

FATF



FATF GUIDANCE

AML/CFT-RELATED DATA AND STATISTICS

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The Financial Action Task Force (FATF) is an independent inter-governmental body that develops and promotes policies to protect the global financial system against money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction. The FATF Recommendations are recognised as the global anti-money laundering (AML) and counter-terrorist financing (CFT) standard.

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ACRONYMS

AML	anti-money laundering
BO	beneficial ownership
CDD	customer due diligence
CFT	countering the financing of terrorism
CTR	currency transaction report
DNFBP	designated non-financial business or profession
EFT	electronic funds transfer
EU	European Union
FATF	Financial Action Task Force
FI	financial institution
FIU	financial intelligence unit
GDP	gross domestic product
IMF	International Monetary Fund
IO	immediate outcome
LEA	law enforcement agency
ML	Money laundering
MLA	mutual legal assistance
MOU	memorandum of understanding
MVTS	money or value transfer service(s)
NPO	non-profit organisation
OSCE	Organisation for Security and Co-operation in Europe
PEP	politically exposed person
POC	proceeds of crime
R.	Recommendation
STR	suspicious transaction report
TF	terrorist financing
UN	United Nations
UNSC	United Nations Security Council
UNSCR	United Nations Security Council Resolution

I. INTRODUCTION

Background

1. The Methodology adopted by the FATF in 2013 for assessing Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) systems (the Methodology) is based on the understanding that a comprehensive assessment of any AML/CFT system requires the consideration of two complementary components: technical compliance on the one hand, and effectiveness on the other hand. While technical compliance refers to the implementation of the specific requirements of the FATF Recommendations, effectiveness is defined more broadly as the extent to which financial systems and economies mitigate the risks and threats of money laundering (ML), and financing of terrorism and proliferation.
2. Recognising the value of AML/CFT-related data and statistics, Recommendation 33 of the 2012 FATF Recommendations (R.33) provides: “Countries should maintain comprehensive statistics on matters relevant to the effectiveness and efficiency of their AML/CFT systems. This should include statistics on the STRs received and disseminated; on money laundering and terrorist financing investigations, prosecutions and convictions; on property frozen, seized and confiscated; and on mutual legal assistance or other international requests for cooperation.”
3. Given the challenges of assessing effectiveness, the Methodology furthermore identifies eleven immediate outcomes (IOs) that are central to a robust AML/CFT system, and suggests examples of information that may be relevant to an assessment of each of these outcomes. In particular, the Methodology notes that quantitative data and statistics may be a useful complement to qualitative data, provided that they are interpreted critically and in the context of country-specific circumstances.
4. High-quality AML/CFT statistics can bring several important benefits beyond supporting effectiveness assessments. For example, statistics are a key input for national risk assessments, allowing national authorities to measure threats more accurately and allocate resources accordingly, and could also enhance management tools. Consistent and comprehensive statistics also provide the FATF and other bodies with a more robust quantitative basis for work on global surveillance of the financial system.
5. Against this backdrop, studies conducted by the International Monetary Fund (IMF)¹ and evaluations carried out by the FATF and other assessment bodies revealed that statistics produced by countries are often not sufficiently comprehensive or reliable to inform the assessment of a country’s AML/CFT system. Where available, statistics may not be collected efficiently by countries or analysed consistently by users. Additionally, statistics are not always consistent between countries, and therefore provide only a limited basis for a regional or global monitoring of AML/CFT results.

¹ IMF (2011a and 2011).

Purpose and scope

6. This Guidance is non-binding and takes into account that most countries have well-established protocols for collecting and presenting statistics that are adapted to their specific context. Accordingly, it is meant to provide a non-exhaustive list of options for using statistics as a complement to qualitative data in the assessment of AML/CFT systems, on the understanding that this information may also serve other purposes. The main objectives of the Guidance are to:

- Set out options for collecting, maintaining and presenting AML/CFT-related statistics.
- Provide advice on how to analyse AML/CFT-related statistics.
- Give concrete examples of statistics that may be useful to assess the effectiveness of AML/CFT systems under the Methodology.

7. In light of these objectives, the Guidance may be a resource for a range of stakeholders involved in AML/CFT efforts, including countries that wish to assess or demonstrate the effectiveness of their AML/CFT-systems (e.g. in the context of a mutual evaluation) and international bodies such as the FATF, FATF-style Regional Bodies and IFIs, for their work in particular on risks, trends and methods (e.g. global AML/CFT monitoring).

8. The Guidance is not intended to provide an interpretation of the requirements under R.33. Accordingly, it should *not* be read to require the collection of the full range of possible statistics listed, or to preclude any alternative statistics serving an equivalent purpose. No one size fits all: each model for data collection should be established in light of a country's context.

Process and method for preparing the Guidance

9. In June 2014, the FATF Evaluations and Compliance Group agreed on the terms of reference for a project group on data and statistics to prepare a draft of the Guidance. Input to the Guidance has come from three main channels:

- **IO-specific data sets:** Members of the project group were asked to provide lists of possible data and statistics for each IO. The templates also called for practical examples of how quantitative data and statistics might be collected, compiled, interpreted and analysed in the context of each IO and according to each core issue.
- **Online survey:** Experts involved in the first mutual evaluations of the FATF's 4th Round were asked to take part in an online survey. The purpose of the survey was three-fold: (i) to get a better understanding of the usefulness of the different quantitative data referred to or implied in the Methodology for assessing effectiveness according to the eleven IOs; (ii) to gauge what data respondents felt was essential for understanding the assessed country's risk and context; and (iii) to get an indication of what characteristics most of the data types should be consistent with.

- **Review of MERs:** The FATF Secretariat undertook a review of the initial mutual evaluations conducted under the Methodology to identify referenced data and statistics for each IO.

10. The Guidance also draws on existing literature on AML/CFT data and statistics as well as existing templates from other international bodies, which are referenced where appropriate in order to avoid duplication.

Structure

11. This Guidance is organised as follows: **Chapter II** offers potential considerations for collecting and maintaining AML/CFT-related statistics, both from a substantive and procedural perspective; **Chapter III** sets out general principles that may inform the analysis of AML/CFT-related statistics; and **Chapter IV** gives examples of useful statistics that countries may consider collecting for purposes of assessing the effectiveness of their AML/CFT systems.

II. COLLECTING, COMPILING AND PRESENTING AML/CFT DATA AND STATISTICS

12. This chapter is meant to assist national authorities that wish to collect, compile and present AML/CFT-related statistics, whether for a mutual evaluation or for another purpose. Section A sets out the main challenges that should be taken into account. Section B identifies general guiding principles that will contribute to the clarity and utility of AML/CFT-related data collected and presented. Section C describes good practices for national data collection processes. Section D offers additional resources for further reading.

A. MAIN CHALLENGES

13. Establishing good practices for collecting, compiling and presenting AML/CFT data and statistics first requires a good understanding of the main challenges related to these processes. The OSCE identifies five main challenges that countries may face when initiating an AML/CFT data collection effort:²

- **Multiple stakeholders.** E.g. Financial Intelligence Units (FIUs), Law Enforcement Agencies (LEAs), prosecution authorities, judicial systems, customs agencies, regulators, policy makers, and private sector entities.
- **Incompatible data.** System differences between agencies may result in similar or related types of data being reported in different ways, making data consolidation at the national level difficult or even impossible.
- **Definitional issues.** There is a lack of clear and nationally (or internationally) accepted definitions for AML/CFT-related indicators.
- **System differences.** The complex and fragmented nature of AML/CFT systems, the length of the AML/CFT process and differences between agencies make it challenging to track specific reports through the AML operational chain.
- **Limited guidance.** The task of collecting accurate and useful AML/CFT data is made more challenging by the lack of international consensus and guidance on which specific types of data should be collected.

14. In addition, some countries do not have the practice or capacity to consistently report on outputs and outcomes of government processes through data, and the constitutional set-up of a country (for example a federal structure) can also pose challenges.

² OSCE (2012), pp 12-13.

B. GENERAL GUIDING PRINCIPLES

15. The following general guiding principles can help maximise the clarity and utility of AML/CFT-related data collected and presented.

NATIONAL DATA

16. Data should generally reflect national information, rather than the situation of individual agencies or regions, although regional data may also be useful in certain contexts. In order to aggregate data at the national level, it is critical to use consistent definitions, using the same time periods and avoiding double counting. Using comparable data will also allow countries to monitor the evolution of statistics over time (annual series) and space (at national level).

ANNUAL DATA

17. Data should generally be counted in annual series, broken down in time frame series of at least three years, preferably five years. Data also need to refer to recent periods in time and be released as soon as possible. In situations where certain data can only be obtained in a different period of time (e.g. “number of extraditions for ML since 2011”) the reasons for such limitation need to be explained to avoid possible misunderstandings.

18. Additionally, countries may establish protocols or criteria to ensure consistency in the annual compilation of data, avoiding in particular:

- Using different ways of counting the same data (e.g. sanctions proceedings can be counted at different moments: when the sanction is imposed; when the proceedings began; when the infringement is detected; when the sanction is definitive and cannot be appealed).
- Double counting outputs of the same agency (e.g. processes spanning over a year, such as investigations or prosecutions, should be counted only once, not every year that they are ongoing).³
- Double counting shared outputs involving more than one agency (e.g. one ML/TF investigation which involves various LEAs should not be counted more than once in any given year).
- Grossing up partial year data. Partial year data should not be automatically grossed up to annual data without understanding the month pattern for such data (e.g. there is no month pattern for certain data, or there are important variations throughout the year).

³ At the same time, countries may decide to separately collect information on the average duration of such investigations or prosecutions to indicate the scope/complexity of cases.

19. Jurisdictions need to take these and other possible inconsistencies into consideration when establishing mechanisms, protocols and criteria to ensure a correct use of time periods, and should allow users to understand how annual data are aggregated and counted.

INTERNAL CONSISTENCY OF DATA COLLECTED

20. It may be challenging to harmonise the way agencies are compiling data. At the same time, however, countries need to find a way to present data from different agencies in a consistent manner, even when agencies' procedures, counting or compilation methods differ. It may also be appropriate for national authorities to review how AML/CFT-related data are collected and compiled to see what opportunities exist to harmonise approaches over time.

TRANSPARENCY OF DEFINITIONS

21. It cannot be assumed that the audience of statistics will always understand what is being reported. Statistical definitions vary significantly between countries, and sometimes even between agencies within a country (e.g., what is counted as a single Suspicious Transaction Report [STR]). Adopting common definitions may be challenging as it could require legislative changes in some countries and could also disrupt existing data collection. Yet, greater transparency about definitions and awareness of differences in definitions helps avoid misunderstandings.

22. Frequently, jurisdictions have different designations for the same fact (e.g., countries may have different designations for the fact of confiscating funds). In other cases one unique term may not have the same meaning in all countries (e.g., STR, see example below).

23. In order to facilitate an adequate understanding and assessment of data, it is important for jurisdictions to explicitly provide exact definitions of certain terms that may have some specific characteristics (e.g., the term investigations and prosecutions may require clarifications depending on the legal systems: investigations may refer to any LEA's researching activities or, alternatively, only to research under the supervision of a judge or prosecutor, in which case the difference with prosecutions may require some clarification).

Box 1. Example of different domestic interpretations for STRs and possible effects on statistics.

Since there is no exact definition for how to count STRs in the FATF standards, jurisdictions may not understand STRs data in a unique way. Examples of this include:

- In some jurisdictions a single STR may include several or even hundreds of transactions, while in other countries a single STR always relates to a single transaction
- Some jurisdictions may have a high volume of purported STRs not based on suspicions of ML/TF transactions (e.g. automatic STRs or "defensive" STRs based on thresholds that are reported as STRs; potential confusion with CTRs).
- Some jurisdictions require a written review from the obliged entity of the suspect

transactions before the entity submits issuing any STR. This process helps to eliminate defensive reporting and reduces the number of STRs received by the FIU.

- Some jurisdictions require the reporting entity itself to gather additional information and to seek further clarifications from clients and to review the results with regard to their plausibility before submitting an STR, which can further reduce the number of STRs.
- Some jurisdictions do not fully comply with the FATF Recommendations and excessively narrow the scope of reporting obligations. This approach may have an impact on STR data and should be taken into account where appropriate.

UNITS OF MEASURE

24. Countries should adhere to principles of transparency and consistency to allow users to understand which units of measure are used.

25. In the absence of a universal agreement on a single protocol for measuring AML/CFT-related data, jurisdictions can facilitate understanding by clearly expressing the unit of measure used for each data item (e.g. for ML investigations there are many possible units of measurement: number of investigations initiated by Court/judge; number of police investigations (before judicial order); number of successful investigations; number of investigations of ML cases and predicate offences; number of persons investigated for ML etc.).

26. It is important that units of measure are precise, clearly determined, and applied consistently. Otherwise, aggregation of data from different agencies or a comprehensive understanding of the evolution of the data would not be feasible. Thus, countries aggregating data from different sources need those sources to provide the data using the same unit of measure, and countries should use the same units of measure across different time periods.

27. Additionally, countries should avoid rough calculations and approximations derived from other information (e.g. “it may be inferred from available data that illicit proceedings are about 5% of the GDP”). In any case, if such calculation is made, its results shall be treated with caution.

DISAGGREGATION

28. National authorities need to determine the level of disaggregation that is required for a thorough assessment of the AML/CFT regime (e.g. data on ML convictions may be broken down to distinguish between stand-alone ML, self-laundering, third-party ML and an associated predicate offence, also disaggregating the types of predicate offences).

29. In the context of mutual evaluations, the Methodology gives examples of where data may need to be broken down or disaggregated (e.g. by type of reporting entity, predicate offence, or ML activity, or by country of origin). Examples are set out within the list of possible statistics for each IO in Chapter IV.

OTHER TECHNICAL MATTERS (CURRENCIES, NUMBERING SYSTEMS, ETC.)

30. Some assessor bodies have official terminology and protocols about how reports should be presented including in relation to currencies. More generally, presenting values in either Euros (EUR) or United States Dollars (USD), in addition to the local currency, may be helpful in the context of international assessments, provided the method is transparent and consistent throughout the process.

31. In addition, certain countries may use regional numbering systems that readers are not familiar with (see e.g. the South Asian numbering system), and certain numerals (e.g. billion) may have different meanings depending on the language. Where applicable, the numbering system used needs to be explained and data may need to be presented in more than one format to cater to the needs of all users.

PRESENTING DATA AND STATISTICS

32. Templates issued by various organisations provide examples of how various AML/CFT-related data could be presented. These templates are aimed primarily at jurisdictions that do not currently collect comprehensive statistics and want more guidance on what they should collect and how they could present it.⁴ It should be noted that these templates were developed prior to the adoption of the Methodology and thus may require some adaptation to support an assessment of effectiveness under the immediate outcomes defined in the Methodology.

C. ORGANISATION AND COORDINATION OF DATA COLLECTION AND MAINTENANCE

33. This chapter provides practical guidance on how to coordinate the processes (and timelines in relation to mutual evaluations) needed for collecting and managing data and statistics at the national level, or sub-national level in the case of federations. There is no requirement in either the FATF Recommendations or the Methodology for countries to have any formalized process for doing this, and nor is such process expected as a result of this Guidance. Instead, this Guidance presents options and issues for countries to consider, including: how to get agencies to understand the requirements and provide the necessary information; how to centralise and organise information from different sources; and how to liaise with the agencies that collect data.

34. Each jurisdiction has its own AML/CFT regime, with specific agencies, procedures, legal basis, means and protocols that produce different types of data. Additionally, there is often a lack of systematic processes for the collection and maintenance of data and statistics within jurisdictions, leading to inconsistencies in existing data. Some countries may have a political or administrative structure that complicates their data collection process (e.g. complex jurisdictions or federations); other countries may simply not have the capacity to collect data in the first place. Jurisdictions may find it useful to designate a lead agency or a specialised inter-institutional working group or a

⁴ See, e.g., OSCE (2012), pp 47-60; MONEYVAL *Template for 4th assessment visits progress reports* (2013) (unpublished; excerpt attached in Annex II).

coordination mechanism to ensure national coordination for purposes of maintaining AML/CFT statistics.

