low ability to combat it. That, combined in some cases with lax regulations, may create the risks of illicit mining, gold smuggling, and the laundering of criminal profits through a series of readily available money transfer systems in and out of Guyana. Thus, while in many cases a legal framework exists, enforcement needs to be strengthened.

There are several reasons for this need for enforceability of the legal framework. Chief among them are overlapping jurisdictions and the need for increased synergy among agencies, especially for monitoring and enforcement activities outside of Georgetown; and the lack of accessible legal remedies beyond levying small fines that have a minimal deterrent effect.\(^\text{125}\)

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\(^{123}\) GGMC, GGB, EPA, FIU

\(^{124}\) Guyana has actually implemented all 40 of the Part X recommendations of FATF as recorded in mutual evaluation reports.

\(^{125}\) Pasha (6)
One historic challenge that has proven to be particularly difficult is collecting the data that would allow for a more efficient and accurate detection of illegal activities ensuring that there is consistent reporting of statistics among the various entities such as GGMC and GRA. Reportedly, this is already being considered at the GGMC. An additional challenge is that there are often different maps used to delineate mining licenses, leading to disputes among different mining companies and individuals that then cannot be solved at the state level. This issue is presently being addressed at the GGMC.

Finally, one of the challenges that is likely to endure for historical and geographic reasons is the difficulty of monitoring the country’s borders — with Brazil, Suriname, and Venezuela — which have historically been rife with allegations of smuggling. This is a complex problem with significant international components and is beyond the scope of this study, except to note that illicit gold flows will not be diminished significantly until border regions are better secured by all the countries involved.

While these challenges have been summarized above, the following are recommendations for managing and mitigating them along with current initiatives undertaken in Guyana to counter the red flags for illicit mining in Guyana.

(a) Amendment of Legislation

While Guyana has a well-established and accessible legal framework for mining as has been explored throughout this Report, more work needs to be done to achieve robust enforcement of the legislative amendments. As has been noted ad nauseam, reviewing the fines established in the Mining Act is one such example. Under the EPA’s jurisdiction, it is understood that draft regulations are currently under review relating to the introduction of technologies and enforcement mechanisms to be strengthened through legislation. Under GGMC’s purview, it was further understood that draft regulations were developed in 2017 and have been continually updated for finalization based on continued stakeholder consultation. The GGB has also indicated that a compilation of amendments have been drafted and are currently (as of 2023) with the Chambers of the Hon. Attorney General. Some of them are designed to improve commercial licensing requirements, including a Corp of Wardens for enforcement assistance, and improvement of fines. Additionally, GPS Regulations and Land Reclamation Regulations are also being drafted at the Ministry of Natural Resources, which should be ready by 2024.

(b) Further Technological Progress

The notion that the mining sector is ‘archaic’ may be dispelled by the introduction of several technological improvements reaching across sectors. As previously mentioned, the FIU is an example of this, with the introduction of CaseKonnect. Similarly, with the EPA and its introduction of Maxar technology, there is now scope for satellite imaging and mapping in remote areas. In the case of GGMC, drone technology has proven useful in on-site visits, monitoring, and mapping.
using GPS. Further, digitization efforts have commenced at the GGMC to aid in data collection and maintenance of accurate and up-to-date records. Presently the GGMC is also engaging in internal discussions regarding the establishment of an information portal that would allow for real time checks by interested parties on land concession ownership, mapping, and availability along with online applications. This would allow the decentralization of the scope of works and create a streamlined approach in the management of related data. In addition, the GGMC is conducting further internal discussions regarding the implementation of dredge tracking technologies which would assist in remote monitoring of industry operators. These have still to be implemented.

(c) Increased Capacity

Increasing the capacity and strengthening the powers of officers in all entities is a recommendation unanimously supported by all bodies interviewed. For the GGMC, it is a matter of increasing the number of persons in the field to address remoteness of locations and continued monitoring. The EPA is currently discussing the development of a dedicated program with officers trained to ensure compliance and technical assistance to miners, including management of tailings discharge. Similarly, FIU capacity may be enhanced as presently there are less than five analysts employed, despite its statutory mandate. The Gold Board may also be provided with additional capacity through the establishment of several offices in various jurisdictions.

(d) Training and Awareness

While each entity interviewed was established several years ago, there is always a need to conduct refresher training courses for both employees and the regions targeted. In this regard, increased capacity and training may be considered complementary, as SOP refresher courses should be conducted on a regular basis for inspectors and field officers, and for licensing team members, particularly at the GGMC. With the advent of the AML/CFT legislation and corresponding regulatory changes, miners and employees should be continually trained to better understand the synergies that exist along with the red flags of which they should be aware to ensure their identification in a timely manner. Similarly, with associated entities such as Money Transfer Agencies, banking institutions, customs officers, and immigration officers et al that serve on the periphery of the sector, supervisory guidelines should be continually enforced and training provided, especially for such officers and the FIU as these are ‘frontline’ persons who need to be good at recognizing red flags. Miners should not be exempt from this, as training makes it possible for challenges, such as complex licensing frameworks and requirements, to be managed and understood thanks to relevant assistance and enables miners to feel that they are following their own regulations to diminish the risks of non-compliance.

