

## Ortega Government to “Monitor” Family Remittances

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***Police state wants to know when someone receives a family remittance exceeding 500 dollars, wins prizes at casinos, buys a car, sell gold, etc.***

By Ivan Olivares ([Confidencial](#))

HAVANA TIMES – In the Official Nicaraguan Gazette, edition published on April 23, are the latest regulations for obligatory reports to the Financial Analysis Unit (UAF), which determines all the reports that must be sent to it, including suspicious operations, cash transactions, electronic money transfers, gold sales, as well as of new and used cars.

If the fact that the UAF, managed by the military led by Major General Denis Membreno, former director of Army intelligence, handling so much information sounds alarms, it is subsection (b) of article 11, that concerns citizens the most, because it forces the “obliged subjects” (banks or other money transfer, lending or exchange agencies) to inform them of any family remittance made through any method of sending money, in any currency and territory, which exceeds US \$500 dollars in the same operation.

“At the end of 2018, the flow of remittances that entered the country was of 1.501 billion US dollars, registering an increase of 7.9% with respect to 2017,” when the country received 1.391 billion dollars for this same concept, according to the Report of Family Remittances from Nicaragua’s Central Bank, through the fourth quarter of 2018.

“The compilation of so much detailed information serves to develop political espionage, but also to estimate what the ranges of transfers, remittances, and other asset transactions could be taxed. The volume of information is going to be very high,” said an economist who asked to keep his name anonymous.

“The Government’s message is ‘we know everything about your money and we will tax you.’ Consequently, you can expect an increase in outward transfers, a closing of many bank accounts, greater demand for cash, and an increase in the cost of financial transactions. In the end, it is complete clumsiness,” he said.

“Having pre-identified names, they could go directly to their political prey to exert pressure and blackmail. With an algorithm they could easily handle accumulated gross information and make a more precise espionage, but they could also

estimate and plan the application of taxes directed to different ranges of transactions,” he added.

### **Stronger espionage**

The regulation approved on April 10, is supposed to serve as a support in the State’s fight against money laundering, financing of terrorism and the proliferation of weapons of mass destruction. However, the use the administration of Daniel Ortega has given to laws #976 and 977 validates the reluctance of the population, which alleges that the real intention is to spy on citizens and have legal instruments to criminalize the protest.

Law 976 is the law that created the UAF. Law 977 typifies and sanctions laundering and illegal financing, determines as “obligated subjects,” those who by law must report suspicious transactions to the UAF, “without being able to adduce any reservations or secrecy whatsoever.”

The leader of a business chamber that responded to Confidential with the requirement to remain anonymous, limited himself to saying that the publication of that regulation demonstrates the Government’s interest in “continuing to intensify the police state.”

The former General Director of Revenue, Roger Arteaga, believes the measure published in The Gazette, is no more than an attempt by the regime to control economic movements, as a reaction to the country’s deep crisis, which led to a fall of almost four percentage points of the GDP.

“These control measures are a devastating blow to bank secrecy, whose effects over time and by sectors, we will begin to see soon. The damage to the confidence in the private banking system is serious, because they turned it into a mechanism of espionage and repression,” said the economist quoted above.

He explained that this measure contravenes international agreements of secrecy, and that the damage “will last as long as this measure is maintained. It will have serious implications in the diplomatic world and international cooperation, foreign investment and international trade,” he noted.

### **They want to know everything**

Among the activities that must be reported on a mandatory basis, in addition to the 500 dollars in remittances, it includes the requirement that cooperatives report when they grant in a month, financing for more than 3,000 dollars to a member; while the exchange offices must submit the same report when they change more than 5,000 dollars in a month to the same client.

The same is true for pawnshops that deliver more than 3,000 dollars in a month to the same client; microfinance institutions that lend more than 10,000 dollars to micro-entrepreneurs they finance; or the companies engaged in financing, leasing, billing, and the issuance and administration of means of payments, which

must report any monthly activity by a single natural or legal person, which exceeds the threshold of 10,000 dollars.

It also includes the obligation to report electronic transfers that can be made by natural or legal persons, using financial institutions, in any currency or using any “means of storing of value,” either within the national territory or outside it, which reaches or exceeds US\$ 5,000 dollars.

The Regulation also obliges pawn and loan houses to report transactions in excess of 3,000 dollars; for casinos to inform when a player wins a thousand dollars in a day, or bets 3,000 dollars in a month. And, to the companies engaged in the real estate business, to report when any buyer invests US\$100,000.00 or more.

For their part, companies and traders of precious metals and precious stones, must report when they make national sales of US \$5,000 or exports of \$10,000. Likewise, companies that are dedicated to the business of administering trusts should do so when the assets under their watch reach a value equal or greater than 10,000.00 dollars.

Finally, car dealers should inform the UAF when they receive a cash payment of 10,000 dollars or more for the sale of new vehicles, or 5,000 dollars for a used one.