POSSIBLE PHASES TO COLLECT AND MAINTAIN DATA

35. Each jurisdiction needs to consider the specific characteristics of its own AML/CFT regime in order to establish an appropriate protocol for collecting and maintaining data and statistics. Each model should be established in light of the country context. As stated earlier in the present guidance, no one size fits all. It is however possible to identify a number of common features that in many countries may be useful to guide the process of collecting data regardless of specific national circumstances. Some possible decisions that might be adopted in this collection process are:

a. *Designate a lead agency or an inter-institutional working group or a coordination mechanism*

36. At the outset, it is helpful to either determine which national agency is going to lead the data collection process, and/or create an inter-institutional working group or a coordination mechanism specifically for this purpose. It is also desirable that the lead agency/working group/ coordination mechanism (hereinafter “lead agency”) enjoy adequate political support (e.g. by the National AML/CFT Interdepartmental Commission/Council or equivalent/similar institution) as this high-level endorsement will encourage more effective and timely collaboration with all other agencies involved.

b. *Identify all agencies and national institutions involved in the AML/CFT regime*

37. The lead agency will benefit from a good overview and understanding of all agencies involved and what specific AML/CFT information they manage: Which are the relevant public institutions or agencies responsible for each AML/CFT sector and/or area? What data are they in a position to provide? Do the identified agencies cover all the activities and operations as listed in the FATF glossary for FIs and DNFBPs, and all of the activities referred to in the IOs?

38. This task becomes more complicated in the case of countries with decentralised political regimes, such as federations where data are collected independently by regional governments or agencies (e.g. if the Ministry of Justice or the federal courts do not systematically receive information from the regional/state departments of justice or the regional/state courts, respectively). These jurisdictions may need to establish a procedure enabling a central agency to obtain information from the regional institutions. Alternatively, albeit more challenging, sub-national data and statistics may need to be collected directly by the lead agency (i.e., by requesting information from the relevant regional agencies or departments).

39. Because of the potentially large number of agencies involved, this step may also include a consideration by the lead agency of possible double-counting due to overlapping responsibilities (e.g. LEAs, supervisory or monitoring agencies).

c. Approach other agencies

40. Once the agencies have been identified, the lead agency may wish to be proactive in initiating contacts with the other institutions involved in the AML/CFT regime in order to facilitate their co-operation. This approach will be facilitated if the high authorities/ministries of the agencies involved endorse the cooperation with the lead agency in the data collection process and give clear instructions in this regard to their own staff or statistics units. For its part, the lead agency can contribute to a productive cooperation by explaining the process in more detail.

41. The level of co-operation will also be higher if the agencies are made aware of why their co-operation and involvement is so important. In particular, the lead agency may want to explain:

- The purpose of the data collection exercise (i.e. for an international assessment of the AML/CFT regime of the jurisdiction).
- The rationale behind asking for certain types of data (e.g. to comply with R.33 and to demonstrate effectiveness for each of the eleven IOs).
- That all agencies are involved on an equal footing – this is a team effort and not a single agency’s project or responsibility.
- That the requested co-operation does not undermine an agency’s capacity to collect data in the way it currently does, but that the establishment of certain common protocols and definitions will benefit all.

d. Identify existing national AML/CFT statistics and collection practices

42. In order to reduce the duplication of efforts, one option may be to take stock of the data and statistics that are already collected or maintained by different agencies – either regularly or on a case-by-case basis – and that can inform an assessment (e.g. by the Judiciary, Police, FIU, supervisors, ministries, Parliament (government accountability), statistics agencies, Central Bank/ regulatory authorities, Customs, etc.).

43. International institutions may also be in possession of AML/CFT statistics that can be useful for an assessment, in particular with regard to country context, structural issues, and materiality (e.g., EU, IMF, World Bank Group, regional development banks, UN, Interpol, and Europol).

e. Determine which data are needed

44. Statistics are needed to demonstrate both technical compliance with R.33 and effectiveness under the eleven IOs (see Chapter IV below, “Examples of Useful Statistics”). In order to identify the required data types, the lead agency may consult other key agencies, existing templates and or matrices for data collection (e.g. the lists included under Section IV.C below, “Potential Examples of Data and Statistics Relevant to each Immediate Outcome”). At this stage, to avoid any misunderstandings, it is also useful for the lead agency to clarify the statistical definitions and terms to be used throughout the assessment.

f. *Contact points in the agencies*

45. It is helpful for the governing body of each institution or agency that will be providing statistics to designate a contact point that will be responsible for providing the relevant data and information in accordance with established timelines and procedures, as well as for centralising any communications with the lead agency. In order to facilitate the information exchange, the contact point may for instance be a unit with full access to the data requested or otherwise capable to obtain this information from other parts of the agency. A complete list of contact points designated by the agencies is an asset for a successful data collection process.

46. In addition to the information outlined in point e) above, the lead agency may discuss and agree with all of the agencies various aspects such as definitional issues; the types of data needed (e.g. indicators, specific data sets); and if there are any controversial points to be aware of.

47. At the same time, each contact point may need to inform the lead agency about any circumstances that may impact this process, such as specific characteristics of the institution's data compilation process, possible gaps in the information needed for the assessment process, difficulties in obtaining or providing certain types of data, etc. Continuous communication with the contact points will facilitate the aggregation and centralisation of the data from different sources by the lead agency.

g. *Collection process*

48. The lead agency might be the unit responsible for establishing timelines, procedures and possible templates for collecting and compiling data. It can do this by issuing guidance to all agencies with detailed and easy-to-follow instructions. The contact points, in turn, are responsible for completing and returning (or uploading to a common website or platform) the requested information in a timely manner.

49. In addition to providing the raw data, the contact points may have to properly aggregate the information from different sources of the same agency or institution; to ensure there is no double counting; to include notes or explanations where necessary; and, in the context of mutual evaluations, to provide additional clarifications to the assessment team as needed.

h. *Analyse the information provided by each agency and identify gaps and challenges*

50. This step may involve the lead agency detecting possible gaps and missing information: Are there any problems with the data received? How can they be solved? What protocols or criteria are needed to ensure a consistent compilation? Common challenges at this stage include:⁵

- Overlapping responsibilities.
- Double counting.
- Lack of coordination among agencies.

⁵ Paragraphs 16-32 above outline general guiding principles that may help address these challenges.

- Fragmentation of information throughout the country.
- Definitions issues (use of a single term with different meanings).
- Contradictory inputs.

51. The lead agency may determine the most appropriate solutions on a case-by-case basis. Communication with the contact points will provide very valuable information to this end (e.g. lack of consistency of data between agencies might be due to a different system of counting or to a different interpretation of the definition; double counting might be due to processes stretching over a year or because several agencies worked on the same case).

i. *Compile the information collected*

52. Each institution and public agency may have its own way of collecting data, its own templates and charts. If so, the lead agency is responsible for compiling all the information received from other agencies in a consistent and transparent manner.

53. This process will, as stated in phase f) above, benefit from continuous communication with all contact points. It is also recommended that the lead agency include some clarifications and interpretive notes of the consolidated data and associated charts in the statistical outputs or reports.

54. Once consolidated the draft output may be shared with all involved agencies and institutions for their comments and observations. It is advisable to include a reference of the sources behind each data set or chart. Additionally, identifying less co-operative institutions at this stage might be a tool for increasing the level of involvement.

j. *Approve the final product*

55. The final product may be approved in accordance with any applicable procedures.

k. *Maintaining data and statistics*

56. R.33 requires countries to “maintain comprehensive statistics on matters relevant to the effectiveness and efficiency of their AML/CFT systems.” The term to maintain incorporates the concept of keeping statistics accurate, consistent, and up to date. While the interval for updating statistics may depend on the country’s situation and the topic, statistics that are central to understanding and managing the main ML and TF risks should be updated on a regular basis, e.g. annually, and be available. Further disaggregated data needed for purposes of assessments or other studies may warrant updating less frequently (although countries may wish to check whether such disaggregated data is being collected sufficiently frequently to enable its practical collation retrospectively).

57. The appropriate process for maintaining data should be based on each country’s circumstances. Such process may, among other options, include a central database within an authority that aggregates data inputted and automatically generates statistics. Also, each agency involved in the AML/CFT regime may alternatively be requested to maintain a minimum set of

statistics for reporting purposes. Some relevant statistics may also be maintained by national statistics offices.

POSSIBLE PARTICIPATING INSTITUTIONS AND AGENCIES

58. It is the responsibility of all agencies and institutions involved in a jurisdiction's AML/CFT regime to provide AML/CFT data and statistics needed to demonstrate compliance with R.33 and effectiveness under the different IOs. The following are entities that, depending on the specific distribution of functions established in the jurisdiction, are likely to be asked to contribute to this exercise:

- National Commission against AML/CFT
- Department of the Treasury or Ministry of Finance
- FIU
- Banking Supervisory Authority (often the Central Bank)
- Securities Supervisory Authority
- Insurance Sector Supervisory Authority
- DNFBPs Supervisors and regulators
- Other supervisors/regulatory bodies (e.g. microfinance, cooperatives, NPOs)
- Judiciary and Prosecutor Office. Statistics from these institutions may or may not have centralised information from all the Courts or Prosecutor Offices of the country. Some information may be held by specialised Judicial institutions (e.g. drugs, organised crime, tax offences, corruption cases, TF, terrorism, etc.) or by the Courts, Prosecutor Offices or Regional Justice Departments of the different regions or states of the country.
- Ministry of Justice: International Legal Cooperation Units, Judicial Agencies in charge of seizures/confiscations
- LEAs of the country in charge of ML offences
- LEAs of the country in charge of all ML predicate offences
- LEAs of the country in charge of TF
- LEAs of the country in charge of terrorist offences
- Customs and Excise Department
- Tax Agency
- Other specialised LEAs, e.g. coordination bodies against different crimes (drugs, organised crime, terrorism)
- National Agencies responsible for freezing decisions under UNSC Resolutions

- National Statistic Agencies.

D. FOR FURTHER READING

59. The *OSCE Handbook on Data Collection in Support of Money Laundering and Terrorism Financing / National Risk Assessments* (2012) provides an overview of data collection and collation practices that may assist countries in developing or improving systems to capture useful statistics on national AML/CFT regimes. It advises on issues related to definitions; reporting periods; missing data; disaggregation of data; and currency conversions and value estimates. The Handbook also provides sample matrices designed to capture data on the main aspects of an AML/CFT regime, which are intended to serve as a point of reference for countries developing national data collection practices.

60. MONEYVAL's *Template for 4th assessment visits progress reports* (2013) sets out information that countries are expected to provide to MONEYVAL assessment teams, using standard definitions, time periods, and formats for presenting the information. The template, which in a number of cases also allows for the substitution of domestic data collection formats to reflect existing local requirements, is divided into seven sections: background information; money laundering and financing of terrorism investigations, prosecutions and convictions; provisional measures; STRs and other reports where appropriate under domestic law; supervisory action; mutual legal assistance and other international requests for co-operation; and AML/CFT training.

III. ANALYSING AML/CFT DATA AND STATISTICS

61. This chapter aims to assist users of data and statistics. It discusses the importance of understanding the data collection method and terminology (Section A), evaluating the consistency between data provided (Section B), linking quantitative and qualitative data (Section C), and reviewing data and statistics in context (Section D); and identifies resources for further reading (Section E).

A. UNDERSTANDING THE DATA COLLECTION METHOD AND TERMINOLOGY

62. Allowing time to consider the data collection method and terminology is a key condition for a valid analysis. This is particularly true when the data are analysed by an expert from another entity or country than the one who collected them (e.g. the assessed country). In these cases, it is essential for the user not to make any assumptions regarding counting methods or definitions based on the user's own background.

63. In light of the above, it may be helpful to keep the guiding principles set out in Chapter II in mind when analysing data and statistics. For instance, users may seek clarification on the methods used to aggregate national data from different agencies or regions. However, this does not mean that they should systemically challenge the data provided.

B. GAUGING THE CONSISTENCY OF DATA PROVIDED

64. It is common to find data discrepancies among agencies working in the same area and it is also frequent that data provided by one agency are not consistent with those given by another agency about the same facts or about related facts (e.g. there may be differences between the numbers of reports sent by the FIU and the number of reports counted by the different agencies that receive them; or there may be important differences in the number of individuals imprisoned for ML and/or predicate offences versus the number of people convicted for these crimes).

65. If inconsistencies exist between the data collected by more than one source, the jurisdiction may need to confirm the data and clarify the reasons for those discrepancies among agencies. For example, if there is a different way of counting the same facts by each agency, a country may need to explain the implications of this and, if possible, suggest how to reconcile the differences.

C. LINKING QUANTITATIVE AND QUALITATIVE DATA

66. The goal of an assessment of effectiveness is to determine how well a jurisdiction's AML/CFT system works as a whole. In the context of a mutual evaluation, it is the responsibility of the assessed country to demonstrate that its AML/CFT system is effective. It is important to note that, albeit important, data and statistics form only part of this evidence, and are of limited value without appropriate context information.

67. Specifically, the Methodology states that data and statistics, as well as qualitative information, should be used to reach an informed judgement about how well the immediate outcomes have been achieved. In practice, a complementary mix of qualitative data (often case examples) and statistics is used. Statistics help establish how systematically the case examples are being applied.

D. REVIEWING DATA AND STATISTICS IN CONTEXT

68. The Methodology requires that data be interpreted “critically, in the context of the country’s circumstances.”⁶ Specifically, “[t]he focus should not be on raw data (which can be interpreted in a wide variety of ways and even with contradictory conclusions), but on information and analysis which indicates, in the context of the country being assessed, whether the objective is achieved.”⁷ This section discusses how context is relevant to the analysis of AML/CFT data, and why, as a result, cross-country comparisons should be avoided.

CONTEXT, STRUCTURAL ISSUES, AND MATERIALITY

69. The assessment of a national AML/CFT regime begins with an understanding of the country’s risks and context and the elements which contribute to them, such as the nature and extent of the ML and TF risks; the circumstances of the country, which affect the *materiality* of different Recommendations; *structural elements* which underpin the AML/CFT system; and *other contextual factors* that could influence the way AML/CFT measures are implemented and how effective they are. Relevant information may be available in a country’s national risk assessment and tends to be high-level, containing a mix of qualitative and quantitative information, such as:

- **ML/TF risk:** Level and type of proceeds-generating crime in the country; the terrorist groups active or raising funds in the country; exposure to cross-border flows of criminal or illicit assets.
- **Materiality:** The relative importance of different parts of the financial sector and different Designated Non-Financial Businesses or Professions (DNFBPs); the size integration and make-up of the financial and DNFBP sectors; the relative importance of different types of financial products or institutions; the amount of business which is domestic or cross-border; the extent to which the economy is cash-based; and estimates of the size of the informal sector/and or shadow economy; the population size, the country’s level of development, geographical factors and trading and cultural ties.
- **Structural elements:** Political stability; a high-level commitment to address AML/CFT issues; stable institutions with accountability, integrity and transparency; the rule of law; and a capable, independent and efficient judicial system.

⁶ Methodology (FATF, 2013a) at para. 53.

⁷ Id.

- **Other contextual factors:** Maturity and sophistication of the regulatory and supervisory regime in the country; the level of corruption and the impact of measures to combat corruption; or the level of financial exclusion.

70. Some risk and context information can also come in the form of quantitative data and statistics. Examples of this are outlined in Section A of Chapter IV.

CAUTIOUS USE OF CROSS-COUNTRY COMPARISONS

71. As noted above, differences in country circumstances, AML/CFT systems, and data collection practices may, directly or indirectly, affect national data. AML/CFT statistics used in assessments should therefore usually relate only to the country that is being assessed. Countries preparing for assessments should therefore tend to avoid comparisons and be extremely cautious if ultimately data from other countries or any clustering⁸ are used to draw conclusions concerning their effectiveness.

72. Some of the factors impeding any comparisons between countries are as follows:

- **Difficulties of determining proportionality:** The size of countries' economies or their financial sectors cannot be used as indicators on their own since many other circumstances make such comparisons invalid (e.g., some predicate offences may be more common in country A than in country B; or certain financial or non-financial sectors may be more important in country A than in country B). Similarly, population size does not provide a valid basis for determining proportionality across countries.
- **Differences in ML/TF Risks:** National statistics are a function of the salient risks related to each jurisdiction, which may differ across countries (e.g., if country A has a higher level of risk for any sector or activity, this will be reflected in its statistics in this specific area, such as number of STRs, risk-based supervision and interventions, number of investigations, prosecutions, etc.).
- **Lack of understanding of national context:** Any conclusion about data and statistics requires an adequate and deep analysis within the internal national framework and indicators⁹.

