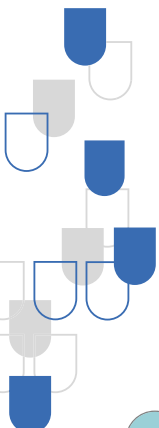


GAFILAT



# GAFILAT STRATEGIC PLAN

2020-2025





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## ACRONYMS AND ABBREVIATIONS

|            |  |        |  |
|------------|--|--------|--|
| AFI:       | Alliance for Financial Inclusion.  | PWMD:  | Proliferation of Weapons of Mass Destruction.                |
| AML/CFT:   | Anti-Money Laundering and Countering the Financing of Terrorism.   | RBA:   | Risk-Based Approach.   |
| APG:       | Asia-Pacific Group against Money Laundering.   | RBS:   | Risk-Based Supervision.                                      |
| CFATF:     | Caribbean Financial Action Task Force.   | RI:    | Reporting Institutions.                                      |
| CFT:       | Combating Terrorist Financing.   | SP:    | Strategic Plan.  |
| CICAD:     | Inter-American Drug Abuse Control Commission.  | STR:   | Suspicious Transaction Report.                               |
| CICTE:     | Inter-American Committee Against Terrorism.  | SWOT:  | Strengths, Weaknesses, Opportunities, and Threats.           |
| DNFBP:     | Designated Non-Financial Business and Professions.   | TC:    | Technical Compliance.  |
| DTOC:      | Department against Transnational Organised Crime.  | TF:    | Terrorist Financing.   |
| EC:        | European Commission.   | UNO:   | United Nations Organisation.                                 |
| ES:        | Executive Secretariat.   | UNODC: | United Nations represented by the Office on Drugs and Crime. |
| FIU:       | Financial Information Unit.  | UNSCR: | United Nations Security Council Resolution.                  |
| FPWMD:     | Financing of the Proliferation of Weapons of Mass Destruction.   | WG:    | Working Group.   |
| FSRBs:     | FATF-Style Regional Bodies.  |        |  |
| GAFI/FAFT: | Financial Action Task Force.   |        |  |
| GAFILAT:   | Financial Action Task Force of Latin America.  |        |  |
| GELAVEX:   | Expert Group on Money Laundering.  |        |  |
| GIZ:       | Deutsche Gesellschaft für Internationale Zusammenarbeit.   |        |  |
| IMF:       | International Monetary Fund.   |        |  |
| IO:        | Immediate Outcome.   |        |  |
| ME:        | Mutual Evaluation.   |        |  |
| MER:       | Mutual Evaluation Report.  |        |  |
| ML:        | Money Laundering.  |        |  |
| ML/TF:     | Money Laundering and Terrorist Financing.  |        |  |
| MONEYVAL:  | Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism. |        |  |
| NC:        | National Coordination.   |        |  |
| NPO:       | Non-Profit Organizations.  |        |  |
| NRA:       | National Risk Assessment.  |        |  |
| PEP:       | Politically Exposed Persons.   |        |  |

# WELCOME



*Message from the President Pro Tempore of GAFILAT*  
**Dr. Ricardo Liao**

The fight against money laundering, terrorist financing and financing of the proliferation of weapons of mass destruction is a collective and permanent effort, which has been undertaken by several countries around the world. In order to succeed in this endeavor, the articulated action between governments and national and international organisations is fundamental, so that information and processes from these various sources come into synergy and the objectives set out are achieved.

The 2020–2025 Strategic Plan approved by GAFILAT represents an instrument of vital importance in facing the many challenges faced by our region, such as financial inclusion, standardisation of processes, combating threats such as trafficking in natural resources and illegal extractive activities.

Furthermore, the Strategic Plan will be an extremely useful tool for the achievement of the objectives that this group will define over the next few years, aiming at strengthening not only the AML/CFT/CFP systems of its member countries, particularly in terms of supervision and the coordinated use of the financial intelligence produced by the countries, but also GAFILAT's own performance in the regional and global spheres.

**Dr. Ricardo Liao**

*President Pro Tempore of the Financial Action  
Task Force of Latin America (GAFILAT)*



*Message from the Executive Secretary of GAFILAT*  
**Dr. Esteban Fullin**

*"If we don't know where we're going, we probably won't get anywhere."*

A strategic plan is an action plan that consists of clarifying what we intend to achieve and how we intend to achieve it. It seems simple and perhaps unnecessary, however, it is very useful for the management over the years to keep the goal to be achieved clear. This programming is embodied in a consensus document where the major decisions that are going to guide the path to the future for the achievement of long-term objectives are materialised.

Having the mission, vision and objectives of GAFILAT in mind allows us to draw a map of the organisation, which shows us the steps to achieve our vision and turn the projects into actions, maintaining a line of action over time.

This Strategic Plan is a joint effort in which the delegations of the member countries participated, but also observers who assisted in the assessment of the things we do best, helping us to identify problems and opportunities.

**Dr. Esteban Fullin**

*Executive Secretary of the Financial Action  
Task Force of Latin America (GAFILAT).*

It raises the internal challenges in the region for the fight against ML, TF, and FPWMD, but also considers the role of the region in the international effort and its role as an associate member of the FATF and the Global Network against ML and TF.

It is clear that in a working environment such as GAFILAT's, it is common to focus on everyday issues; the demands of the day-to-day absorb us and make it difficult to see ahead. This process is intended to provide a "necessary pause" for us to examine ourselves as an organisation and plan a future to build.

Where do we want to go? It is the basis of our strategic vision that results from this document.

Finally, one of the most important points is to communicate the objectives of the plan and the actions to achieve them among all the participants of GAFILAT's work. We hope that everyone can benefit from the actions proposed by GAFILAT for the future.

## INTRODUCTION

The XLII GAFILAT Plenary of Representatives approved the Strategic Plan for the 2020–2025 period. This document provides an overview—for public dissemination—of the elaboration process, main outcomes, and GAFILAT’s objectives for the forthcoming five years.

This Strategic Plan (SP) was developed in a participatory manner in a process that led to the identification of relevant issues and effective proposals that could be carried out by GAFILAT to address the challenges posed by the current environment for the fight against ML/TF.

The content of this document has been organised in three chapters: the first chapter describes the methodology used to develop the Strategic Plan (SP), the second chapter provides an assessment based on various inputs and information analyses, and sets out conclusions and recommendations to be taken into account in implementing

the SP, the third chapter describes the 2020–2025 Strategic Plan of GAFILAT, which is the core part of the report, where the framework for action of GAFILAT is outlined and briefly described, as well as the strategic framework, objectives, axes and action plan.