(e) Continued Collaboration

As has been implicit throughout this Report, the mining sector is a set of entities, each with its own mandate, but coordinated in such a way as to combat money laundering and terrorist financing risks. As previously noted, GGMC and EPA have an MOU regarding delegation of responsibilities, while the FIU has MOUs with several other entities, including SOCU, regarding coordination of efforts. In addition, each entity
works with international bodies and agencies regarding sectoral training and funding, where applicable. Nevertheless, there remains room for increased collaboration and synergies among bodies, particularly the state enforcement bodies. For example, while the GGMC’s statutory mandate remains regulatory, the investigations and enforcement required by certain circumstances, such as due diligence with respect to applicants for licensing and subsequent operations for flagging potential illicit operations and infractions remain beyond the scope of its authority, resulting in gaps in overall execution.

(f) Improvement of Inter-agency Coordination and Establishment of a Working group/Task Force

Pursuant to the previous recommendation, inter-agency coordination, cooperation, and information exchange must be reiterated to ensure detection of illegal mining and actions to combat it. Further, increased coordination would bring greater availability of statistics on production and declaration that are shared, analyzed, and applied to provide examples of typologies and management of the supply chain thanks to accurate data and awareness on the part of such ‘frontline’ workers of the need to ensure stricter compliance and enforcement, especially for tax and customs controls. One major related recommendation proposed may be the creation of a working group or task force, in addition to the National Coordinating Committee, to address prosecutorial issues, enforcement, and training of personnel, that includes parties from entities other than those listed here.

In conclusion, amidst fluctuations in gold production and the challenges found in gold mining in Guyana, the Guyanese government, in collaboration with private sector entities, is implementing a series of measures aimed at boosting gold mining in Guyana in 2023 and 2024. According to the Minister of Natural Resources, the government is confident that these interventions will lead to increased production in these crucial sectors. In the 2023 Budget Report, a notable 11% reduction in gold production and declaration was observed. However, with the allocation of two billion dollars dedicated to managing the gold sector, there is political will driving the rejuvenation of the gold sector in Guyana. This was also reflected in the 2024 Budget Report, in which it was projected that the gold mining subsector would grow by 15.7% in 2024, supported by higher projected declarations from the lone large operator, as well as the small and medium-scale miners, amounting to a total increase of 500,000 ounces. Gold mining was further reiterated as presenting a ‘profitable opportunity’ contributing 6.1% of non-oil GDP and 52.1% of non-oil exports in 2023. Thus, the government’s commitment to supporting and revitalizing these key sectors is evidenced by these targeted measures aiming for sustained growth and development. With the political will and institutional mandates of the various entities, driven by the involvement of the National Coordinating Committee in Guyana in advancing AML/CFT recommendations and legislative amendments, mitigation and management the risk of money laundering and terrorist financing in the continually evolving gold mining sector in Guyana will continue to remain a priority.

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128 Ibid

ANNEX 1: IMPORTS OF GOLD FROM GUYANA REPORTED BY COUNTRY.

IMPORTS (IN KILOGRAMS) REPORTED BY COUNTRY 2012 - 2023

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**IMPORTS (IN USD) REPORTED BY COUNTRY 2012 - 2023**

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### ANNEX 2 DECLARATION/PRODUCTION OF GOLD AND EXPORTS SCHEDULE 2019-2023

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Guyana Gold Board

Foreign Investors

Guyana Gold Field

Troy Resources

Licensed Dealers

Adjustments

Stock b/f from prior year (Dec declared in Jan)

Metal sold to GGB
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Mining Act 1989, Chapter 65:01.

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Egmont Group [https://egmontgroup.org](https://egmontgroup.org)

Environmental Protection Agency [http://www.epaguyana.org/epa/](http://www.epaguyana.org/epa/)


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OAS/DTOC, Typologies and Red Flags Associated to Money laundering from Illegal Mining in Latin America and the Caribbean (January 2022

Planet Gold https://www.planetgold.org/guyana
Reunion Gold  https://www.reuniongold.com/guyana

Organization of American States
Department against Transnational Organized Crime (DTOC)
1889 F Street, N.W., Washington, D.C. 20006, USA
http://www.oas.org/es/sms/ddot/
ddot@oas.org

@oea_ddot