⁸ Clustering involves taking the same data from different peer groups to see how one group compares with others (e.g., comparing the ML conviction rate per billion of GDP between a group of economies with similar contextual characteristics)

⁹ For example, one country-specific adjustment to help with understanding national context is to express data as ratio of nominal GDP plus M2, which is a proxy for financial sector size. This reflects that ML and TF are transaction-based activities deriving from domestic and transnational sources. Thus, the use of nominal GDP reflects that the proceeds generated from which ML originates domestically come from the criminal economy – which is related to or part of the overall economy. GDP may be a valid proxy given the general lack of data about the underlying value of proceeds of crime. The use of M2 reflects that transnational ML or FT activity likely relates to the use of the financial sector. M2 is a monetary aggregate

Box 2 . Examples why comparisons should be conducted cautiously?**Example 1. IO.8, Core Issue 3 (Confiscations for undeclared cash border movements)**

Assessing effectiveness in Core Issue 8.3 should not focus only on the annual amount of funds confiscated by countries or on the population, or the economic size of the countries: these raw data only show quantitative data, but do not offer any qualitative information. There are many other circumstances for which some contextual information may be available, such as:

- number of declarations presented in the last years
- number of interventions made for undeclared movements in the last years
- average of the amounts confiscated in the last years (a few isolated interventions might show a high figure which does not show effectiveness of the system)
- ML/TF risks known to be present in neighbouring countries that are within easy access by land or sea
- annual number of visitors received
- number of customs checkpoints in the country
- number of customs agents
- relative income levels of the country (and its closest neighbours)
- use of cash in the country
- analysis of the cash border movement operations: information broken down by country or town of origin/destiny, nationality of couriers, most common typologies, customs checkpoints...)
- means of transport used (road, airport, sea...).

The analysis of these additional circumstances may provide appropriate information to assess effectiveness under this core issue. This additional information, may lead to a conclusion that a country with a high amount of confiscated funds has in fact a low level of effectiveness, or, conversely, that a country with a low amount of confiscated funds has a high level of effectiveness.

Example 2. IO.7 (Number of ML prosecutions)

An analysis of ML prosecutions should not only check the number of judicial sentences for ML offences in the jurisdiction, but also many other elements, such as the number of individuals

that generally encompasses: notes and coins in circulation (not in bank vaults) plus demand deposits and short-term, small denomination near monies (e.g., travellers' checks) plus short-term, small denomination near monies (e.g., savings deposits, certificates of deposit, money market deposits, money market mutual funds etc.). Actual definitions vary.

prosecuted and convicted, the types of offences involved in the prosecutions or the number of prosecutions for ML as a stand-alone offence.

For example, many ML prosecutions of country A may be related to very simple ML cases which affect only one person (such as self-laundering prosecutions for theft) while one prosecution of country B may involve a very complex ML case with international implications which includes several criminals, i.e. a single judicial sentence might be more relevant than several others.

Some ML judicial sentences may affect only one person for offences that in other countries are administrative infringements (like infringements of AML/CFT preventive measures by reporting entities).

Some countries may have different ways of counting ML prosecutions: cases commenced, cases concluded, ongoing cases, several persons and ML operations might be prosecuted in one single indictment which may be counted in several manners, etc.

In addition, countries' legal framework may or may not provide for prosecutorial discretion, or may prohibit charging perpetrators for both the predicate offence and laundering.

E. FOR FURTHER READING

73. The European Union's Eurostat working paper on *Money Laundering in Europe* (2013) seeks to use the available data on AML/CFT in European countries to analyse patterns and trends. In particular, the working paper identifies obstacles to comparing data between EU Member States. It also encourages Member States to improve their statistical expertise by collecting data more rigorously, in particular in the judicial phase of ML cases, and to develop a cost/benefit analysis of their AML scheme. Concurrently, the European Commission is also endeavouring to obtain a linear view of the AML operational chain. Ideally, this would track a STR from its filing to a subsequent criminal conviction, where applicable, allowing rates of progression between each successive stage to be calculated.

IV. EXAMPLES OF USEFUL STATISTICS

74. This chapter responds to the need for guidance on specific types of quantitative data (statistics) that may be collected for the purpose of the effectiveness assessment under FATF 4th round mutual evaluations. Given the importance of context in the assessment of effectiveness, Section A sets out potential quantitative data in this respect. Section B provides examples of statistics that, based on first assessments, have appeared to be particularly useful. Section C provides non-exhaustive lists of examples of data types relevant to each of the eleven IOs defined in the Methodology.

A. CONTEXT DATA

75. The starting point for every assessment of effectiveness is an understanding of the country risks and context. Risk can be seen as a function of three factors: threat, vulnerability and consequence.¹⁰ Information about a country's ML and TF threat environment calls for a thorough review of which domestic criminal activities generate proceeds and what types of transnational volumes of proceeds flow into the country. Specifically, there is a need to understand how any estimates of domestically- and foreign-generated proceeds of crime (POC) were arrived at. The table below includes examples of statistics that, consistent with the Methodology¹¹, may provide useful context for assessing the effectiveness of a country's AML/CFT system.

Examples of useful context and risk data

Country Context

- a. **Population size**
Note: These data may be broken down into many different categories.
- b. **GDP**
Note: These data may be broken down to show the size of different sectors.
- c. **Number of legal persons and arrangements (i) created and (ii) operating in the jurisdiction, broken down by:**
 - Type of legal person and arrangement
- d. **Extent to which economy is cash-based**
- e. **Estimated size of the informal sector and/or shadow economy**
- f. **Level of financial inclusion/exclusion**

¹⁰ See FATF (2013b).

¹¹ Methodology (FATF, 2013a) at paras. 5-12.

Financial and DNFBP Sector Context

Note: These data are particularly relevant to IO.1, IO.3 and IO.4.

- a. **Number of FIs or DNFBPs, broken down by:**
 - type of FI (including MVTS, cooperatives, etc.) and/or DNFBP.
- b. **Size/ Annual total assets and/or transaction volume/value of FIs and DNFBPs, broken down by:**
 - type of FI (including MVTS, cooperatives, etc.) and/or DNFBP.
- c. **Amount of business that is domestic or cross-border**
- d. **Relative importance of different types of financial products (e.g. transaction volumes)**

Crime Context

Note: These data are particularly relevant to IO.7 and IO.8.

- a. **Annual number of crimes reported/investigated/prosecuted/convicted, broken down by:**
 - types of offences
- b. **Underlying levels of proceeds generating crime in the country, and its nature¹**

Terrorism/TF Risk

Note: These data are particularly relevant to IO.1 and IO.10.

- a. **Types and number of NPOs in the country**
- b. **Number of NPOs in the country working in conflict zones**
- c. **Number of NPOs in the country conducting cross-border transactions**
- d. **Number of designated terrorist groups active in the country**
- e. **Number of (i) domestic and (ii) regional terrorist attacks**

General Notes

Data analysis

- The above data should be analysed in conjunction with qualitative data, such as level of political stability in the country, level of political commitment to fighting crime, level of corruption, rule of law, etc.

Note:

1. Illicit activities are inherently difficult to accurately quantify and relevant data will often take the form of estimates.

B. EXAMPLES OF PARTICULARLY USEFUL STATISTICS

76. The table below lists examples of data items that, in the first assessments, have appeared to be particularly useful to collect and maintain. This table is provided for the reference of countries collecting data. Given that the applicability and utility of individual types of statistics may vary depending on national circumstances, the table should *not* be read as mandatory or exhaustive. Although these data items are referred to as particularly useful, this does not necessarily determine

the relative weight that is to be given to them in a particular mutual evaluation. Additional advice on the collection and presentation of the various statistics may be found under the relevant IO(s) in Section C below.

Examples of particularly useful data		
Theme	Data item	IOs ¹
International Co-operation²	Number of AML/CFT-related mutual legal assistance requests made, received, processed, granted, and refused	2
	Number of AML/CFT-related extradition requests made, received, processed, granted, and refused	2
	Average time taken to provide a response on the merits of legal assistance requests received	2
	Average time taken to process extradition requests received	2
AML/CFT Supervision³	Number of registered or licensed financial institutions (including MVTs) and DNFBPs	3, 4, R
	Value of assets of financial institutions (including MVTs) and size of DNFBPs ⁴	3, 4, R
	Number of off-site (i.e. desk-based) monitoring or analysis	3
	Number of on-site monitoring and analysis	3
	Number of regulatory breaches identified	3, 4
	Total number of sanctions and other remedial actions applied	3
	Value of financial penalties	3
Legal persons and arrangements	Number of legal persons and arrangements (i) created and (ii) operating in the jurisdiction by type of entity	5, R
	Number of legal persons created in the jurisdiction that have issued bearer shares or bearer share warrants	5, R
	Number of legal persons created in the jurisdiction that have issued nominee shares or have nominee directors	5, R
	Average time to provide requesting country with basic or beneficial ownership information	5
Financial intelligence	Number of STRs received (including specifically for FT and also by reporting entity type)	4, 6, R
	Value of transactions in STRs received (including by reporting entity type)	4, 6, R
	Number of Border Cash Reports (relating to currency and bearer negotiable instruments) received	6
	Number of financial intelligence products disseminated or exchanged	6

AML Legal System and Operational Issues ⁵	Number of criminal investigations for ML activity	6, 7
	Number of prosecutions for ML activity	7
	Number of ML convictions (number of cases and individuals convicted)	7, R
	Average length of custodial sentences imposed for ML convictions	7
	Average value of fine imposed for ML convictions	7
	Number of sanctions imposed for ML offences	7
	Value of proceeds of crime, instrumentalities, or property of equivalent value confiscated	8
	Value of criminal assets seized or frozen	8
TF and Financing of Proliferation	Number of TF investigations	9
	Number of TF prosecutions	9
	Number of TF convictions	9, R
	Average length of custodial sentences imposed for TF convictions	9
	Average value of fines imposed for TF convictions	9
	Number of persons or accounts subject to targeted financial sanctions under UNSC or other designations	10
	Value of assets frozen pursuant to targeted financial sanctions under UNSC or other designations	10
	Number of cases where terrorists, terrorist organisations or terrorist financiers have their assets seized or confiscated	10
	Value of assets seized or confiscated from terrorists, terrorist organisations or terrorist financiers	10, R
	Number of criminal investigations into terrorists misusing NPOs	10
Value of assets or property frozen pursuant to targeted financial sanctions related to persons and entities designated by UNSCRs on proliferation of weapons of mass destruction	11	

Notes:

1. R signifies that the information is also a risk and context statistic.
2. These likely need to be broken down to show ML and TF related statistics separately. In addition, it may be beneficial to indicate the number of countries that requests were received from or made to.
3. These likely need to be broken down to show the data for each type of financial institution and DNFBP.
4. Other relevant indicators for DNFBPs might include total revenues (or sales)/profits and transaction volumes.
5. If possible, these statistics should be broken down to show the main crimes involved relative to the country's risks. In addition, statistics should distinguish third-party ML, stand-alone ML, and ML related to foreign predicate offenses.

C. POTENTIAL EXAMPLES OF STATISTICS RELEVANT TO EACH IMMEDIATE OUTCOME¹²

77. This section provides non-exhaustive and non-binding lists of examples of data types relevant to each of the eleven IOs defined in the Methodology, on the understanding that the IOs are interdependent and that, in many cases, statistics considered under a given IO will also be relevant to other IOs. Other guidance and best practice papers issued by the FATF (e.g. the FATF Best Practice Paper on Confiscation issued in October 2012) may identify additional types of relevant data. Some of the data types listed below may not derive directly from specific words in the FATF standards or Methodology, reflecting that the Methodology contains lists of non-exhaustive examples of data types, and that jurisdictions have many ways to portray their effectiveness. Accordingly, it would be unreasonable to expect a country to provide all data items listed. This section also contains specific notes on data collection, analysis and interpretation. These notes should be read in conjunction with the guiding principles set out in Chapters II and III, which have general application, in particular the need to consider quantitative data in conjunction with qualitative information. For the purposes of this Guidance, “interpretation” refers to exploring what various data might mean or represent, not to deducing whether the data shows that the desired outcome has been achieved.

¹² This guidance focuses only on the quantitative information. Countries will find it useful to complement the statistics suggested below with all sorts of qualitative material (e.g., case examples) when presenting their country’s effectiveness.

IMMEDIATE OUTCOME 1

Money laundering and terrorist financing risks are understood and, where appropriate, actions co-ordinated domestically to combat money laundering and the financing of terrorism and proliferation.

78. Few statistics are directly relevant for assessing effectiveness under IO.1. Most considerations under the core issues are qualitative. However, underpinning IO.1 is the country's assessment of its ML/TF risks, and a critical element is to understand the country's risk and context. Hence, of more relevance to IO.1 is the discussion about the types of risk and context statistics that countries could usefully provide— either separately or within their assessment of ML/TF risks.

79. As an example of quantitative information that a country could provide to demonstrate effectiveness under IO.1, the Methodology identifies the frequency of consultation on policies and legislation, input to develop risk assessment(s) and other policy products. The table below includes further examples of data and statistics that may be relevant to an assessment of IO.1.

Core Issue 1.5.

To what extent do the competent authorities and SRBs co-operate and co-ordinate the development and implementation of policies and activities to combat ML/TF and, where appropriate, the financing of proliferation of weapons of mass destruction?

Examples of Useful Data and Statistics

- a. **Frequency of meetings of co-ordination mechanisms between domestic competent authorities**
- b. **Number of MoUs between domestic competent authorities or other relevant cooperation agreements**
- c. **Requests for information sent between the domestic competent authorities**

General Note

- Data collection and presentation
- Depending on the jurisdiction arrangements this information may be needed separately for ML, TF, and proliferation.

IMMEDIATE OUTCOME 2**International co-operation delivers appropriate information, financial intelligence, and evidence, and facilitates action against criminals and their assets.**

80. International co-operation on AML/CFT is a cross-cutting outcome that overlaps with several other IOs. It covers both outgoing and incoming information, i.e., the provision by a country of constructive and timely legal assistance and other forms of international co-operation, as well as the seeking of this information by a country in order to pursue domestic ML, associated predicate offences and TF cases with transnational elements.

81. To demonstrate effectiveness under IO.2, the Methodology includes the following examples of quantitative information that a country could provide:

- Number of requests made, received, processed, granted, or refused relating to different competent authorities, and types of request (e.g., extradition, MLA, and other forms of international co-operation); timeliness of response;
- Number of co-operation arrangements with other countries;
- Number of ML/TF investigations/prosecutions, number and value of assets frozen and confiscated (including non-conviction-based confiscation) arising from international co-operation; value of assets repatriated or shared.

The table below includes further examples of data and statistics that may be relevant to an assessment of IO.2. Based on first assessments, items 2.1(a), 2.1(c), 2.2(a) and 2.2(c) have appeared to be particularly useful. In the context of mutual evaluations, the FATF Secretariat requests all jurisdictions to provide information about their experience of international co-operation with assessed jurisdictions.

Core Issue 2.1.

To what extent has the country provided constructive and timely mutual legal assistance and extradition across the range of international co-operation requests? What is the quality of such assistance provided?

Examples of Useful Data and Statistics**a. Incoming MLA requests**

- Number of MLA requests received
- Number of MLA requests (i) granted, (ii) refused, (iii) pending
- Average time to process request

Note: These data also refer to MLA requests regarding provisional measures (including identification and freezing/seizure) as well as information obtained for investigations.

b. Incoming international requests regarding the execution of confiscation orders and asset-sharing

- Number of requests received
- Number of requests (i) granted, (ii) refused, (iii) pending

- Average time to process request

Note: These data refer to international cooperation requests regarding the execution of confiscation orders and/or sharing of confiscated assets. Countries may distinguish between conviction- and non-conviction-based confiscations.

c. Incoming extradition requests

- Number of extradition requests received
- Number of persons for which extradition is sought
- Number of extradition requests (i) granted, (ii) refused, (iii) pending
- Number of persons extradited
- Average time to process request

Note: This section applies inter alia to extradition requests generally as well as to those made under special extradition regimes, such as regional arrest warrant systems.

General Notes

Data collection and presentation

- These data may be collected and presented for each of the following categories of offences: ML, TF and predicate offences (or designated categories of offences in countries applying an all-crime regime).
- In addition, it may be beneficial to indicate the number of countries involved, and break down the data to show which countries the requests were exchanged with.