The content of this document is supported by documentary information provided by the Executive Secretariat of GAFILAT, as well as the follow-up of the 2015–2019 Strategic Plan (SP) and a total of 43 online forms completed by actors who played key roles in both the design, planning and implementation of the action plan.

## PRESENTATION

The Financial Action Task Force of Latin America (GAFILAT), is a regional intergovernmental organisation that brings together countries from South America, Central America, North America and the Caribbean to prevent and combat money laundering, the financing of terrorism and the financing of the proliferation of weapons of mass destruction (ML/TF/FPWMD), through the commitment to continuously improve national policies to prevent and combat these threats, as well as to deepen the various cooperation mechanisms among member countries.

It was formally created on December 8, 2000 in Cartagena de Indias, Colombia, under the name of GAFISUD, by the signing of the Memorandum of Understanding. It currently includes 17 member countries: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, and Uruguay.

Participants as observers: Germany, Spain, United States, France, Portugal, World Bank, Inter-American Development Bank (IDB), Egmont Group, International Monetary Fund (IMF), International Criminal Police Organization (INTERPOL), Inter-American Committee against Terrorism (CICTE/OAS) and United Nations, the Organization of American States through the Inter-American Drug Abuse Control Commission (CICAD) and the Department against Transnational Organized Crime (DTCO) of the Secretariat for Multidimensional Security, the Alliance for Financial Inclusion (AFI). In addition, the Financial Action Task Force (FATF/GAFI) is an advisory member. Related organizations such as the Caribbean Financial Action Task Force (CFATF) and the Asia Pacific Group against Money Laundering (APG) also attend its meetings.

The Group has legal personality and diplomatic status in the Republic of Argentina, where the headquarters of the Executive Secretariat is located, in accordance with the provisions of the General Headquarters Agreement Law No. 25.728.

In recent years, GAFILAT has positioned itself as a regional reference in the fight against ML/TF/FPWMD. Its technical assistance and collaboration with countries and its joint work with global organisations and other key partners in the region, has enabled it to enhance and strengthen its impact at the regional level in promoting public policies to combat money laundering, the financing of terrorism and the proliferation of weapons of mass destruction.

Following the commitments undertaken by GAFILAT member countries, a highly important measure of the 2020 Presidency, and with the aim of updating and strengthening the functions, organisation and management of the body, the 2020–2025 Strategic Plan is developed, which sets out the objectives and strategies of GAFILAT for the next five years, and includes pragmatic areas and activities planned in four thematic axes, which stem from its purpose and fundamental mandates, and which are presented in order of priority: 1) Improving compliance with international standards and the effectiveness of the AML/CFT/FPWMD systems, 2) Providing AML/CFT training and technical assistance to member countries, 3) Promoting and strengthening technological upgrading, and 4) Participating actively in the Global Network.

The activities and results expected from this Plan are complemented and reinforced by the execution of the Action Plans presented by the Presidencies of the organisation and, to the extent possible, by the Action Plans of each of its member countries.

With regard to the Presidential Action Plans, the very nature of the actions proposed by the Presidents each year should be borne in mind, since they are also of great importance and should be considered a priority. That is why they will be integrated as additional components of the Strategic Plan.

The design of the 2020–2025 Strategic Plan coincides with a historical moment that is being experienced not only by the region, but also by the world, which means that we must all seek to adapt to the changes accelerated by the COVID-19, such as the “Digital Transformation,” its products, virtual assets, new forms of payment, as well as transactions, networking tools, home office and other mechanisms for interaction and remote training, such as e-learning, an environment in which opportunity and technology for processing them are paramount. That is why GAFILAT seeks to adapt, modernise and thus meet its objectives, to ensure the regional implementation of effective AML/CFT systems based on international standards and the approach to current challenges.

GAFILAT will focus all its efforts to reduce or eliminate the gaps that hinder the full achievement of its objectives.

For the implementation of this Strategic Plan it will be necessary to strengthen and create new alliances to work together in order to maximise the effectiveness and resources available.

The success and impact of the SP will depend largely on the availability of funds, more stable and predictable funding over the long term will help increase the impact of the work and achieve sustainable results over time.

To elaborate the 2020–2025 Strategic Plan, information was provided by National Coordinators, Working Group Coordinators, the GAFILAT Executive Secretariat and Observers, as well as that identified through the different sources of information, such as the 2014 Memorandum of Understanding between the Governments of GAFILAT Members, the Political Declaration, its Internal Regulations, the Handbook of Administrative Procedures, and GAFILAT’s Audit Handbook and other information related to previous processes of the Strategic Plan, in addition to the Procedures of the GAFILAT Fourth Round of Mutual Evaluations, minutes of the GAFILAT Plenary Meetings, and other documents or processes of GAFILAT member entities and international organisations.



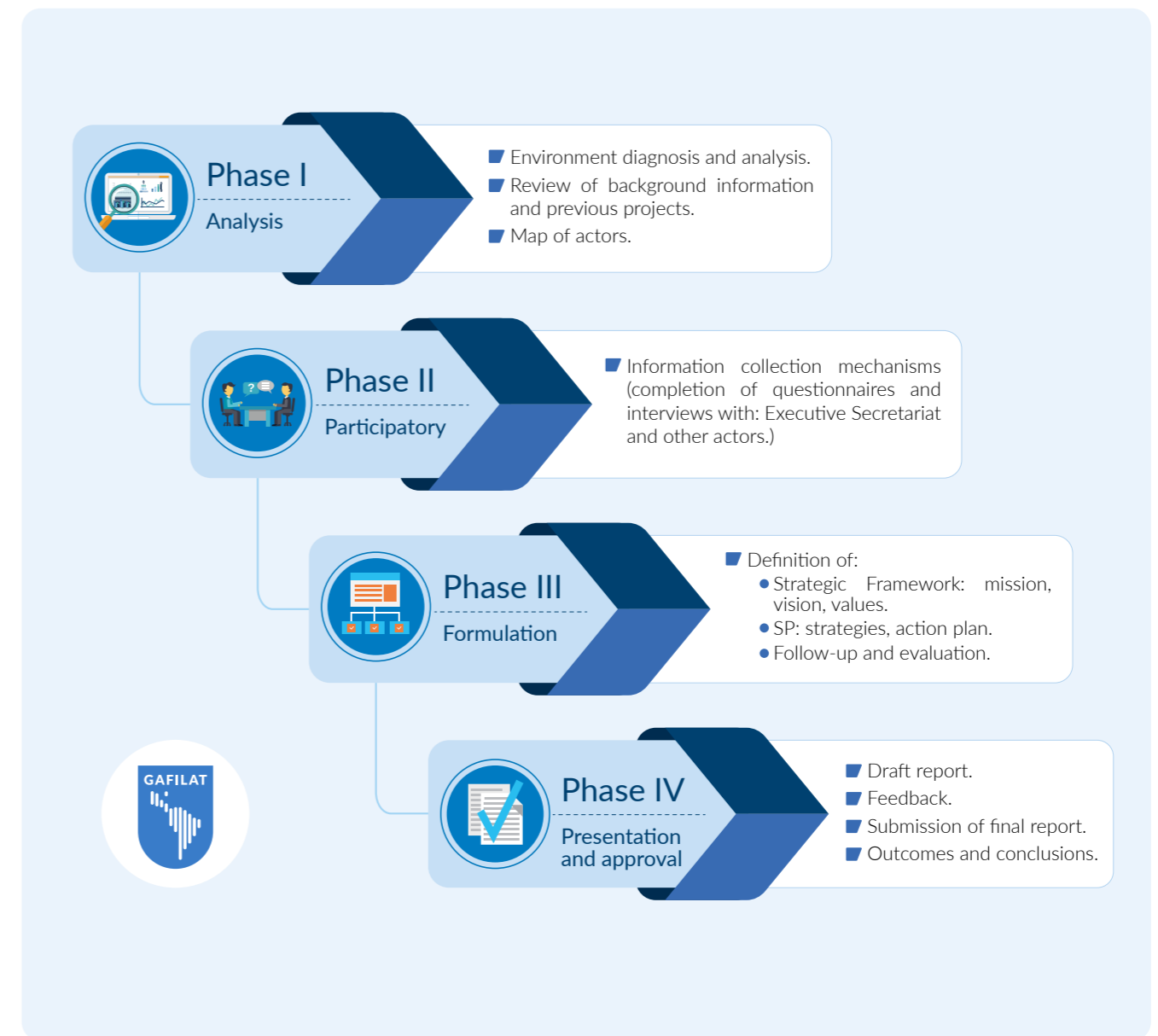


# 1

## STRATEGIC PLANNING METHODOLOGY

The methodology used for the 2020–2025 Strategic Plan of GAFILAT was developed based on the model of Participatory Strategic Planning, which articulates the administrative and operational processes of GAFILAT, as well as the relationship and interactions of the various actors.

Strategic planning was developed in the following phases:



## PHASES



### ANALYSIS PHASE

In this phase an internal analysis was carried out in which strengths and weaknesses were evaluated by identifying the organisational framework and structure, reviewing the sources of information, such as the statutes and regulations, handbook of functions and characteristics of the internal structure of GAFILAT. Secondly, an external analysis was carried out, in which opportunities and threats were assessed. The result of this analysis is described in a SWOT Matrix.

The various plans, programmes and projects that have already been carried out or are being implemented by the GAFILAT Executive Secretariat, its Working Groups, cooperating partners and member countries were also reviewed in order to make the most of the experience acquired, to recognise initiatives and to take advantage

not only of technical and information inputs, but also of the pre-existing technical and organisational capacity, so as not to duplicate efforts or repeat exercises that have already been carried out or are under way.

Similarly, the 2015–2019 Strategic Plan was followed up by reviewing the minutes of the Plenary Meetings and interviews with the Executive Secretariat, in order to identify the most relevant actions for the fulfilment of the objectives and to have a budget baseline, so as to project the resources needed for the development of the 2020–2025 SP. A brief analysis of the preliminary outcome of the Fourth Round of Mutual Evaluations was also included as a starting point for identifying trends in deficiencies.



### PARTICIPATORY PHASE

This phase allowed the different actors to participate in the planning and consolidation of the Strategic Plan. The mechanisms and content for gathering information were defined for each of the actors.

The first phase of consultation began with the gathering of information through online mechanisms and virtual meetings, by means of an online form addressed to the Member States (National Coordinators), members of the Executive Secretariat, Working Group Coordinators and Observers to obtain their initial contributions, comments and proposals for the preparation of the SP. Forty-seven responses were received to the consultation form containing inputs on the strengths, weaknesses, opportunities and threats of GAFILAT; as well as the effects, impacts, progress and opportunities for improvement with respect to the previous Strategic Plan.

In addition, the consultation made it possible to identify challenges, define priorities and issues to be addressed by GAFILAT in its new Plan.

This process of participatory planning of the Strategic Plan generated a large amount of information that was analysed and systematised in order to identify priority issues, with impact and relevance for this new period. It also had the added value resulting from the analysis of similar organisations and the strategic lines of the Global Network, for the achievement of the strategy and effective proposals that should be carried out to address the challenges identified in the process.



### FORMULATION PHASE

In this phase the definition and revision of the philosophy was carried out, which is defined through the mission, vision, values, pillars, strategic objectives, and strategies. The Strategic Plan contains the detailed activities for each objective, assignment of responsibilities, implementation schedule, and definition of projected budget. It includes the system of periodic review and updating and performance indicators.

It is important to define a systematic and continuous monitoring, through the collection of results, statistics and data, including management indicators, satisfaction surveys, MER results, among others.

The evaluation of the Strategic Plan should be carried out periodically at various points in the implementation phase, to make adjustments and correct the direction when necessary. It is therefore not an ex-post evaluation, as strategic planning is conceived as a continuous process that is adjusted and supplemented when circumstances so require.

Likewise, as the SP is a planning tool of GAFILAT, it should be reviewed and flexible to modifications that fit the needs and requirements of the region and the lines of action of each GAFILAT Presidency. In this sense, the objectives, strategies, actions and indicators are subject to monitoring and reconsideration.



### PRESENTATION AND APPROVAL PHASE

The preliminary proposal was presented to the member countries at the Plenary Meeting. As a result of the information gathered, contributions made by the stakeholders were reported, which include issues mainly associated with:

- Result of the analysis.
- Relevant actions considered for continuation within the plan.
- Mode of operation and establishment of the Strategic Plan, responsible parties and resources.
- Mechanisms for defining indicators and follow-up.