Data analysis

- In some countries “processed” does not necessarily mean that the request is “granted” but that it has been dealt with (e.g., has been examined) so explanations from countries in this regard are advisable.
- Information on the value of assets frozen, seized, and repatriated by requests of other countries compared with the requests received may help with understanding of the country’s risks and context and ascertain the quality of the international assistance.
- Reasons for any refusals may shed light on the country’s commitment to provide assistance.
- Information on identity of countries making extradition/MLA requests (subject to confidentiality obligations) helps in an understanding of risk and context (especially where countries are not seen as being at a high risk of terrorism but may serve as a conduit for the financing of terrorism).
- Extradition/MLA requests on predicate offences are valuable for indicating in general constructive cooperation with other countries, including effective AML/CFT cooperation in some cases.
- Where applicable, simplified mechanisms for MLA (e.g. within the EU) should also be taken into account.

Core Issue 2.2.

To what extent has the country sought legal assistance for international co-operation in an appropriate and timely manner to pursue domestic ML, associated predicate offences and TF cases that have transnational elements?

Examples of Useful Data and Statistics

- a. **Outgoing MLA requests (including MLA requests regarding identification and freezing/seizure)**
 - Number of MLA requests made
 - Number of MLA made requests that have been (i) granted, (ii) refused, (iii) pending
 - Average time to obtain granted MLA request
- b. **Outgoing international requests regarding the execution of confiscation orders and asset-sharing**
 - Number of requests made
 - Number of made requests that have been (i) granted, (ii) refused, (iii) pending
 - Average time to obtain granted request
- c. **Outgoing extradition requests**
 - Number of extradition requests made
 - Number of persons for which extradition is sought
 - Number of made extradition requests that have been (i) granted, (ii) refused, (iii) pending
 - Number of persons extradited to requesting jurisdiction
 - Average time to obtain a response on the merits of an extradition request

General Note

Please refer to notes under Core Issue 2.1.

Data analysis

- It may be useful to compare the number of outgoing requests made with any available information about the number of investigations conducted related to cross-border TF or ML, in particular in instances in which a jurisdiction reports that it has made no requests.

Core Issue 2.3.

To what extent do the different competent authorities seek other forms of international cooperation to exchange financial intelligence and supervisory, law enforcement or other information in an appropriate and timely manner with their foreign counterparts for AML/CFT purposes?

Examples of Useful Data and Statistics

- a. **International cooperation between FIUs (outgoing requests)**
 - Number of AML/CFT (information) requests made
 - Number of made AML/CFT requests (i) granted, (ii) refused, (iii) pending
 - Average time to obtain granted request

Note: This section refers to international cooperation between FIUs only. Information may be disaggregated to reflect the number of natural or legal persons referred to in requests.

b. International cooperation between law enforcement authorities (outgoing requests)

- Number of AML/CFT requests made
- Number of made AML/CFT requests (i) granted, (ii) refused, (iii) pending
- Average time to obtain a response on the merits of a request

Note: Information might be disaggregated by type of LEA: police, judicial, prosecutors, etc.

c. International cooperation between financial supervisors (outgoing requests)

- Number of AML/CFT requests made
- Number of made AML/CFT requests (i) granted, (ii) refused, (iii) pending
- Average time to obtain a response on the merits of a request

Note: Information might be disaggregated by type of supervisor: banks, insurance, securities etc.

General Notes**Data collection and presentation**

- Examples of forms of international cooperation not included in Core Issues 2.1 and 2.2 may be: exchange of information, use of liaison network, FIU's exchange of information, etc.
- This cooperation, especially when it is about using LEA liaison network, may not always have a formal framework of operation and it might be difficult to collect these data.

Core Issue 2.4.

To what extent do the different competent authorities provide (including spontaneously) other forms of international co-operation to exchange financial intelligence and supervisory, law enforcement or other information in a constructive and timely manner with their foreign counterparts for AML/CFT purposes?

Examples of Useful Data and Statistics**a. International cooperation between FIUs**

- Number of AML/CFT-related requests received
- Number of spontaneous information exchanges provided
- Number of AML/CFT-related requests (i) granted, (ii) refused, (iii) pending
- Average time to provide a response on the merits of a request

Note: This section refers to international cooperation between FIUs only. Information may be disaggregated to reflect the number of natural or legal persons referred to in requests.

b. International cooperation between law enforcement authorities

- Number of AML/CFT-related requests received
- Number of spontaneous information exchanges provided
- Number of AML/CFT-related requests (i) granted, (ii) refused, (iii) pending
- Average time to provide a response on the merits of a request

Note: Data might be disaggregated by type of LEA: police, judicial, prosecutors, etc.

c. Number of investigations conducted on behalf or jointly with foreign counterparts, including joint investigation teams**d. International cooperation between financial supervisors**

- Number of AML/CFT-related requests received

- Number of spontaneous information exchanges provided
- Number of AML/CFT-related requests (i) granted, (ii) refused, (iii) pending
- Average time to provide a response on the merits of a request

Note: Data might be disaggregated by type of supervisor: banks, insurance, securities, etc.

Core Issue 2.5.

How well are the competent authorities providing and responding to foreign requests for co-operation in identifying and exchanging basic and beneficial ownership information of legal persons and arrangements?

General Note

See those statistics in IO.5 relevant to international cooperation.

IMMEDIATE OUTCOME 3

Supervisors appropriately supervise, monitor and regulate financial institutions and DNFBPs for compliance with AML/CFT requirements commensurate with their risks.

82. To demonstrate effectiveness under IO.3, the Methodology includes the following examples of quantitative information that a country could provide:

- Number and types of FIs (including MVTs) and DNFBPs licensed or registered in each category; relative size, importance and materiality of sectors;
- Frequency, and nature of monitoring and inspections (onsite and off-site); nature of breaches identified; sanctions and other remedial actions (e.g., corrective actions, reprimands, fines) applied.

83. The table below includes further examples of data and statistics that may be relevant to an assessment of IO.3. Based on first assessments, items 3.1(a)-(b), 3.3(a)-(b), and 3.4(a)-(b) have appeared to be particularly useful.

Core Issue 3.1.

How well does licensing, registration or other controls implemented by supervisors or other authorities prevent criminals and their associates from holding, or being the beneficial owner of a significant or controlling interest or holding a management function in financial institutions or DNFBPs? How well are breaches of such licensing or registration requirements detected?

Examples of Useful Data and Statistics**a. Number of FIs and DNFBPs registered or licensed**

- Number of licencing or registration applications (i) received, (ii) processed, (iii) approved, and (iv) rejected

b. Annual number of licensing or registration breaches identified

Note: This reference is being made to regulatory breaches concerning Core Issue 3.1., which is to prevent criminals from infiltrating a FI, and not regulatory breaches in general.

c. Number of supervisory/ remedial actions taken with regard to the breach of licencing/ registration requirements for new entrants and established FIs and DNFBPs

Note: Examples of remedial actions include: exams, follow-up licence refused/ revoked/not-renewed etc. Some of these data sets may be disaggregated further or supplemented by other information. For example, data on criminal background checks may be part of the data on examination of application; data on monitoring actions such as follow-up, renewal examination, or spontaneous sample checks on licensees may also be provided when available.

General Notes**Data collection and presentation**

- These data may be broken down by supervisor, and by type of FI or DNFBP.
- The data sets identified for this core issue aim to provide an overview of actions undertaken by

the authorities ex-ante and ex-post in the registration/licencing process, during the entry stage of an entity into the financial or other sectors and along its life cycle, in order to prevent criminals from holding a controlling interest.

Data analysis

- One of the major weaknesses that may be encountered is that the licencing and registration process may not include specific AML/CFT requirements and may relate only to prudential requirements. This should not be interpreted as synonymous of a low level of effectiveness as long as the aim of the process undertaken to prevent criminals from holding a controlling interest in the institutions is achieved.
- In countries with a well-established financial sector, there may be limited new entrants, and thus only a low number of examinations and background checks related to applications to be registered. Additionally, non-developed financial sectors may not be receiving any new applications at all, despite having a regulatory framework in place.

Core Issue 3.2.

How well do the supervisors identify and maintain an understanding of the ML/TF risks in the financial and other sectors as a whole, between different sectors and type of institutions, and of individual institutions?

Example of useful data and statistics

Number of regulated entities in each ML/TF risk classification used by the supervisor (e.g., high, medium, low)

Note: While not definitive about understanding, getting a sense of how many regulated entities have been placed in each classification helps with determining supervisors' rigour when it comes to understanding ML/TF risks in the sector that they supervise.

General Note

Data analysis

- This core issue is more process-oriented than the other core issues under this IO. Information will likely be more of a qualitative nature, focusing on the methodologies developed and the tools used by the supervisors to identify ML/TF risks among the different sectors, including risk factors considered and information examined in building their understanding of ML/TF risks. Information contained in the risk assessment(s), sector ML/TF vulnerabilities profiles, trends and typologies reports will also inform how well a country is addressing this core issue.

Core Issue 3.3.

With a view to mitigating the risks, how well do supervisors, on a risk-sensitive basis, supervise or monitor the extent to which financial institutions and DNFBPs are complying with their AML/CFT requirements?

Examples of Useful Data and Statistics

- a. **Number of on-site AML/CFT monitoring/ inspections**
- b. **Number of off-site (i.e. desk-based) AML/CFT monitoring or analysis**

General Notes**Data collection and presentation**

- Data may be collected per sector and supervisor.
- According to the OSCE, AML/CFT supervision may be one of the topics with the lowest amount of data availability. Therefore, the data sets presented under this core issue are limited to the essential minimal data needed to have a basic overview of supervisory activities. Note that sanctions and promotion of understanding of AML/CFT obligations are addressed under other core issues above.
- The data sets presented by the assessed country can also be further expanded and disaggregated in accordance with the nature of its supervisory framework and according to risk categories. For example, it is possible that awareness and assistance tools, such as bilateral or multilateral outreach activities, be part of the supervision continuum depending on the risks identified in specific sectors. Data on follow-up examinations and action plans can also be a critical part of the data sets, if expanded and disaggregated as recommended above. This additional information would also be relevant for the core issues below.

Data analysis

- These data sets should be interpreted in perspective with the information on risk assessment(s) and contextual information provided on the size, composition, and structure of the financial and DNFBP sectors in order to appreciate the extent to which the nature and intensity of supervisory activities align with ML/TF risks identified.

Core Issue 3.4.

To what extent are remedial actions and/or effective, proportionate and dissuasive sanctions applied in practice?

Examples of Useful Data and Statistics

- a. **Number of sanctions applied for breaches of AML/CFT obligations**

Note: Ideally the number of sanctions applied is analysed in the context of the number of breaches of AML/CFT obligations detected.

Criminal sanctions related to breaches of compliance with the regulatory framework should be clearly distinguished from criminal investigations and prosecutions on criminal ML/TF offences dealt with under IO.7. If not possible, appropriate caveats should be explained.

b. Number of remedial actions imposed for breaches of AML/CFT obligations

- type of remedial action
- value (as applicable, e.g. for fines/financial penalties)

Note: Possible types of remedial actions: supervisory letters, action plans, follow-up examinations, other type of corrective actions, reprimands, public identification, fines/financial penalties, etc.

Some countries may also disaggregate the type of remedial actions by levels of sanctions rather than by types, which should also be explained clearly as appropriate.

General Notes

Data collection and presentation

- Data may be collected per sector and supervisor.
- The key data sets under this core issue should be focussing on the escalation of monitoring and sanctions in proportion with the findings of supervisors in the course of their activities.
- Depending on the spectrum of corrective actions available to the supervisors, it is also possible that some countries disaggregate remedial actions into administrative and criminal types where relevant.

Data analysis

- Again, these data sets should be interpreted in perspective with the information on risk assessment(s) and contextual information provided on the size, composition, and structure of the financial sector in order to appreciate the alignment of supervisory activities with the ML/TF risks identified.
- Interactions between data on sanctions and data sets presented under Core Issue 3.3 and IO.4 on findings should be taken into consideration, e.g. a low number of examinations will incidentally impact the potential of supervisory authorities to detect breaches in compliance and their ability to take appropriate actions. However, a low number of remedial actions in comparison with the number of examinations cannot be automatically interpreted as a lack of effectiveness.
- The value of financial penalties applied is a useful data set only to the extent that it is interpreted in the context of how the supervisor implements its penalty framework and its other range of supervisory measures. Other information such as response of the entities fined, e.g. it is possible that imposed low value fines triggers compliance improvements similar to high value fines depending on the characteristics of the regulated entity monitored and of the nature of the supervisory framework. It is recommended that these data sets be interpreted in the context of other information provided, including information under Core Issues 3.5 and 3.6.

Core Issue 3.5.

To what extent are supervisors able to demonstrate that their actions have an effect on compliance by financial institutions and DNFBPs?

Examples of Useful Data and Statistics

a. Number of FIs and DNFBPs found to have corrected AML/CFT deficiencies broken down by:

- sector
- supervisor

b. Numbers of AML/CFT deficiencies remedied in subsequent follow-up examinations/inspections

Note: This information may be broken down by type of deficiency, and often will be based on sampling.

General Notes

Data analysis

- The extent of the effectiveness on this core issue cannot be appreciated in isolation and thus presents an analytical challenge. Judgement made regarding these data sets should be interpreted in the context of findings by supervisors which may extend to data presented under other core issues of IO.3 and IO.4.
- Appreciation of the impact of the supervisors' actions will be limited by the extent of the consistency and characteristics among the data sets presented and the maturity of the country's AML/CFT regime. Often, direct linkages between improvement on compliance and actions taken by the supervisors will not be possible in the absence of the development of more specific performance indicators for regulated entities on the different AML/CFT obligations as listed under IO.4.

Core Issue 3.6.

How well do the supervisors promote a clear understanding by financial institutions and DNFBPs of their AML/CFT obligations and ML/TF risks?

Examples of Useful Data and Statistics

a. **Number of supervisory guidance documents about AML/CFT obligations issued for FIs and DNFBPs broken down by:**

b. **Number of other relevant publications issued related to ML/TF risks broken down by:**

Note: Possible types of relevant publications: guidance, trends and typologies, risk assessment (s), / sector profiles, catalogues of risk activities, maps of risks, advisories, statistics, etc.

c. **Number of outreach activities on AML/CFT supervisory matters with FIs and DNFBPs broken down by:**

- type of activity

Note: Possible types of outreach activities to promote and interact on supervisory matters with FIs and DNFBPs: meetings, trainings, information sessions, seminars etc.

General Notes

Data collection and presentation

- Data may be collected per sector and supervisor.
- The data sets for this core issue can also encompass other types of outreach activities and assistance such as policy interpretations issued or helpline advices provided etc.

Data analysis

- Caution should be applied on too much emphasis on quantitative data for this core issue, although data sets would be useful to appreciate the extent and the frequency of interactions and support provided by the supervisors to the regulated entities
- In the context of assessing effectiveness, the numerous outreach activities should be appreciated in perspective with the characteristics of this outreach. The quality and comprehensiveness of outreach activities, guidance and training can be more important than the quantity, all being

relative to the composition and ML/TF risks for each sector. Agendas, communication materials and list of invitees and attendees can support such analysis.

- In particular, it might be difficult to distinguish between prudential and AML/CFT supervisory guidance and thus special attention will have to be devoted to the substantive content of the guidance.
 - It is also important to consider the access to the guidance and different outreach products covered and the extent to which the regulated entities accessed available online guidance and tools (e.g. targeted use of web statistics).
 - Similarly, for some countries, it might be difficult to distinguish between prudential and AML/CFT specific training/meetings, and thus special attention will have to be devoted to the substantive content of the activity. It should be clear that the data presented covers AML/CFT obligations and ML/TF risks. The level of attendance to meetings and trainings is also relevant.
-

IMMEDIATE OUTCOME 4**Financial institutions and DNFBPs adequately apply AML/CFT preventive measures commensurate with their risks, and report suspicious transactions.**

84. This outcome has a very wide scope, covering the whole of the financial sector and all the DNFBP sectors – and all of the different preventive measures they are expected to apply. A careful consideration of a country's risks and materiality is needed in order to prioritise which sectors and which obligations to focus an assessment on.