*The respective version was discussed and approved during the 42nd Plenary Meeting held in December 2020.*





# 2

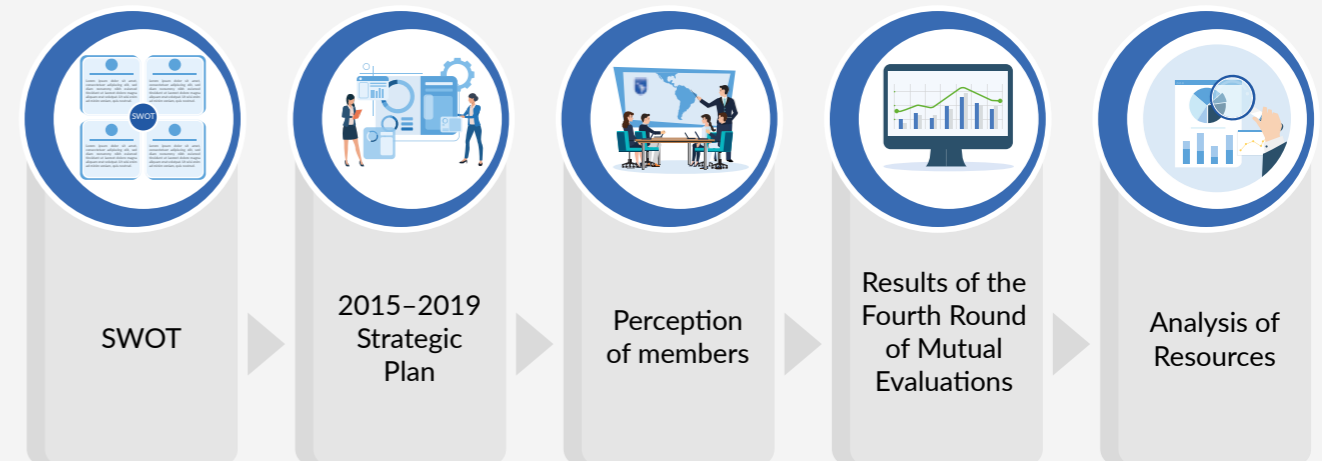
## DIAGNOSIS

The diagnosis is based on the analysis of the sources of information, the contributions made by the actors through the information gathering forms, aimed at knowing the perception of the member countries, the Executive Secretariat and the Observers in relation to the Strengths, Weaknesses, Opportunities and Threats of the organisation, as well as the impact, usefulness and continuity of the strategies and actions of the 2015–2019 SP and, finally, knowing their vision of the challenges and proposals for strategies for the 2020–2025 period.



Other inputs were also taken into account for this diagnosis, such as:

- a** The description of the structure and functions of the GAFILAT working groups, in order to understand the scope of the functions and objectives of each of the components of the body's structure;
- b** GAFILAT's Framework for Action in the Global Network;
- c** 2015–2019 Strategic Plan, by monitoring the implementation of the Plan, and
- d** Results of the Fourth Round of Mutual Evaluations, with the aim of identifying those recommendations and immediate outcomes in which the region requires greater technical assistance or training, as well as identifying such high ratings in the jurisdictions, to be leaders in sharing experiences and best practices.



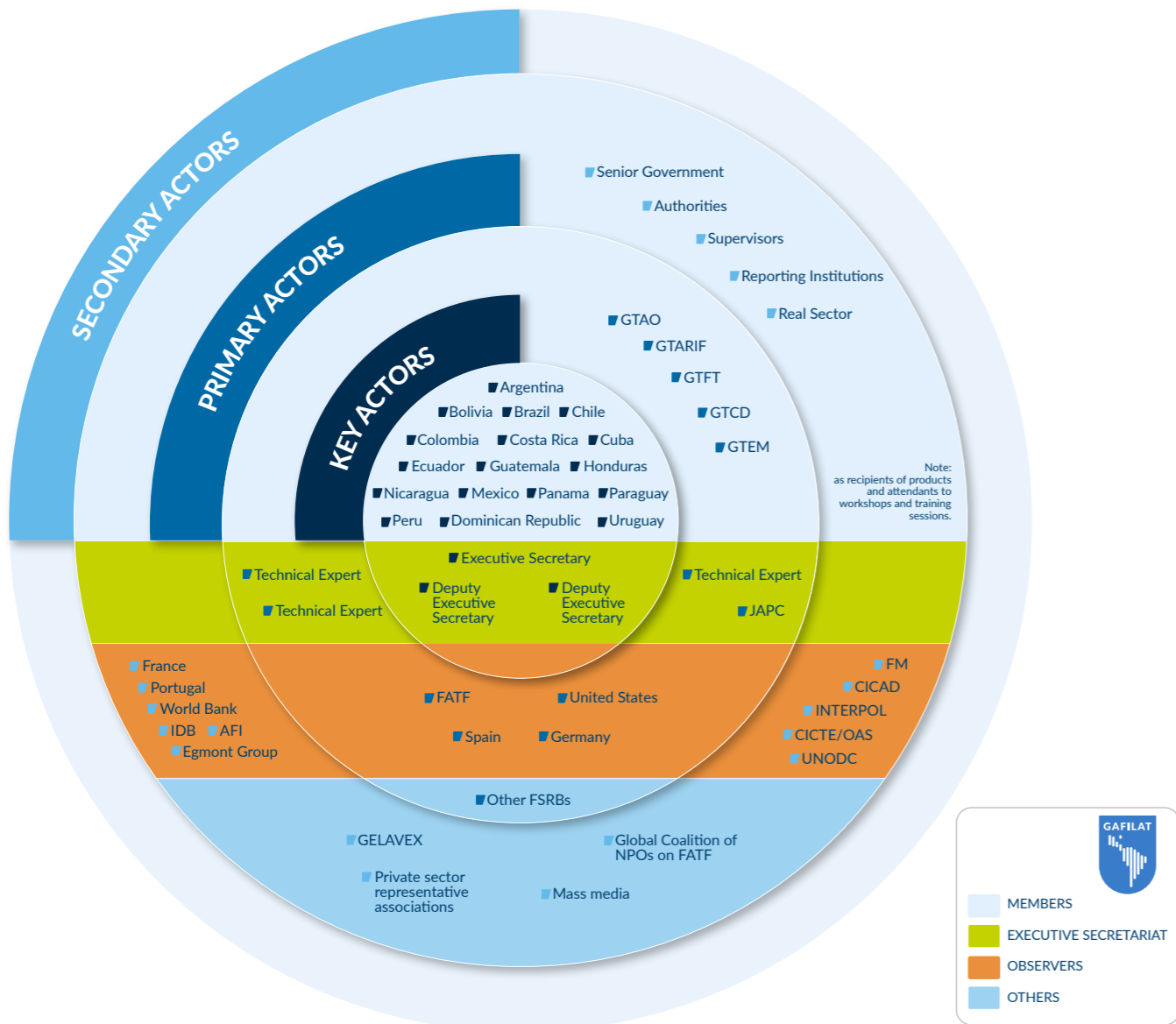
# MAP OF ACTORS

As a starting point, the map of actors was defined, for which the levels and types of actors in the process were identified in three types:

**Key actors:** those who significantly influence planning because of their role, leadership, knowledge and position, are involved in decision making.

**Primary actors:** those directly affected, either positively or negatively.

**Secondary actors:** those involved in planning on a temporary or indirect basis.



# SWOT MATRIX

The following is an executive summary of the Weaknesses, Threats, Strengths and Opportunities identified in the context analysis using the SWOT method or analysis, which helps to identify the perception actors have on the organisation, as well as to understand the vision of the organisation in the global context.

The strengths and weaknesses are related to internal elements, while the threats and opportunities are related to elements of the environment:

### STRENGTHS

- Regional leadership in AML/CFT matters.
- Experience, commitment, and good technical knowledge of the Executive Secretariat team.
- Political commitment of member countries.
- Solid history, reputation, and stance within the Global Network and reference to other FSRBs in the development of technical and strategic products.
- The characteristics of the organization facilitate decision-making and the follow-up of action plans.
- Production of technical documents based on the Mandate.
- Technical expertise of heads of delegations and National Coordinators.
- Countries have a large pool of technical experts.
- Accompaniment and technical and financial support from observers and multilateral agencies.
- Development of the Fourth Round of ME in an organised manner and with prioritisation of needs.

### WEAKNESSES

- Lack of resources of GAFILAT to address the new challenges of the organisation.
- Structure and number of staff of the Executive Secretariat, added to the lack of a career plan to encourage the long-term permanence of staff.
- Limited financial resources of GAFILAT.
- Insufficient integration of Working Groups with the objectives of the SP and the ME.
- Lack of a technological platform that adequately covers the needs.
- Training gaps in the other members of delegations apart from the attendants.
- Lack of technical participation of delegations in MER discussions.
- Low quality of some draft MERs submitted for comments.
- Lack of an effective follow-up mechanism on country progress against technical deficiencies and Action Plans.
- High level of rotation within country delegations, which does not contribute to institutional memory.

### OPPORTUNITIES

- Countries with similar problems.
- Closer working relationships with FSRBs to share evaluators and experiences.
- Conducting technical studies based on the aspects identified so far in the Fourth Round.
- High degree of interest by the FATF in accompanying and supporting efforts to improve FSRBs and in building capacity in GAFILAT countries.
- High demand for training and technical assistance by member countries.
- Participation of observers in the development of WGs and technical documents.
- Current COVID situation made it possible to understand and take advantage of a more virtual working model as part of the project development dynamic. Take advantage of this situation to accelerate technological modernisation processes.
- Possibility of using external consultants or advisors to execute projects.
- Experiences of member countries in areas such as National Risk Evaluation and AML/CFT Strategy.
- Greater visibility of the products, impacts, and results of the actions generated by GAFILAT.

### THREATS

- Possible decrease in financial resources due to the global economic crisis.
- Lack of awareness of the DNFBP sector of the AML/CFT agenda.
- High degree of financial informality, delay in digitisation and generalised use of cash as a means of payment.
- Possibility of not providing face-to-face assistance to countries, due to the current contingency.
- Little political will on the part of governments to implement international standards.
- Contingencies caused by global phenomena (COVID-19), travel ban.
- High rate of corruption at regional level.
- The region includes the countries with the greatest weight in cocaine production at the global level.
- Political interests.
- High levels of economic power of organised crime, which implies an important capacity for corruption.

## FOLLOW-UP TO THE 2015–2019 STRATEGIC PLAN

The 2015–2019 SP marked the first planning exercise of GAFILAT, which was led by a sub-group created specifically for the development of strategic planning, comprising Colombia, Guatemala, Argentina, Bolivia, Costa Rica, Mexico, Nicaragua, Paraguay, Peru, Uruguay, the Executive Secretariat, and GAFILAT Working Groups. The SP was nourished by the contributions of the member countries and proposed 5 strategic objectives, which were deployed in 16 initiatives.

It is worth mentioning that the 2015–2019 SP did not provide for a formal systemic follow-up mechanism in its implementation and compliance, which is why a joint assessment was carried out with the members of the Executive Secretariat.

Below is a brief description of the objectives of the plan, its purpose and the most representative actions and projects developed in each:

### 1. Strengthen the systems against money laundering, terrorist financing and financing of the proliferation of weapons of mass destruction (AML/CFT/CFPWMD).

Through the development of documents, workshops and technical exercises to share methodological tools to support countries in the elaboration of their National Risk Assessments (NRAs), in the understanding of risks and Risk Based Approach (RBA). It also continued operational analyses such as: identification of typologies, cross-border transportation of cash intensified monitoring exercises, information exchange, and feedback from the GAFILAT Asset Recovery Network (RRAG), analysis of court rulings.

Workshops were held that were useful for the countries to improve their AML/CFT/CFPWMD systems, among which the following stand out: Regional Workshop on National Risk Assessment of ML/TF and development/ updating of AML/CFT strategies; Regional Typology Report; Sub-regional Workshop on Transparency,

Beneficial Ownership and De-risking; Sub-regional Workshop on Risk-Based Supervision for Financial and Non-Financial Entities and Regional ML/TF Threat Analysis, among others.

### 2. Improve compliance with FATF Recommendations.

GAFILAT conducted the Fourth Round of Mutual Evaluations of 11 countries in this period, and 35 post-Mutual Evaluation (ME) follow-up reports were submitted, following up on action plans to improve their AML/CFT systems and 12 Re-rating reports. In addition, the Executive Secretariat made 11 high-level visits, through which it generated high-level support for the AML/CFT systems and support for the work carried out by the National Coordinations.

### 3. Strengthen mutual evaluation systems.

In order to have consistent processes and criteria for ME in member countries, GAFILAT developed 8 Evaluator Seminars, 11 Courses on International Standards in the Fight against ML/TF.

It attended 15 FATF Working Group and Plenary meetings, and actively participated in the Global Network in the technical panels for the review and modification of the 4th Round Mutual Evaluation procedures. It also participated in the plenary meetings of the Financial Action Task Force of Central America (CFATF), Egmont Group, LAVEX-CICAD-OAS, among other relevant AML/CFT meetings.

### 4. Develop a comprehensive training system.

In order to improve the knowledge of the competent personnel of the member countries on issues related to combating money laundering, the financing of terrorism and the financing of the proliferation of weapons of mass destruction (ML/TF/FPWMD), based on the annual diagnosis of training needs.

GAFILAT focused its efforts on identifying the training needs of the jurisdictions and through the “Training Network” project 35 training courses and workshops were planned for the exchange of experiences.

In addition, the Executive Secretariat participated in more than 25 specialised seminars, congresses and workshops organised by the countries or by other organisations.

### 5. Promote actions aimed at raising public awareness of the harm caused by ML/TF/FPWMD crimes.

In order for the member countries of GAFILAT to generate new mechanisms to raise public awareness on the prevention of ML/TF/FPWMD, to make them known to the population and to inform the GAFILAT secretariat.