85. To demonstrate effectiveness under IO.4, the Methodology includes the following examples of quantitative information that a country could provide:

- Number and types of FIs (including MVTs) and DNFBPs licensed or registered in each category; relative size, importance and materiality of sectors;
- Frequency of internal AML/CFT compliance review; frequency of AML/CFT training; time taken to provide competent authorities with accurate and complete Customer Due Diligence (CDD) information for AML/CFT purposes; accounts/relationships rejected due to incomplete CDD information; wire transfers rejected due to insufficient requisite information;
- Number of STRs submitted, and the value of associated transactions; number and proportion of STRs from different sectors; the trends in STR filings corresponding to ML/TF risks; average time taken to analyse the suspicious transaction before filing an STR.

86. IO.4 relates primarily to what supervisory findings can teach about the implementation of AML/CFT obligations put in place by FIs and DNFBPs. IO.4 is therefore heavily reliant on data from supervisors, and related to the number of examinations/inspections where specific breaches with AML/CFT obligations were detected. This information should be considered to the extent that it helps to gauge the relative context and size of these sectors and the extent of non-compliance per sector.

87. There are a number of challenges associated with the availability and interpretation of data required to form a view on the compliance of an assessed country with IO.4. Data sets for each core issue are likely to be extracted from the supervisory database (if any) related to examinations and findings. However, according to OSCE, AML/CFT supervision is one of the topics with the lowest data availability in MERs.

88. Another challenge in interpreting the available data is the multidimensional nature of the core issues that requires data disaggregated by specific AML/CFT obligations. This level of disaggregation may not be available in all assessed countries. Therefore, there may be a need to rely on proxy measures limited to findings related to the extent to which FIs and DNFBPs have policies and procedures in place for AML/CFT requirements and on information such as the quality and comprehensiveness of such policies and procedures as opposed to more specific operations-related data (e.g. the assessed country provides number of examinations where proper STR filing

instructions are included in policies and procedures, but there is an absence of data where significant errors were detected in the execution of the actual filing of, or information in STRs). However, this cannot be considered as a true measure of effectiveness as it relates to process and procedures as opposed to practice and this distinction should be noted as a limit in the analysis.

89. The table below includes further examples of data and statistics that may be relevant to an assessment of IO.4. Based on first assessments, items 4(a)-(c), and 4.5(a)-(b) have appeared to be particularly useful.

Useful Data and Statistics for All Core Issues Under IO.4

- a. **Number of registered and/or licensed FIs in the country**
- b. **Number of registered and/or licensed DNFBPs in the country**
- c. **Annual total assets of FIs (including MVTs) and size of DNFBPs**

General Notes

Data collection

- Data may be broken down by type of FI (including MVTs, cooperatives, etc.) and/or DNFBP.

Data analysis

- For many DNFBPs, transaction volumes may be more relevant than asset size.
- Data on the application of AML/CFT preventive measures commensurate with the risks has to be interpreted in the context of additional information and assessed in perspective with key other general contextual data and other information regarding the size, composition, and structure of the financial and DNFBP sectors and informal or unregulated sector (e.g. number and types of FIs (including MVTs) and DNFBPs licensed or registered in each category; types of financial (including cross-border) activities; relative size, importance and materiality of sectors).
- It should be taken into account that certain entities may be operating in a country while being registered in another one.
- This information should be considered to the extent that it helps gauge the relative context and size of these sectors and the possible extent of non-compliance per sector.

Core Issue 4.1.

How well do financial institutions and DNFBPs understand their ML/TF risks and AML/CFT obligations?

Examples of Useful Data and Statistics

- a. **Number of regulatory breaches detected with ML/TF risk assessment obligations**

Note: This information will help ascertain how many of the regulated entities have completed a ML/TF risk assessment (if such an obligation exists). However, completing a statutory obligation to complete such an assessment does not necessarily signal that the entities understand their risks, and the corollary is that some regulated entities may have a very good understanding of their risks even if they have not formally done a risk assessment.

b. Number of regulatory breaches detected for other AML/CFT obligations

Note: Information above may be completed with more specific data sets produced under other core issues below, e.g. data on assistance and outreach activities specific to ML/TF risks and AML/CFT obligations produced under Core Issue 3.6 may also help assess this core issue when it relates to capacity for FIs and DNFBPs to analyse and understand their ML/TF risks and AML/CFT obligations.

c. Number of regulated entities that have produced their own ML/TF risks assessments

Note: While not definitive about understanding, getting a sense of how many regulated entities have completed a risk assessment helps ascertain the degree to which assessing risks is a focus for different sectors.

d. Number of feedbacks and guidance provided by the authorities to FIs and DNFBPs

Note: Possible types of feedbacks and guidance: meetings, questions answered, guidance issued/updated.

General Notes**Data collection and presentation**

- Data may be broken down by sector.

Data analysis

- The understanding of risk will vary greatly among the different sectors and regulated entities depending on the size, capacity and knowledge across and within sectors and entities.
- The primary information to assess this core issue will likely come from discussions with private sector representatives. The quantitative information referred to above will help inform how systematically that understanding is applied.
- Information on the number of on-site/off-site supervisory examinations/inspections per sector already provided under IO.3 will likely support an overall conclusion or more aggregated conclusions with respect to Core Issue 4.1.

Core Issue 4.2.

How well do financial institutions and DNFBPs apply mitigating measures commensurate with their risks?

Example of useful data and statistics**Number of regulatory breaches detected with regard to the implementation of enhanced measures in higher-risk situations identified by FIs and DNFBPs**

Note: It is often easier to draw conclusions from high-risk situations identified in relation to these categories.

General Notes**Data analysis**

- This core issue aims at verifying that the entity is implementing proper intensity in implementing preventive measures in proportion to the risks identified in relation to factors such as the clientele, activities and products.
- This core issue is at the cross-road between Core Issue 4.1 and the other core issue of this IO.

Overall, the starting point to interpret data sets regarding implementation mitigating measures commensurate with the risks might be about gathering an overview of the extent to which compliance data are available by sector, or whether proper policies and procedures are in place with regard to risk management and controls.

- A poor understanding of ML/TF risks will likely impact the effective implementation of mitigating measures commensurate with the risks. Therefore interpretation of the data sets presented under Core Issue 4.1 should also inform conclusions under this core issue.

Core Issue 4.3.

How well do financial institutions and DNFBPs apply the CDD and record-keeping measures (including beneficial ownership information and ongoing monitoring)? To what extent is business refused when CDD is incomplete?

Examples of Useful Data and Statistics

- a. **Annual number of STRs associated with:**
 - CDD obligations
 - record keeping obligations
 - beneficial ownership information obligations
- b. **Number of regulatory breaches detected associated with obligations listed above**
- c. **Annual number of STRs associated with attempted transactions submitted**

Note: Those STRs may detail information on the annual number of accounts/relationships rejected due to incomplete CDD information or wire transfers rejected due to insufficient requisite information.

- d. **Number of regulatory breaches detected for incomplete transactions/refused relationships due to incomplete CDD**
- e. **Number of business relationships or transactions which have been rejected or terminated due to concerns about CDD**

General Notes

Data collection and presentation

- The above data may be broken down by type of FI, DNFBP and/or other reporting entity.
- Gathering data related to incomplete transactions may pose difficulties when balanced against legal provisions on privacy rights or because of the difficulties associated with the recording of such information depending on the nature of the circumstances under which such transactions are not completed.
- In the event STRs record whether they relate to attempted transactions, a proxy measure of “refused transaction/business relationship” could include the number of STRs filed for incomplete information. This can, within the realms of FIU-held data, be a useful indicator of the extent to which business is refused, but may not be entirely representative of all business refused for incomplete CDD.

Data analysis

- A high volume could in fact indicate “defensive filing” and reduced compliance (i.e., a lack of understanding of STRs). A low volume, by contrast, could indicate a lack of understanding of obligations.

Core Issue 4.4.

How well do financial institutions and DNFBPs apply the enhanced or specific measures for: (a) PEPs, (b) correspondent banking, (c) new technologies, (d) wire transfers rules, (e) targeted financial sanctions relating to TF, and (f) higher-risk countries identified by the FATF?

Examples of Useful Data and Statistics

- a. **Annual number of STRs associated with:**
 - PEPs (broken down by domestic vs. foreign vs. PEPs from international organisations)
 - correspondent banking
 - new technologies
 - wire transfers rules
 - targeted financial sanctions related to TF
 - higher-risk countries identified by the FATF
- b. **Number of regulatory breaches detected for enhanced or specific measures related to the above list**

General Notes**Data collection and presentation**

- The above data may be broken down by type of FI, DNFBP and/or other reporting entity.
- Some countries may require FIs to report electronic funds transfers (EFTs) which can be based on a value threshold or not. In the event such obligation exists in a country legislative framework, data on compliance with EFT requirements and the number of EFT reports received by competent authorities may help informing conclusions on wire transfers. This may include data items such as mandatory fields of information are filled properly; whether the report was sent in prescribed time frame; EFT reports volume, broken down by each type of FI, DNFBP etc.

Data analysis

- Overall, the starting point to interpret the sets of data regarding implementation of enhanced measures might be about gathering an overview of the extent to which compliance data are available by sector, or whether proper policies and procedures are in place with regard to these specific requirements.
- For example, the approach adopted by the FIs and DNFBPs for PEPs determination will likely impact the effective implementation of PEPs requirements (e.g. number of PEPs refused or exited from institutions). Therefore, data on non-compliance for PEPs obligation will have to be interpreted in perspective with the quality and content of policies and procedures related to PEPs determination.
- A high volume could in fact indicate “defensive filing” and reduced compliance (i.e., a lack of understanding of STRs). A low volume, by contrast, could indicate a lack of understanding of obligations.

Core Issue 4.5.

To what extent do financial institutions and DNFBPs meet their reporting obligations on the suspected proceeds of crime and funds in support of terrorism? What are the practical measures to prevent tipping-off?

Examples of Useful Data and Statistics**a. Number of STRs submitted, broken down by:**

- type of predicate offence or related to ML and TF

Note: Any increase/decrease in reporting over years should be considered in perspective with the risk identified in the country, ML/TF vulnerabilities in the sectors and improvements in understanding STRs obligations.

b. Value of transactions associated with STRs submitted per sector

Note: Relating these data to other data such as the size of assets or value of transactions conducted in each sector may help determine whether some sectors are over or under represented in STR reporting.

When reviewing the value of transaction in STRs, it is also relevant to consider the type of STRs filed and the underlying reasons. For example, value in the transactions may be lower if the STRs filed are due to a lack of CDD information or when there was no transaction (e.g. attempted transaction).

c. Number of regulatory breaches detected for STRs and other reporting obligations**d. Number of detected cases of tipping off and sanctions imposed**

Note: Practice shows that availability of data on tipping off will likely be limited and this criterion will be assessed mostly through qualitative information. Perceptions provided by supervisors will be an important element as well as data on compliance related to proper policies and procedures in relation to tipping off obligations. Data sets on sanctions or corrective measures specific to tipping off may be also useful.

General Notes**Data collection and presentation**

- The above data may be broken down by type of FI, DNFBP and/or other reporting entity.

Data analysis

- The number of STRs and their type (e.g. cross-border transactions, PEPs, etc.) may be analysed in perspective with the characteristics of the different sectors such as the structure of activities; relative size, importance and materiality; and ML/TF risks.
- A high volume could in fact indicate “defensive filing” and reduced compliance (i.e., a lack of understanding of STRs). A low volume, by contrast, could indicate a lack of understanding of obligations.

Core Issue 4.6.

How well do financial institutions and DNFBPs apply internal controls and procedures (including at financial group level) to ensure compliance with AML/CFT requirements? To what extent are there legal or regulatory requirements (e.g. financial secrecy) impeding its implementation?

Examples of Useful Data and Statistics**a. Number and latest dates of internal:**

- Policies and Procedures
- Risks assessments
- AML/CFT audits
- AML/CFT units, broken down by types (e.g. compliance officers, preventive committees, etc.)
- AML/CFT training programmes

Note: This information may be collected for a sample of entities, and must be analysed along with other entity specific information (e.g. number of staff, risks that have been detected)

b. Number of inspections where regulatory breaches were detected associated with the obligations listed above

Note: This may point to how systematically the obligation to have policies and procedures on AML/CFT is implemented.

General Note**Data collection and presentation**

- For financial groups, a country may also want to produce additional data sets on compliance broken down by specific requirements related to control over subsidiaries and branches. Substantial information may be provided: manuals, handbooks or internal programmes issued by the obliged persons may be a useful element to assess this core issue. However, quantitative data on this point are not always feasible.

IMMEDIATE OUTCOME 5

Legal persons and arrangements are prevented from misuse for money laundering or terrorist financing, and information on their beneficial ownership is available to competent authorities without impediments.

90. When assessing the effectiveness of this outcome it is important to consider the requirements and measures under R.24 and R.25 (transparency and beneficial ownership of legal persons and arrangements, respectively) as well as the related interpretive notes, and the use of other mechanisms and institutions by the countries assessed to obtain and hold information on beneficial ownership.

91. To demonstrate effectiveness under IO.5, the Methodology includes the following example of quantitative information that a country could provide:

- Frequency with which criminal investigations find evidence of the country's legal persons and arrangements being used for ML/TF; legal persons misused for illegal activities dismantled or struck-off.

92. The table below includes further examples of data and statistics that may be relevant to an assessment of IO.5. Based on first assessments, items 5.1(a) and 5.4/5(e) have appeared to be particularly useful.

Core Issue 5.1.

To what extent is the information on the creation and types of legal persons and arrangements in the country available publicly?

Examples of Useful Data and Statistics**a. Total number of legal persons registered in the jurisdiction broken down by types**

Note: Each country has different categories of legal persons according to the national regulation. Some examples of possible types of legal persons include Public Limited Liability Companies, Private Limited Liability Companies, Foundations (private), General Partnerships, Limited partnerships, Cooperatives, and associations.

b. Total number of legal arrangements operating, registered and/or created in the jurisdiction broken down by types

Note: Each country has different categories of legal arrangements according to the national regulation. Some examples of possible types of legal arrangements include trusts, fiducie, Treuhand, and fideicomiso.

c. Annual number of legal persons and arrangements created in the jurisdiction broken down by legal person type and legal arrangement type**d. Number of public searches of the registry for legal persons (domestic searches and foreign searches)**

Note: Countries may specify when searches are made by domestic reporting entities, by domestic LEA, by foreign reporting entities, and by foreign LEA.

General Notes

Data analysis

- Information on the number of legal persons/ arrangements registered should be analysed by taking into consideration specific information about each category: e.g. main constitution requirements, authorities involved, etc.
- Data on the number of legal persons/ arrangements registered is primarily context information – as it may not necessarily indicate that the information is publicly available, unless there are public sources to obtain the information. The assessment of IO.5 will be based also on qualitative information (e.g. degree of publicity and accessibility of registry).

Core Issue 5.2.

How well do the relevant competent authorities identify, assess and understand the vulnerabilities, and the extent to which legal persons created in the country can be, or are being misused for ML/TF?

Examples of Useful Data and Statistics

a. **Number of breaches of basic and beneficial ownership information requirements relating to legal persons**

Note: These data may vary depending on countries' systems for providing basic and beneficial ownership information. These data may provide information pointing to the extent to which legal persons are vulnerable to ML/TF abuse due to poor compliance with basic and beneficial ownership information.

b. **Number of legal persons registered and/or created in the jurisdiction owned or controlled by non-residents**

Note: The availability of this information may show if the authorities are aware of the potential vulnerabilities from misusing legal persons and arrangements and the risks from certain types of corporate structures, depending on the country context and the owners' residency.

c. **Total number of legal persons registered or created in the jurisdiction that:**

- can have nominee shares and nominee directors
- can issue bearer shares or bearer share warrants

Note: These data help determine the extent to which this may be a potential vulnerability for legal persons formed in the country. These data may also be linked to other data on how many of those legal persons implement measures aimed at minimising the potential for such misuse.

d. **Number of criminal investigations identifying that the country's legal persons are being used for ML or TF**

e. **Number of AML/CFT-related MLA requests received by the country in respect of the country's legal persons**

General Note

Data collection and presentation

- Where applicable, the same information may be provided with respect to legal arrangements.
- Countries may need to clarify how instances of misuse are counted.

Core Issue 5.3.

How well has the country implemented measures to prevent the misuse of legal persons and arrangements for ML/TF purposes?