### Numerous activities were carried out in the framework of the SP, including:

- 11 Mutual Evaluations (plus one in progress, which started in May 2019).
- 35 follow-up reports on the countries evaluated.
- 12 Re-rating reports.
- 8 Evaluators' Seminars.
- 11 courses on the 40 FATF Recommendations.
- 9 training events on the following topics: Course for countries to be evaluated; Seminar on Movement of Capitals Abroad; Sub-regional course on financing of terrorism: international measures, financial intelligence and prevention; Sub-regional course on obligations in the prevention of ML/TF in legal activities and professions.
- 29 regional workshops on Risk Based Supervision; Cross-border transportation; Confiscation and precautionary measures; Money laundering linked to acts of corruption; Prevention of ML and TF for DNFBPs and NPOs; Transparency; Beneficial Ownership and De-risking; Risk-based supervision for financial and non-financial reporting entities; exchange of experiences in the use of financial intelligence.
- 59 technical documents and reports on various AML/CFT matters and results of events, guides, good practices, among others.
- 46 reports on studies and activities carried out within the framework of the mandate of the Working Groups. In addition, each Working Group delivers a detailed report of the activities and progress made to the Plenary of Representatives.
- Regional and sub-regional exercises of intensified monitoring of cash transportation.
- 5 meetings of RRAG contact points.
- Periodic review of GAFILAT procedures.

### 6. Develop a friendly and safe technological platform.

To allow GAFILAT to have a technological platform to satisfy the needs of communication, transfer and repository of information, access opportunities and adequate levels of security. In this regard, the Executive Secretariat promoted two updates to the website, through which countries now have access to technical documents through a secure platform. In addition, it began to promote its activities through releases and social networks.



This follow-up showed an execution of 89% of the programmed actions, as follows:

| STRATEGIES  | COMPLIANCE % |
|---|--------------|
| 1. Strengthen the systems against money laundering, terrorist financing and financing of the proliferation of weapons of mass destruction (AML/CFT/CFPWMD). | 73%          |
| 2. Improve compliance with FATF Recommendations.  | 100%         |
| 3. Strengthen mutual evaluation systems.  | 92%          |
| 4. Develop a comprehensive training system.   | 100%         |
| 5. Promote actions aimed at raising public awareness of the harm caused by ML/TF/FPWMD crimes.  | 83%          |
| 6. Develop a friendly and safe technological platform.  | 86%          |

Eleven percent correspond to actions such as: the preparation of a technical paper compiling best practices in RBA and the implementation of Recommendation 1, the preparation of a list of PEPs at the regional level and a study on national correspondent channels in relation to the prevention of money laundering and financial inclusion.

## OTHER ACTIONS PERFORMED

In addition to the actions and products elaborated by GAFILAT within the framework of the 2015–2019 SP, the work carried out in the implementation of other additional projects is highlighted which, although they were not included within the framework of the SP, were also carried out on the basis of the needs presented by the member countries such as:

- Document “Procedures for Voluntary Fiscal Compliance (VFC) of GAFILAT members’ programmes.”
- Joint FATF/GAFILAT experts meeting. Venue: Mexico.
- Update of the guides for international legal cooperation.
- Document “Guidelines for cooperation and exchange of information between supervisory bodies of financial institutions in GAFISUD countries.”
- Workshop on confiscation and precautionary measures. Venue: Panama. Financing: GAFILAT-EU and the Kingdom of Spain Project.
- Document on Information Exchange between peers, for Financial Institution Supervisory Bodies.
- Memorandum of Understanding for the exchange of information between FIUs.
- Report of the Workshop on Money Laundering linked to Acts of Corruption.
- Census of GAFILAT Regional Experts.
- Best practices in Registries to obtain information on the Beneficial Ownership.
- Regional survey on de-risking.
- Good Practices on Confidentiality and Security of Suspicious Transaction Reports (STRs).
- Workshop conducted by the United Nations Counter-Terrorism Implementation Task Force (CTITF).
- Handbook on asset freezing requests of countries member of GAFILAT – UNSCR 1373 (2001).
- Congress on TF in Bolivia in September 2017.
- GAFILAT/ FATF AML/CFT Workshop for Judges and Prosecutors. Experiences, challenges and best practices. September 25–26, 2017, Quito, Ecuador.
- Regional Workshop on beneficial ownership. Venue: Dominican Republic - German Development Cooperation implemented by GIZ.
- Translation of the document “Anti-Money Laundering and Counter-Terrorist Financing for Judges and Prosecutors.”
- Regional Workshop for the exchange of experiences in the use of financial intelligence. Venue: Peru.
- Workshop on the Use of Financial Intelligence Information, Peru, German Development Cooperation implemented by GIZ.
- Guidelines for the information exchange system among FIUs.
- Regional Workshop on Money Laundering based on trade, Panama, April 3 and 4, 2019, Crime Stoppers.
- Webinar dedicated to Covid-19, organised by the Presidency of the Dominican Republic, August 2020.
- Regional Assessment of Vulnerabilities during the Covid-19 pandemic.

# ANALYSIS OF RESULTS FROM THE REGION IN THE FOURTH ROUND

As an important part of the context analysis, the results as of December 2019 of the Fourth Round of Mutual Evaluations were taken into account in order to generate strategies that would help countries to improve their ratings in the follow-up and re-rating processes, as well as to generate strategies that would provide tools to the countries that will be evaluated in this next 2020-2025 period.

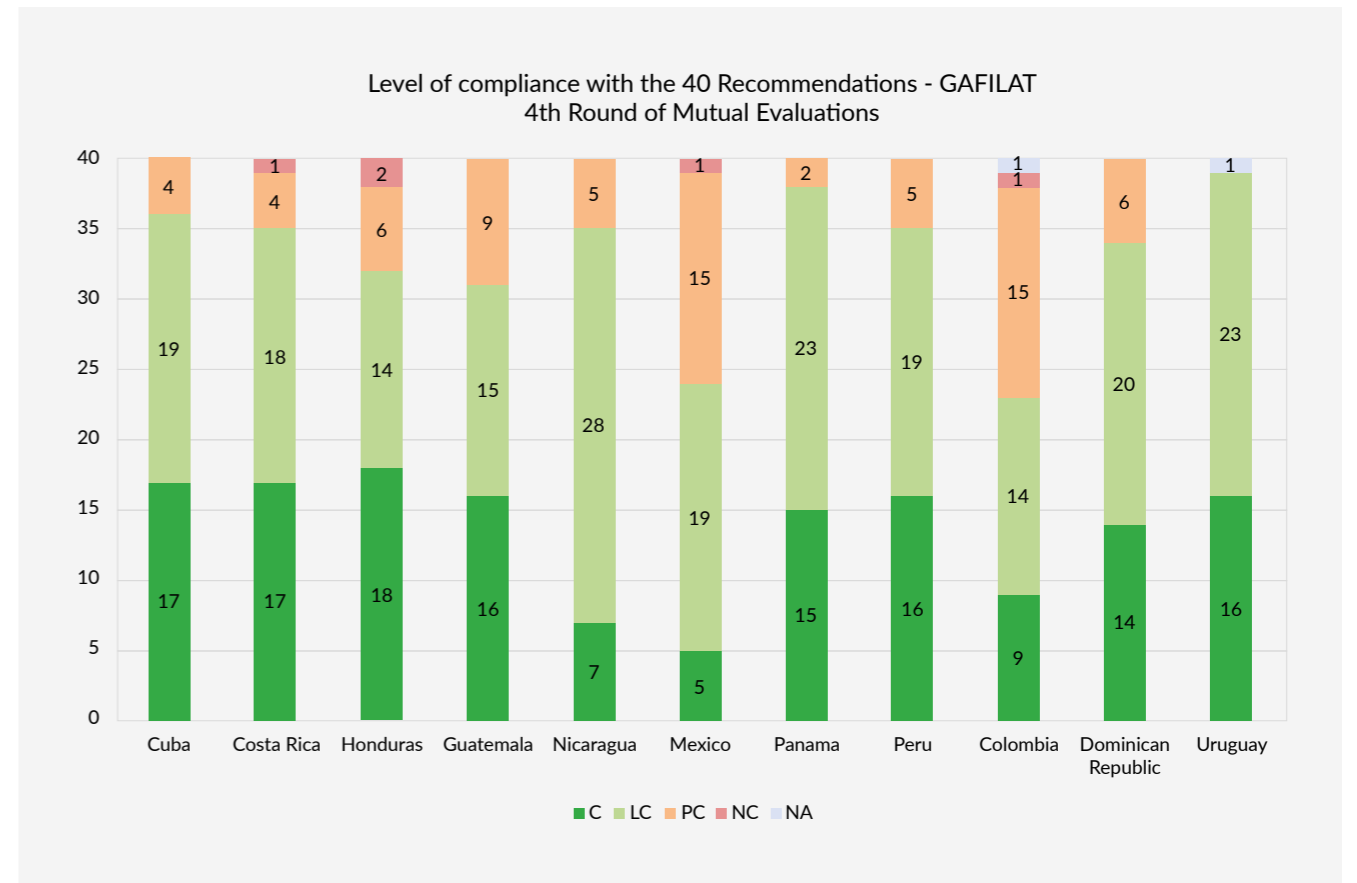
The following is a comparative analysis of the ratings obtained by the GAFILAT member countries in the 4th Round of Mutual Evaluations, in order to identify:

- a** Major technical compliance deficiencies in the region.
- b** Main deficiencies in technical compliance, focusing efforts on overcoming “NC” and “PC.”
- c** Candidates with recommendations rated “C”, to provide feedback to the region through workshops on best practices and experiences.
- d** Identify training needs and develop technical projects that support the continuous improvement of the AML/CFT systems, which are increasingly translated into “LC” to “C” recommendations:

| R.   | Cuba | Costa Rica | Honduras | Guatemala | Nicaragua | Mexico | Panama | Peru | Colombia | Dominican Republic | Uruguay |
|------|------|------------|----------|-----------|-----------|--------|--------|------|----------|--------------------|---------|
| R.1  | LC   | LC         | PC       | LC        | PC        | LC     | LC     | LC   | LC       | LC                 | LC      |
| R.2  | C    | C          | LC       | C         | LC        | LC     | LC     | C    | LC       | C                  | C       |
| R.3  | LC   | C          | C        | LC        | LC        | C      | LC     | C    | LC       | C                  | LC      |
| R.4  | LC   | LC         | C        | LC        | LC        | LC     | C      | C    | C        | C                  | LC      |
| R.5  | C    | C          | LC       | PC        | LC        | LC     | LC     | C    | LC       | C                  | LC      |
| R.6  | C    | LC         | LC       | PC        | LC        | C      | LC     | LC   | PC       | LC                 | LC      |
| R.7  | LC   | C          | PC       | PC        | LC        | C      | LC     | LC   | NC       | LC                 | LC      |
| R.8  | PC   | PC         | NC       | LC        | LC        | PC     | LC     | PC   | PC       | PC                 | C       |
| R.9  | C    | C          | C        | C         | LC        | C      | C      | LC   | C        | C                  | C       |
| R.10 | LC   | LC         | C        | LC        | C         | PC     | LC     | LC   | PC       | LC                 | LC      |
| R.11 | C    | C          | C        | C         | C         | LC     | LC     | LC   | C        | LC                 | C       |
| R.12 | C    | LC         | LC       | LC        | C         | PC     | C      | LC   | PC       | LC                 | C       |
| R.13 | C    | LC         | C        | C         | C         | LC     | C      | C    | PC       | C                  | LC      |
| R.14 | C    | C          | C        | PC        | PC        | LC     | C      | C    | C        | PC                 | LC      |
| R.15 | C    | C          | C        | C         | PC        | PC     | C      | C    | PC       | C                  | LC      |
| R.16 | C    | LC         | PC       | LC        | LC        | PC     | LC     | LC   | PC       | LC                 | LC      |
| R.17 | C    | PC         | LC       | PC        | LC        | PC     | LC     | PC   | NA       | LC                 | NA      |
| R.18 | C    | LC         | LC       | C         | LC        | PC     | C      | C    | C        | LC                 | C       |
| R.19 | C    | C          | C        | C         | LC        | LC     | LC     | PC   | PC       | PC                 | C       |
| R.20 | C    | C          | C        | LC        | LC        | PC     | C      | C    | LC       | C                  | LC      |
| R.21 | C    | C          | C        | C         | LC        | LC     | C      | C    | C        | LC                 | C       |
| R.22 | LC   | PC         | LC       | PC        | LC        | PC     | LC     | LC   | PC       | LC                 | LC      |