Examples of Useful Data and Statistics

- a. **Number of STRs sent by reporting entities about suspected misuse of legal persons or legal arrangements**

Note: These data sets might be broken down by types of use made by the FIU to those STRs or types of associated predicate offences of the STRs.

- b. **Number of regulatory breaches detected for regulated entities not implementing CDD obligations in respect of legal persons and/or legal arrangements**

Note: The objective is to examine whether the country implemented robust preventive measures in relation to legal persons and arrangements (e.g., CDD including identifying the BO).

These data sets might be also broken down by types of such infringements (CDD, beneficial ownership, purpose/nature of the business relationship, etc.)

- c. **Number of criminal ML/TF investigations-prosecutions-convictions related to misuse of legal persons or legal arrangements**

General Note

Data Analysis

- The above data sets may indicate to what extent the preventive measures are working.
- Countries may need to clarify how instances of misuse are counted.

Core Issue 5.4.

To what extent can relevant competent authorities obtain adequate, accurate and current basic and beneficial ownership information on all types of legal persons created in the country, in a timely manner?

Core Issue 5.5.

To what extent can relevant competent authorities obtain adequate, accurate and current beneficial ownership information on legal arrangements, in a timely manner?

Examples of Useful Data and Statistics

- a. **Number of requests by competent authorities in order to obtain basic or beneficial ownership information relating to (i) legal persons, and (ii) legal arrangements**
- b. **Number or proportion of entities that file (i) updated information within statutory deadlines, or (ii) an annual return/ review (if one is required)**
- c. **Average time taken by competent authorities to obtain basic or beneficial ownership information relating to (i) legal persons, and (ii) legal arrangements**
- d. **Number of granted requests from competent authorities of foreign countries for basic and beneficial ownership information relating to (i) legal persons, and (ii) legal arrangements**
- e. **Average time to provide basic or beneficial ownership information to foreign authorities**

General Note**Data collection and presentation**

- The above data sets may be further broken down by types of legal persons or legal arrangements, as well as by the types of competent authorities.

Core Issue 5.6.

To what extent are effective, proportionate and dissuasive sanctions applied against persons who do not comply with the information requirements?

Example of useful data and statistics

Number and value of financial penalties or other sanctions imposed for breach of basic and beneficial ownership information requirements relating to (i) legal persons, and (ii) legal arrangements

Note: These data may vary depending on countries' systems for providing basic and beneficial ownership information.

General Notes**Data collection and presentation**

- The above data may be further broken down by types of legal person or legal arrangement that were misused, as well as types of sanction.

Data analysis

- A high value of sanctions may not be synonymous with effectiveness, as it depends on the objective pursued and of the compliance approach.
- Since each country has a different sanctioning regime, this information would allow having a comprehensive view of the sanctions applied against persons who do not comply with the information requirements mentioned above.
- It may be useful to compare the level of sanctions applied for these breaches against the potential maximum sanction available and against other sanctions applied for breaches of other requirements related to legal person and legal arrangement registration and administration.

IMMEDIATE OUTCOME 6

Financial intelligence and all other relevant information are appropriately used by competent authorities for money laundering and terrorist financing investigations.

93. This outcome, which applies to both ML and TF, explores to what extent financial intelligence and other relevant information support the operational needs of competent authorities. Notably, this includes FIU products, but also information from analysis functions in law enforcement or government, or information collected by supervisors or customs authorities. Effectiveness is not determined by the output (e.g. number of reports generated using STRs), but by the outcome: for example, the important thing is not how many reports were generated using STRs, but if the reports were used and useful to investigating authorities; whether they made a meaningful contribution to the success of an investigation or prosecution; or whether they were advanced as evidence (bearing in mind that in practice such reports are very often restricted from use in court for evidentiary purposes if they contain information that is limited to intelligence purposes only). The effectiveness of the operational chain is not restricted to individual stakeholders and should therefore be assessed overall.

94. To demonstrate effectiveness under IO.6, the Methodology includes the following examples of quantitative information that a country could provide:

- Frequency with which types of financial intelligence and other information are used as investigative tools;
- Statistics of financial intelligence disseminated/exchanged;
- Number of STRs/cases analysed; frequency with which competent authorities come across examples of unreported suspicious transactions; cases of tipping-off; statistics on STR reporting in IO.4;
- Number of currency and bearer negotiable instruments reports received, and analysed.

95. The table below includes further examples of data and statistics that may be relevant to an assessment of IO.6. Based on first assessments, items 6.1(a), 6.2(a), 6.2(b) and 6.3(a) have appeared to be particularly useful.

96. It should be clarified if the data provided relate to ML, TF, or both. If both, they may need to be disaggregated to enable an understanding of the ML and TF issues separately.

Core Issue 6.1.

To what extent are financial intelligence and other relevant information accessed and used in investigations to develop evidence and trace criminal proceeds related to ML, associated predicate offences and TF?

Examples of Useful Data and Statistics

a. **Annual number of investigations for ML, associated predicate offences and TF that use financial**

intelligence broken down by:

- type of offence (ML, associated predicate offences, and TF)
- type of LEA
- sector

Note: Be wary of comparing the volume of FIU disseminations to ML cases investigated: establish validity of linkages between the two data points. Note that many ML investigations occur without using FIU disseminated data.

In addition, disseminations in any given year may not be related to investigations in that year but to investigations further down the road.

b. **Outcomes of LEA investigations initiated by financial intelligence or including financial intelligence (e.g. number of people arrested, goods and assets seized or confiscated etc.)**

Note: This information is not easy to get in many jurisdictions, but where available it may provide valuable information: number of police investigations prompted by reports; outcomes achieved in the investigations; coordination between LEAs and FIU; quality and usefulness of the intelligence reports etc.

c. **Number of disseminations (e.g., information or analysis packages) sent by the FIU to support ongoing investigations**

General Note

Data analysis

- The number of investigations where financial intelligence is used could also be compared to the total number of investigations to see what proportion use financial intelligence.

Core Issue 6.2.

To what extent are the competent authorities receiving or requesting reports (e.g. STRs, reports on currency and bearer negotiable instruments) that contain relevant and accurate information that assists them to perform their duties?

Examples of Useful Data and Statistics

a. **Number of STRs received**

Note: This is one of the key indicators of IO.6. To properly analyse the data included in this item, the information may be broken down in many different categories (see categories under IO.4).

- b. **Number of Border Cash Reports (relating to currency and bearer negotiable instruments) received**
- c. **Number of Large Value Transaction Reports received**
- d. **Number of Cash Transaction Reports received**
- e. **Number of International Funds Transfer Transfer/Wire Reports received**
- f. **Number of Other Types of Reports received**

General Notes

Data collection and presentation

The above data sets may be broken down into several categories, e.g. (as applicable):

- declared or undeclared,
- amount included in the transactions,

- annual average amount,
- amounts seized/ confiscated,
- number of sanctions imposed (administrative and/ or judicial),
- country of origin and/or destination,
- nationality of couriers,
- port of entry,
- means of transportation.

These and other possible criteria may also be combined, e.g. amounts carried broken down by nationality of courier.

Core Issue 6.3.

To what extent is FIU analysis and dissemination supporting the operational needs of competent authorities?

Example of Useful Data and Statistics

Annual number of financial intelligence products disseminated or exchanged by the FIU

Note: This information may be broken down into several categories, e.g.:

- type of recipient (types of LEAs and others recipients)
- pro-active (spontaneous) and re-active (under request)
- type of offence (ML, associated predicate offences, and TF)
- domestic or foreign requests
- national or international content

General Note

Data collection and presentation

- Statistics for core issue 6.1 may also be valid for this core issue.
-

Core Issue 6.4.

To what extent do the FIU and other competent authorities co-operate and exchange information and financial intelligence? How securely do the FIU and competent authorities protect the confidentiality of the information they exchange or use?

Examples of Useful Data and Statistics

a. Number of information requests made by domestic LEAs, supervisors and other competent authorities to the FIU

Note: These requests can be counted in different ways, e.g.:

- type of offence (ML, associated predicate offences, and TF)
 - people involved
 - number of cases (one case may involve many requests)
 - sectors involved
-

- agency requested

- b. **For those jurisdictions that allow LEAs to access the FIU database: Total number of users from LEAs that have access to the FIU's database in order to exchange information, and annual number of LEA searches in FIU database, broken down by each type of LEA**
- c. **Number of requests made by the FIU to the domestic LEAs, supervisors and other competent authorities**

Note: Requests may be counted in different ways (see note 6.4 (a))

- d. **Number of criminal justice-, law enforcement-, and intelligence-related databases or information holdings available (directly or indirectly) to FIU, LEAs and other competent authorities**
- e. **Number of official administrative registries, databases, or information holdings available (directly or indirectly) to FIU, LEAs and other competent authorities**

Note: Possible types of official administrative registries: property, vehicle, births/deaths/marriages, driver license, tax information etc.

- f. **Number of financial sector-related registries, databases, or information holdings available (directly or indirectly) to FIU, LEAs and competent authorities**

Note: Possible types of financial sector-related registries: supervisory and regulatory, CDD information and transaction records, companies etc.

IMMEDIATE OUTCOME 7

Money laundering offences and activities are investigated and offenders are prosecuted and subject to effective, proportionate and dissuasive sanctions.

97. This outcome assesses one final outcome of the criminal justice chain for ML (TF is covered under IO.9). If alternative measures are used where it is not possible to secure a ML conviction, the onus is on the country to show that such measures are used as a supplement to ML prosecutions – rather than a substitute for them, or as an equivalent to ML convictions.

98. To demonstrate effectiveness under IO.7, the Methodology includes the following examples of quantitative information that a country could provide:

- Number of investigations and prosecutions for ML activity; proportion of cases leading to prosecution or brought to court; number or proportion of ML convictions relating to third-party laundering, stand-alone offence, self-laundering, and foreign predicate offences; and types of predicate offences involved;
- Level of sanctions imposed for ML offences; sanctions imposed for ML compared with those for other predicate offences.

99. It is important that any statistics provided clearly set forth not only the number of investigations and prosecutions, but the number of criminals ultimately charged, convicted and sentenced for ML charges. Ideally, data should be disaggregated by designated categories of ML offences (third-party ML, stand-alone offence, self-laundering or simple knowing possession of criminal proceeds). In the absence of such disaggregation, a random sampling of such cases will be needed. In most jurisdictions multiple charges are laid against the same defendant(s) so it is important to inquire as to the extent ML statistics are disaggregated or aggregated from statistics for other offences, such as the predicate offences. Statistics on the number of prosecutions should also be read in light of whether or not a country's legal system provides for prosecutorial discretion, or prohibits charging perpetrators for both the predicate offense and laundering.

100. The table below includes further examples of data and statistics that may be relevant to an assessment of IO.7. Based on first assessments, items 7.2(a)-(b), 7.3(a), 7.4(a)-(b) have appeared to be particularly useful.

Core Issue 7.1.

How well, and in what circumstances are potential cases of ML identified and investigated (including through parallel financial investigations)?

Example of useful data and statistics**Annual number of parallel financial investigations undertaken****General Note****Data collection and presentation**

- Quantitative data for the above dataset may be scarce.

Core Issue 7.2.

To what extent are the types of ML activity being investigated and prosecuted consistent with the country's threats and risk profile and national AML/CFT policies?

Examples of Useful Data and Statistics

- a. **Number of criminal investigations for ML activity**
- b. **Number of prosecutions for ML activity**

General Notes**Data collection and presentation**

- Data should be broken down to show the underlying predicate offence.
- It is useful to see what types of criminal offences most often result in ML charges, if available, particularly to see if ML cases are pursued commensurate to the criminal and ML/TF risk profile of the assessed country.
- The above data sets may also distinguish whether investigated ML activities involved any third-party laundering.

Data analysis

- Information on investigations and prosecutions should be analysed in light of a country's threats and risk profile and AML/CFT policies. For example, if the drug trade is vigorous in the jurisdiction, how many investigations and prosecutions relate to the laundering of such proceeds? If a country is a major financial centre, how many investigations target and pursue the laundering of foreign predicate offences?

Core Issue 7.3.

To what extent are different types of ML cases prosecuted (e.g., foreign predicate offence, third-party laundering, stand-alone offence etc.) and offenders convicted?

Examples of Useful Data and Statistics

- a. **Number of ML convictions** (broken down to show the underlying predicate offence)

Note: It may not be necessary to obtain examples for all categories of predicate offences, but an objective could be to include at a minimum the major categories of predicate criminal offences identified in the assessed country's risk assessment.

- b. **Number of ML convictions relating to:**

- Third-party laundering
- A stand-alone ML offence
- Self-laundering
- Foreign predicate offences

Core Issue 7.4.

To what extent are the sanctions applied against natural or legal persons convicted of ML offences effective, proportionate and dissuasive?

Examples of Useful Data and Statistics

- a. **Number of sanctions imposed for ML offences, broken down by category of sanction**
- b. **Average and range of each category of sanction imposed for ML offences, e.g.:**
 - Average length of custodial sentences imposed for ML convictions
 - Average fine imposed for ML convictions
 - Average of other sanction(s) imposed for ML convictions

General Notes**Data collection and presentation**

Data may be broken down to show whether convictions related to:

- Third-party laundering
- A stand-alone ML offence
- Self-laundering
- Foreign predicate offences

Data analysis

Data may be analysed in light of sanctions data for financial crime offences potentially carrying similar sentences to ML offences to help demonstrate the effectiveness, proportionality and dissuasiveness of ML sanctions (e.g., fraud, insider trading).

Core Issue 7.5.

To what extent do countries apply other criminal justice measures in cases where a ML investigation has been pursued but where it is not possible, for justifiable reasons, to secure a ML conviction? Such alternative measures should not diminish the importance of, or be a substitute for, prosecutions and convictions for ML offences.

Examples of Useful Data and Statistics

- a. **Number of ML investigations where a decision was made to pursue a prosecution for something other than ML**
- b. **Number of ML cases referred to prosecuting authority but not proceeded with**
- c. **Number of ML charges laid in court that resulted in convictions for something other than ML**

General Notes**Data collection and presentation**

- Data are scarce and often limited to showing that a ML conviction was not possible – without saying what the alternative measure was.
- Countries may present evidence that persons investigated for but not charged with ML, or charged with but not convicted of ML, were charged with or convicted of other offences such as predicate offences and that such results were justified. For example, a STR may trigger a ML

investigation, which in turn reveals that the suspect is a major drug trafficker, fraudster or committed other major crimes, and the investigatory focus shifts to a predicate offence investigation and prosecution. The assessed country must be able to show what the justifiable reason was that such persons were not also charged with ML.

IMMEDIATE OUTCOME 8**Proceeds and instrumentalities of crime are confiscated.**

101. Given the importance of confiscation for AML/CFT efforts, IO.8 is a critical element of the effectiveness assessment. To demonstrate effectiveness under IO.8, the Methodology includes the following examples of quantitative information that a country could provide:

- Number of criminal cases where confiscation is pursued; value of proceeds of crimes, instrumentalities or property of equivalent value confiscated, broken down by foreign or domestic offences; value of falsely / not declared or disclosed cross-border currency and bearer negotiable instruments confiscated; value or proportion of seized or frozen proceeds that is ordered confiscated; value or proportion of confiscation orders realised;
- Value of criminal assets seized / frozen; amount of proceeds of crime restituted to victims, shared or repatriated).

102. Seizure/restraint data and confiscation data will often not match-up within any reporting period as it is common that assets seized/frozen in one year are not confiscated or realised until a year or many years later. Also, confiscation numbers may sometimes represent the value of the judgements ordering confiscation and there may be a need to clarify the value of the property that was actually “realised” or ultimately confiscated by the state. In some jurisdictions proceeds of crime taken from victims are not confiscated, so such countries may need to seek confiscation credit for criminal proceeds returned to victims via restitution or similar mechanisms. If applicable, statistics on non-conviction-based confiscation should also be included.

103. The difference between amounts restrained/seized and amounts ultimately realised may point to deficiencies in the confiscation regime. Major criminal fines obtained based upon criminal benefit calculations should also be considered in confiscation numbers if they can be clearly identified. For example, some countries fine companies to recover the profits from their criminal behaviour, but such fines are not obtained as *confiscation* per se. Other countries tax illicit proceeds, and impose fines for failing to declare such proceeds. Unpaid taxes and fines for failing to declare the relevant proceeds may then in some cases total the amount subject to confiscation. Proceeds thus recovered through the tax administration may not be reflected in statistics on criminal confiscation but may be relevant to IO.8. Finally, proceeds seized as instrumentalities of an ML offence are generally not reflected in confiscation statistics, but may also be relevant to IO. 8 when they are not claimed.

104. The table below includes further examples of data and statistics that may be relevant to an assessment of IO.8. Based on first assessments, items 8.2(a)-(c) have appeared to be particularly useful.

Core Issue 8.1.

To what extent is confiscation of criminal proceeds, instrumentalities and property of equivalent value pursued as a policy objective?

Examples of Useful Data and Statistics

No applicable data.

Core Issue 8.2.

How well are the competent authorities confiscating (including repatriation, sharing and restitution) the proceeds and instrumentalities of crime, and property of an equivalent value, involving domestic and foreign predicate offences and proceeds which have been moved to other countries?

Examples of Useful Data and Statistics

- a. **Number of criminal cases where a financial investigation to identify and trace assets took place**
- b. **Value of proceeds of crime, instrumentalities, or property of equivalent value confiscated**
- c. **Value of criminal assets seized or frozen**
- d. **Number of cases where proceeds of crime were shared with or repatriated to foreign jurisdictions**
- e. **Value of proceeds of crime shared with or repatriated to foreign jurisdictions**

General Notes**Data collection and presentation**

- International confiscation can often take many years to complete, so sharing numbers and foreign confiscation realized may represent cases that are more than 5 years old.
- Efforts should be made to measure how long it takes countries to restrain and execute restraints and judgements on behalf of others as well as execute judgements and the reasons behind any delay in this regard.

Core Issue 8.3.

To what extent is confiscation regarding falsely / not declared or disclosed cross-border movements of currency and bearer negotiable instruments being addressed and applied as an effective, proportionate and dissuasive sanction by border/custom or other relevant authorities?

Example of useful data and statistics**Annual value of confiscations from falsely or not declared or disclosed cross-border currency and bearer negotiable instruments**

Note: This information may be completed with additional information, e.g.:

- Number of undeclared movements detected
- Additional sanctions imposed
- Number of declarations received

Core Issue 8.4.

How well do the confiscation results reflect the assessments(s) of ML/TF risks and national AML/CFT policies and priorities?

Examples of Useful Data and Statistics

- a. **All data listed under the preceding core issues**
- b. **Annual value of proceeds of crime shared or repatriated or restituted to victims**

General Notes

Data collection and presentation

- If possible, countries should provide information or concrete examples of confiscations that address the country's main ML/TF risk profile. For example, if seizures can be broken down by specialised agency or confiscation fund, such as narcotics trafficking, one can measure the amount of drug proceeds recovered.
- If available, information on the underlying predicate offences involved can be useful to ascertain consistency with the overall risks (e.g. if fraud is a major generator of proceeds but all confiscation are drug-related then the results are not very well calibrated with the risks).

IMMEDIATE OUTCOME 9

Terrorist financing offences and activities are investigated and persons who finance terrorism are prosecuted and subject to effective, proportionate and dissuasive sanctions.

105. This outcome looks at investigations and prosecutions relating solely to TF, similar to IO.7 with respect to ML. In the case of TF, however, the overarching objective is not just to prosecute, thereby deterring crime, but also to detect and disrupt current terrorist activity, and thereby prevent the occurrence of planned or potential terrorist acts. For that reason, lesser offences are often prosecuted or administrative powers used in order to disrupt terrorist activity, thus obviating the need for a TF prosecution.

106. To demonstrate effectiveness under IO.9, the Methodology includes the following examples of quantitative information that a country could provide:

- Number of TF investigations and prosecutions; proportion of cases leading to TF prosecution, type of TF prosecutions and convictions (e.g., distinct offences, foreign or domestic terrorists);
- Level of sanctions imposed for TF offences; sanctions imposed for TF compared with those for other criminal activity; types and level of disruptive measures applied.

107. The table below includes further examples of data and statistics that may be relevant to an assessment of IO.9. Based on first assessments, items 9.1(a), 9.1(c), 9.2(a), and 9.4(c)-(d) have appeared to be particularly useful.

Core Issue 9.1.

To what extent are the different types of TF activity (e.g., collection, movement and use of funds) prosecuted and offenders convicted? Is this consistent with the country's TF risk profile?

Examples of Useful Data and Statistics**PROSECUTIONS****a. Number of TF prosecutions initiated, broken down by:**

- prosecutions only for TF charges or/and prosecutions for TF and other charges
- means of TF activity (e.g. MVTs, NPOs, cash movement, legal persons, etc.)
- domestic terrorists and foreign terrorists

Note: To avoid double counting (prosecutions may last more than a year) it is important to establish criteria in the way of counting. Year of initiation is one of them but there are some others.

b. Number of individuals prosecuted for TF

Note: Number of TF prosecutions (9.1.1) is not enough: one single prosecution case may affect many individuals of a complex network. Also if the same individual has different TF charges in the same prosecution it should be noted.

CONVICTIONS

a. Number of TF convictions, broken down by:

- convictions for TF charges only vs. convictions for TF and other charges
- means of TF activity (e.g. MVTs, NPOs, cash movement, legal persons, etc.)
- domestic terrorists and foreign terrorists

Note: Number of Court sentences per year imposing convictions for TF. It would be important to specify whether they are definitive sentences or not in order to avoid double counting.

b. Number of individuals convicted of TF

Note: It would be important to specify whether sentences are subject to appeal or not in order to avoid double counting.

c. Number of individuals absolved

General Notes

Data collection and presentation

- Some TF prosecutions/convictions may involve other offences, mainly terrorism. Disaggregating these data might provide information about the TF situation in the country.
- Similarly, disaggregating the number of prosecutions/convictions into domestic and foreign terrorism would provide useful information on the types of TF conducts in the country and possible links with international networks, depending on a country's TF risk profile.

Core Issue 9.2.

How well are cases of TF identified, and investigated? To what extent do the investigations identify the specific role played by the terrorist financier?

Examples of Useful Data and Statistics

a. Number of TF investigations initiated, broken down by:

- convictions for TF charges only vs. convictions for TF and other charges
- means of TF activity (e.g. MVTs, NPOs, cash movement, legal persons, etc.)
- domestic terrorists and foreign terrorists

Note: Data on the number of TF investigations initiated could be usefully compared to the number of terrorism investigations conducted to ascertain the proportion of terrorism investigations that focus on the financing.

b. Number of individuals investigated for TF

Note: Number of investigations might give incomplete information. One single investigation case may affect many individuals of a complex network.

c. Number of individuals investigated for TF, broken down by nationality of individuals investigated

d. Annual number of TF investigations informed by financial intelligence

Note: This might be confidential data. The assessed countries may prove the usefulness of STRs by explaining some examples or giving information not to be included in the report.

e. Number of FIU intelligence reports about TF

f. Number of TF investigations where FIU information was used

General Note**Data collection and presentation**

- To avoid double counting (investigations may last more than a year and there can be different investigating LEAs in the same case) it is important for the country to establish criteria in the way of counting: Year of initiation or properly identifying those investigations that involve more than one agency.

Core Issue 9.3.

To what extent is the investigation of TF integrated with, and used to support, national counter-terrorism strategies and investigations (e.g., identification and designation of terrorists, terrorist organisations and terrorist support networks)?

Examples of Useful Data and Statistics

a. **Number of TF investigations conducted to support counter-terrorism investigations and prosecutions**

Note: This might be confidential data. The assessed countries may provide this information, examples and proper explanations to the evaluation team during the on-site visit.

b. **Number of investigations of individuals and companies designated as terrorist in lists**

Note: Relevant lists may include UN lists, national lists, EU lists etc.

c. **Number of investigations and/or prosecutions for terrorism including TF investigation/cases and TF charges**

d. **Number of individuals investigated and/or prosecuted for terrorism including TF investigations/cases and TF charges**

e. **Number of Court sentences with convictions for terrorism**

f. **Number of individuals sentenced to prison for terrorism**

General Note**Data analysis**

- Some of the above statistics may help determine if TF investigations are conducted to support anti-terrorism investigations with coordination among authorities.

Core Issue 9.4.

To what extent are the sanctions or measures applied against natural and legal persons convicted of TF offences effective, proportionate and dissuasive?

Examples of Useful Data and Statistics

a. **Number of Court sentences with convictions for TF, disaggregated by type of TF activity**

Note: Court convictions for TF may include prison, fines and other penalties.

b. **Number of individuals convicted, disaggregated by:**

- Individuals sentenced to prison

- Individuals sentenced to fines
- Individuals sentenced to other sanctions

Note: There may be cases where same person is condemned to prison plus economic fines. Such cases should be explained to avoid inconsistencies in global numbers.

c. **Average and range of fines imposed for TF convictions**

Note: Indicate the range of fines imposed by the Courts from highest to lowest.

d. **Length of prison sentences imposed for TF convictions (average and range from highest to lowest)**

e. **Annual average length of prison sentences imposed for terrorism**

Note: Average prison sentence for individuals convicted for terrorism might provide information about the proportionality of TF sanctions.

General Notes

Data collection and presentation

- Information on economic fines/prison sentences might be difficult to integrate in one single chart. Different charts with a range of economic fines/ prison sentences imposed each year may be needed.

Data analysis

- As a general matter, dissuasiveness is difficult to assess, acutely so for ideologically (and communally) motivated crime such as terrorism and TF. A careful, nuanced approach is therefore warranted in examining this core issue.

Core Issue 9.5.

To what extent is the objective of the outcome achieved by employing other criminal justice, regulatory or other measures to disrupt TF activities where it is not practicable to secure a TF conviction?

Examples of Useful Data and Statistics

- Number of TF cases where other criminal justice, regulatory, or other measures were applied to disrupt TF activities instead of pursuing a TF conviction**
- Number of TF investigations where decisions were made to pursue other criminal sanctions or measures instead of obtaining TF convictions**

Note: The other measures adopted by the country should be viewed in conjunction with the country's broader counter-terrorism strategy and TF risk profile. This would be helpful in explaining why other measures instead of TF prosecutions / convictions were used to disrupt TF activities.

IMMEDIATE OUTCOME 10

Terrorists, terrorist organisations and terrorist financiers are prevented from raising, moving and using funds, and from abusing the NPO sector.

108. This outcome looks at the preventive side of measures against terrorist financing – those designed to place actual or potential terrorist funds beyond the reach of terrorists, by preventing the misuse of NPOs, and using targeted financial sanctions to restrain assets and prevent individuals acting as facilitators or middlemen. In many countries, there are very few individuals subject to financial sanctions, and a very small amount of frozen assets. The judgement of whether a country is effective will depend to a large extent on what the level of risk is considered to be. Importantly, too, the level of terrorist activity does not necessarily indicate the level of terrorist financing activity.

109. To demonstrate effectiveness under IO.10, the Methodology includes the following examples of quantitative information that a country could provide:

- Persons and accounts subject to targeted financial sanctions under UNSC or other designations; designations made (relating to UNSCR 1373); assets frozen; transactions rejected; time taken to designate individuals; time taken to implement asset freeze following designation;
- Frequency of review and monitoring of the NPO sector (including risk assessments); frequency of engagement and outreach (including guidance) to NPO sector regarding CFT measures and trends; remedial measures and sanctions taken against NPOs).

110. The table below includes further examples of data and statistics that may be relevant to an assessment of IO.10. Based on first assessments, items 10.1(a)-(b), 10.2(e) and 10.3(a)-(b) have appeared to be particularly useful.

Core Issue 10.1

How well is the country implementing targeted financial sanctions pursuant to (i) UNSCR 1267 and its successor resolutions, and (ii) UNSCR 1373 (at the supra-national or national level, whether on the country's own motion or after examination, to give effect to the request of another country)?

Examples of Useful Data and Statistics

- a. **Number of natural and legal persons subject to targeted financial sanctions under UNSCR 1267 (broken down by Resolutions)**
- b. **Number of natural or legal persons added to national lists or whose assets were otherwise frozen annually, as compared with the number added to the UNSCR 1267 list**
- c. **Number of accounts and global value of funds and/or assets subject to targeted financial sanctions under UNSCR 1267 (broken down by Resolutions)**
- d. **Average time to freeze funds or assets under UNSC Resolutions and /or international requests**
- e. **Number of international requests (i) received in, (ii) issued by the country relating to UNSCR 1373**
- f. **Number of persons designated by the jurisdiction relating to UNSCR 1373**

- g. **Number of transactions rejected in the country pursuant to targeted financial sanctions**
- h. **Number of false positives referred to authorities by financial institutions (e.g. persons with same or similar name as designated persons)**
- i. **Average time taken to designate persons after they have been listed by the UN**

General Notes

Data analysis

- Data on this core issue are relevant for assessing the consistency of the implementation of the UNSC Resolutions with the country's risk profile in this specific matter. Low numbers in the data provided in this core issue should not be automatically associated with a low level of effectiveness.
- Countries should demonstrate that appropriate mechanisms and resources are in place and that the low numbers in this matter are not associated to a low level of implementation but are consistent with the country's risk profile.

Core Issue 10.2.

To what extent, without disrupting legitimate NPO activities, has the country implemented a targeted approach, conducted outreach, and exercised oversight in dealing with NPOs that are at risk from the threat of terrorist abuse?

Examples of Useful Data and Statistics

- a. **Types and numbers of NPOs in the country**
- b. **Number of TF-related monitoring or oversight actions of NPO sector**
Notes: Actions of review and monitoring should be explained, e.g. AML/CFT inspections, extra situ monitoring, desk-based analysis, follow-up actions.
- c. **Number of TF-related sanctions and other remedial actions taken against NPOs**
Notes: Sanctions should be broken down by types (economic fines, administrative measures...) and levels. Information of types of NPOs sanctioned is also valuable.
- d. **Number of engagement or outreach activities (including issuing guidance) to the NPO sector regarding CFT measures and trends**
Notes: All the measures adopted by the authorities in this sector may be included in the information provided to the evaluation team. A brief explanation about the nature of the different actions undertaken in this matter will give relevant information about the level of commitment and the quality of the engagement.
- e. **Number of investigations, prosecutions, convictions and other interventions into terrorists misusing NPOs disaggregated by type**

General Note

Data analysis

- As pointed out for Core Issue 10.1, it is the responsibility of the country to demonstrate that the CFT system is effective, and a low number of figures in the data provided in this core issue do not mean a good or bad level of performance. Instead, countries need to demonstrate that low figures are consistent with the country's risk profile.

Core Issue 10.3.

To what extent are terrorists, terrorist organisations and terrorist financiers deprived (whether through criminal, civil or administrative processes) of assets and instrumentalities related to TF activities?

Examples of Useful Data and Statistics

- a. **Number of cases where terrorists or TF criminals have their assets seized or confiscated**
- b. **Value of assets seized or confiscated from terrorists or TF criminals**
- c. **Number of legal persons that are seized or confiscated containing assets of terrorists or TF criminals, or otherwise related to TF or terrorism.**

General Note

See notes for IO.8.

Core Issue 10.4.

To what extent are the above measures consistent with the country's overall TF risk profile?

General Note**Data collection and presentation**

- To support the assessment of the consistency of the measures adopted by the country with its risk profile in this matter, jurisdictions may use several of the statistics included in the previous core issues of this IO.

IMMEDIATE OUTCOME 11

Terrorists, terrorist organisations and terrorist financiers are prevented from raising, moving and using funds, and from abusing the NPO sector.

111. This stand-alone outcome deals with all aspects of combating proliferation financing (with the exception of coordination between authorities, which is dealt with under IO.1). The focus is on targeted financial sanctions arising from the PF-related UN Security Council Resolutions. Assessing effectiveness should be focussing of effectiveness implementation of targeted financial sanctions. Low numbers of frozen assets or investigations should not be automatically associated with a low level of effectiveness. IO.11 includes supervisory data, which for TF-related targeted financial sanctions are not covered under IO.10, but I.O3.

112. To demonstrate effectiveness under IO.11, the Methodology includes the following examples of quantitative information that a country could provide:

- Accounts of individuals and entities subject to targeted financial sanctions; value of frozen assets and property; time taken to designate persons and entities; time taken to freeze assets and property of individuals and entities following their designation by the UNSC.

113. The table below includes further examples of data and statistics that may be relevant to an assessment of IO.11. Based on first assessments, item 11.2(c) has appeared to be particularly useful.

Core Issue 11.1.

How well is the country implementing, without delay, targeted financial sanctions concerning the UNSCRs relating to the combating of financing of proliferation?

Examples of Useful Data and Statistics

- a. **Average time taken to implement an asset or property freeze domestically using targeted financial sanctions once the individual associated with the assets or property has been designated by UNSCRs on proliferation of weapons of mass destruction**
- b. **Average time taken to designate individuals as subject to domestic targeted financial sanctions once they have been designated by UNSCRs on proliferation of weapons of mass destruction**

Core Issue 11.2.

To what extent are the funds or other assets of designated persons and entities (and those acting on their behalf or at their direction) identified and such persons and entities prevented from operating or from executing financial transactions related to proliferation?

Examples of Useful Data and Statistics

- a. **Total number of funds or other assets subject to targeted financial sanctions related to persons and entities designated by UNSCRs on proliferation of weapons of mass destruction**
- b. **Number of investigations into breaches of target financial sanctions related to persons and entities**

designated by UNSCRs on proliferation of weapons of mass destruction

- c. **Total value of assets or property frozen pursuant to targeted financial sanctions related to persons and entities designated by UNSCRs on proliferation of weapons of mass destruction**

Core Issue 11.3.

To what extent do financial institutions and DNFBPs comply with, and understand their obligations regarding targeted financial sanctions relating to financing of proliferation?

Examples of Useful Data and Statistics

- a. **Number of regulatory breaches by FIs and DNFBPs identified, related to financing of proliferation**
- b. **Number of sanctions and other remedial actions applied on FIs and DNFBPs related to financing of proliferation regulatory breaches, broken down to show:**
 - type and level of sanction
- c. **Number of engagements and outreach activities conducted with FIs and DNFBPs related to financing of proliferation**

Note: Consistent with the general principles set out above regarding data analysis, this information should be considered along with the nature of the actions undertaken in this matter (quality, scope of engagement, etc.).

General Note

Data collection and presentation

- The above data may be broken down by type of FI, DNFBP and/or other reporting entity.

Core Issue 11.4.

How well are relevant competent authorities monitoring and ensuring compliance by financial institutions and DNFBPs with their obligations regarding targeted financial sanctions relating to financing of proliferation?

Examples of Useful Data and Statistics

Number of reviews and monitoring of FIs and DNFBPs for compliance with targeted financial sanctions related to financing of proliferation

General Note

Data collection and presentation

- The above data may be broken down by type of FI, DNFBP and/or other reporting entity.

V. BIBLIOGRAPHY

FATF (2012), *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation* ('The FATF Forty Recommendations'), FATF, Paris, www.fatf-gafi.org/recommendations.html.

FATF (2013a), *Methodology for Assessing Technical Compliance with the FATF Recommendations and the effectiveness of AML/CFT Systems* ('The Methodology'), FATF, Paris, www.fatf-gafi.org/publications/fatfrecommendations/documents/fatfissuesnewmechanismtostrengthenmoneylaunderingandterroristfinancingcompliance.html

FATF (2013b), *Guidance on National Money Laundering and Terrorist Financing Risk Assessment*, FATF, Paris www.fatf-gafi.org/publications/methodsandtrends/documents/nationalmoneylaunderingandterroristfinancingriskassessment.html

FATF (2012) Best Practices on Confiscation (Recommendations 4 and 38) and a Framework for Ongoing Work on Asset Recovery, FATF, Paris www.fatf-gafi.org/publications/fatfrecommendations/documents/bestpracticesonconfiscationrecommendations4and38andaframeworkforongoingworkonassetrecovery.html

OTHER USEFUL SOURCES:

IMF (2011a), *Effectiveness Indicators Research* (unpublished but shared with the FATF)

IMF (2011b), *AML/CFT Data Inventory Survey* (unpublished but shared with the FATF)

MONEYVAL (2013), Template for 4th assessment visits progress reports (unpublished; excerpt attached in Annex 2).

Organisation for Security and Co-operation in Europe (OSCE) (2012), *OSCE Handbook on Data Collection in Support of Money Laundering and Terrorism Financing National Risk Assessment*, Vienna, www.osce.org/eea/96398

OSCE (2012), *Handbook on Data Collection in Support of Money Laundering and Terrorism Financing / National Risk Assessments* (2012), OSCE, Vienna, Austria, www.osce.org/eea/96398.

VI. ANNEX 1: CASE STUDY

Case study: Whole-of-Government AML/CFT Data Holding Initiative

With a high number of stakeholders, the relevant country's AML/CFT regime needed to improve data collection in areas where gaps had been identified, and streamline data collection where multiple data sources were available. A feasibility study was initiated under the Whole-of-Government Data Holding Initiative. The project aimed to provide the AML/CFT regime and partners with the necessary information to assess the effectiveness for future evaluations and to inform AML/CFT regime governance on gaps in legislations, policies, application, operations, training, etc. It was considered that the project should also improve the country's ability to further assess ML/TF risks moving forward.

The objectives of the project included the provision of a common platform for aggregating the broad range of data and information that resided with the AML/CFT regime partners, to identify information, data gaps and shortfalls, and to seek means to remedy the shortfalls.

Specific data sets were identified for each of the AML/CFT areas, aiming at the lowest common denominator of data for the various reporting and evaluation requirements. The information included data to support the 11 IOs of the FATF Effectiveness Assessment.

Phases and Timeline. Following endorsement by senior management among all AML/CFT regime partners, the project included 5 phases, each with 2-3 months for development:

Phase 1 – Compilation of a list of data required by all partners to support their mandates in AML/CFT. This included a review of data and information already provided by partners in the past and in the course of the self-assessment against the FATF standards, a review of information that would be desirable in a “best-case scenario”, and data gathered by the country's statistical agency on AML/CFT. This phase was designed to create a clear understanding of the information and data required from partners on a systematic (annual) basis in support of the AML/CFT regime.

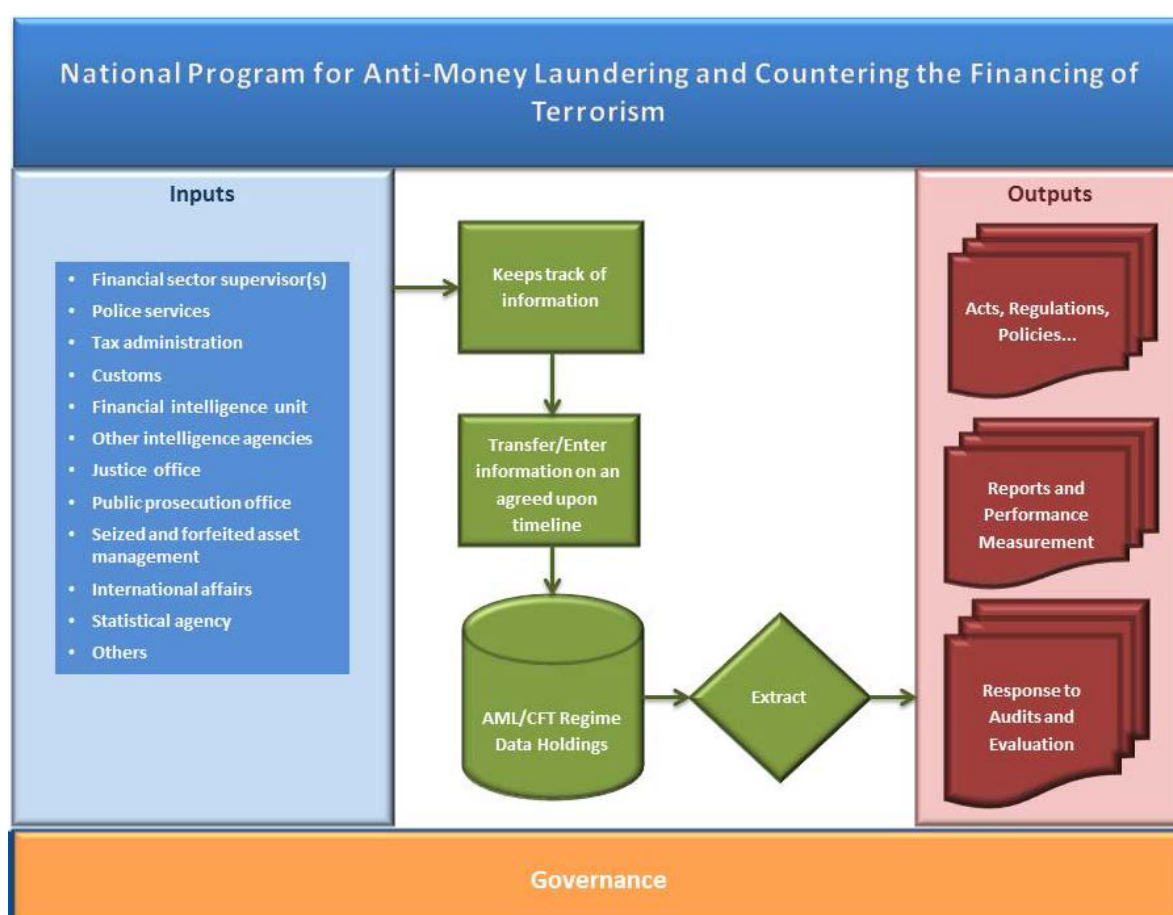
Phase 2 - Consultation with each partner to share the information/data needs, and determine the pieces that can be easily provided, what will need modifications to process, and what data or information may be provided in lieu of the requested information when not available. During this phase, partners could indicate the need for additional resources to adapt their data collection and sharing processes. The country's self-assessment against the FATF standards, undertaken during that period, greatly assisted in the identification of data needs, existing gaps and the development of new data sets.

Phase 3 – Developing AML/CFT regime governance options in relation to data gathering and holding to ensure long-term implementation of this project, including key roles for partners in populating and maintaining various data sets, frequency of reporting, and overall accountability for the framework. These options involved consultation with the partners in order to address concerns (e.g.: resources, information classification, access to the system, feasibility issues etc.). Subsequently, endorsement from the appropriate authorities (e.g. the organisation responsible to coordinate

AML/CFT within the country, national committee) was obtained in order to support the project moving forward, and assign the required resources to each partnering departments and agencies as appropriate.

Phase 4 – Developing options to support the concept of data holdings for the AML/CFT regime including a fully substantiated business case related to project governance for consideration to appropriate authorities such as financial, IT and communication chief officers. The business case may include project financial estimates and ongoing funding requirements for each option.

Phase 5 – Choosing a data holding option, taking into account previous decisions and considerations. The chosen option was sufficiently flexible to be modified and expanded over time, as AML/CFT regime analysis needs evolve, and to be possibly reviewed and updated in the future.



The country's lessons learned included the following findings:

- Challenges in aligning many stakeholders are numerous and complex and consistency in data collection and data sharing remains the main issue.
- Consultations on bilateral and multilateral basis become important in order to get an agreement on what often remains a lowest common denominator as opposed to the ideal set of data to be gathered.

- Partners need to fulfil their own mandate that goes beyond AML/CFT and to create synergies where possible for the AML/CFT regime as a whole. This all speaks to the sustainability of the project in order to keep data set manageable and align with partners' capacity and resources. E.g. different timelines make comparability across departments difficult, and it is necessary to establish a timeline acceptable to every partner for the collection/extraction data on the same time frame for purposes of comparability.
- Several departments/agencies can be responsible for information on each case as it moves through the AML/CFT continuum including the justice and legal system, and ensuring a coherent tracking and understanding of these data sets may have to trigger changes in multiple data collection processes.
- Integration of data between partners must take into consideration the database capabilities of each partner. E.g. some programmes can auto-save and regenerate queries with little added work effort but other systems may be more manual and may require significant time and efforts. Negotiating the available monetary and time resource could pose restrictions on the availability of certain data.
- Useful data for the purpose of assessing AML/CFT may not necessarily have been initially collected for this regime. This means that data aggregated and disaggregated in a way that informs more specifically AML/CFT issues may not be gathered for the past in the desired format, but it should be considered as a possibility for future years. Further, data collected for other purposes can also be difficult to locate, yet consultation with partners can lead to new sources that were not initially thought of.

VII. ANNEX 2: EXCERPTS OF AVAILABLE TEMPLATES FOR AML/CFT DATA AND STATISTICS

Example 1: MONEYVAL Template for 4th assessment visits progress reports (2013), pages 21-25

4. Suspicious transaction reports and other reports where appropriate under domestic law

The following tables are intended to provide information on the effectiveness of the suspicious transaction reporting regime. The data collected should include both the number of suspicious transaction reports received by the FIU from reporting entities and a breakdown of disclosures about suspicious transactions. If the table reflects the number of transactions reported, rather than the number of reports, this must be clearly stated.

If there is a breakdown on the number of reports relating to attempted transactions compared to executed transactions then this information should also be included. This information can be included in a separate chart if more convenient.

4.1 STRs

Reporting entity	20xx					20xx					20xx				
	TOTAL STRs	Breakdown of STRs				TOTAL STRs	Breakdown of STRs				TOTAL STRs	Breakdown of STRs			
		ML	FT	Other criminal offences	Attempted transactions		ML	FT	Other criminal offences	Attempted transactions		ML	FT	Other criminal offences	Attempted transactions
FINANCIAL INSTITUTIONS															
Banks															
Insurance sector															
Securities sector															
Investment firms															
Currency exchange															
(please specify and add further rows as applicable)															
DNFBPs															
Casinos															
Real estate agents															
Dealers in precious metals/stones															
Lawyers															
Notaries															
Accountants															
Auditors															
Trust and company service providers															
Other professionals (please specify and add further rows as applicable)															
OTHER REPORTING ENTITIES (if applicable)															
(please specify and add further rows as applicable)															
TOTAL															

4.2 Reports filed on domestic or foreign currency transactions above a certain threshold (if applicable)

The following tables are intended to provide information on the effectiveness of the large transaction reporting regime. The data collected should include both the number of reports received from reporting entities and a split between domestic and foreign currency if available. If the table reflects the number of transactions reported, rather than the number of reports, this must be clearly stated.

If there is no requirement to report domestic or foreign currency transactions above a certain threshold this should be clearly stated.

Reporting entity	20xx			20xx			20xx		
	TOTAL CTRs	Domestic currency	Foreign currency	TOTAL CTRs	Domestic currency	Foreign currency	TOTAL CTRs	Domestic currency	Foreign currency
FINANCIAL INSTITUTIONS									
Banks									
Insurance sector									
Securities sector									
Investment firms									
Currency exchange									
(please specify and add further rows as applicable)									
DNFBPs									

Casinos									
Real estate agents									
Dealers in precious metals /stones									
Lawyers									
Notaries									
Accountants									
Auditors									
Trust and company service providers									
Other professionals (please specify and add further rows as applicable)									
TOTAL									

4.3 Judicial Proceedings related to reports filed

In order to assess the quality of the reports received additional information is required on how the reports were handled and disseminated and how many reports resulted in judicial proceedings. The report should reflect “cases” investigated rather than the number of individual reports involved in an investigation.

If the relevant information is available in a different format then this may be used instead.

	FIU Cases in the reference year			Related judicial proceedings in reference year – Number of cases						Related judicial proceedings in reference year – number of persons					
				Prosecution (based on FIU disseminated cases)			Convictions (final)			Prosecution (based on FIU disseminated cases)			Convictions (final)		
				ML	FT	Other criminal offences	ML	FT	Other criminal offences	ML	FT	Other criminal offences	ML	FT	Other criminal offences
Under analysis at year end	Archived in reference year	Reports disseminated for investigation													
20xx															
20xx															
20xx															

4.4 Reports filed on cross border transportation of currency and bearer negotiable instruments

The following table is intended to provide information on the effectiveness of the procedures for identifying cross border transportation of currency, etc.. The data collected should include both the number of suspicious transaction reports received from reporting entities. If the table reflects the number of transactions reported, rather than the number of reports, this must be clearly stated.

Cross border transportation of currency and bearer negotiable instruments									
Year	Number of declarations or disclosures				Suspicious cross border incidents			Assets restrained (amount in EUR)	
	Incoming		Outgoing		Suspicious of ML	Suspicious of FT	False declarations		
	Currency	Bearer negotiable instruments	Currency	Bearer negotiable instruments					
20xx									
20xx									
20xx									

Example 2: OSCE Handbook on Data Collection in support of Money Laundering and Terrorism Financing (2012), pages 47-49

Accessible **online** at: www.osce.org/eea/96398