| R.   | Cuba | Costa Rica | Honduras | Guatemala | Nicaragua | Mexico | Panama | Peru | Colombia | Dominican Republic | Uruguay |
|------|------|------------|----------|-----------|-----------|--------|--------|------|----------|--------------------|---------|
| R.23 | LC   | LC         | C        | PC        | LC        | NC     | LC     | LC   | PC       | C                  | LC      |
| R.24 | LC   | LC         | NC       | LC        | PC        | PC     | PC     | LC   | PC       | LC                 | LC      |
| R.25 | C    | LC         | LC       | LC        | LC        | LC     | PC     | PC   | LC       | LC                 | LC      |
| R.26 | LC   | LC         | LC       | C         | LC        | LC     | LC     | LC   | LC       | PC                 | C       |
| R.27 | LC   | LC         | C        | LC        | LC        | LC     | LC     | C    | LC       | C                  | C       |
| R.28 | PC   | NC         | PC       | PC        | C         | PC     | LC     | LC   | PC       | LC                 | LC      |
| R.29 | LC   | C          | C        | C         | C         | C      | C      | C    | LC       | C                  | LC      |
| R.30 | LC   | LC         | C        | C         | C         | LC     | C      | LC   | C        | LC                 | C       |
| R.31 | PC   | LC         | C        | C         | LC        | LC     | LC     | LC   | C        | LC                 | C       |
| R.32 | C    | C          | C        | C         | LC        | PC     | C      | LC   | LC       | PC                 | C       |
| R.33 | LC   | LC         | PC       | C         | LC        | PC     | C      | C    | PC       | C                  | C       |
| R.34 | LC   | LC         | C        | C         | LC        | LC     | C      | LC   | PC       | LC                 | C       |
| R.35 | PC   | PC         | PC       | PC        | PC        | LC     | LC     | PC   | PC       | C                  | LC      |
| R.36 | LC   | C          | LC       | C         | LC        | LC     | C      | C    | LC       | C                  | C       |
| R.37 | LC   | C          | LC       | LC        | LC        | PC     | LC     | LC   | LC       | LC                 | LC      |
| R.38 | LC   | LC         | LC       | LC        | LC        | PC     | LC     | C    | C        | LC                 | LC      |
| R.39 | LC   | C          | LC       | LC        | LC        | LC     | LC     | C    | LC       | PC                 | LC      |
| R.40 | LC   | C          | LC       | LC        | LC        | LC     | LC     | LC   | LC       | LC                 | LC      |

Note: The ratings of the recommendations (R) are adjusted according to the Re-rating reports presented by the GTEM and approved by the Plenary of Representatives. The Rs with a black box correspond to re-ratings as at December 2019.



Based on the analysis, it is proposed to exchange experiences and feedback from countries with implementations recognised as “C” and to hold workshops or technical documents, aimed at training and generating tools to improve deficiencies.

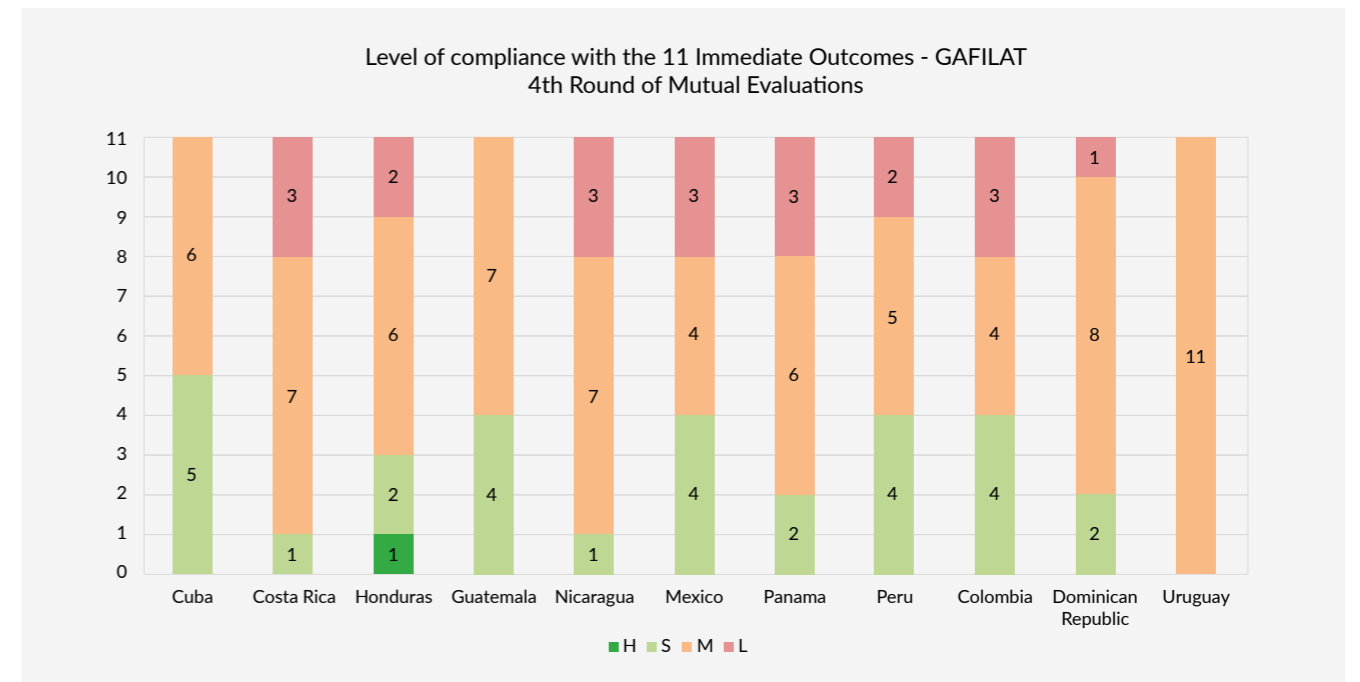
According to the ratings and re-rating reports made in the Fourth Round of ME as of December 2019, the following is a list of the variation in the ratings, where an improvement in the level of ratings is observed, as follows:

- a** Main deficiencies in technical compliance, focusing efforts on overcoming “NC” and “PC”: R.7, R.8, R.23, R.24, R.28 and R.35.
- b** Candidates with “C” recommendations, who could lead the best practice and experience workshops: R.7: Mexico; R.8: Uruguay; R.23: Honduras and Dominican Republic; R.28: Nicaragua; R.35: Dominican Republic.
- c** Identify training needs and develop technical projects that support the continuous improvement of the AML/CFT systems, which are increasingly translated into “LC” to “C” recommendations: R.1, R.8, R.22, R.24.
- d** Major effectiveness deficiencies in the region: IO.3, IO.4, IO.5, IO.7 and IO.11.

|    | Rating given in the MERs | Re-ratings given as of Dic. 2019 | Variation            |
|----|--------------------------|----------------------------------|----------------------|
| NA | 2                        | 2                                | It remained the same |
| NC | 16                       | 5                                | Decreased by 69%     |
| PC | 98                       | 71                               | Decreased by 28%     |
| LC | 199                      | 212                              | Increased by 7%      |
| C  | 125                      | 150                              | Increased by 20%     |

With regard to the outcomes in terms of effectiveness, the ratings of the immediate outcomes are listed below.

| IO    | Cuba | Costa Rica | Honduras | Guatemala | Nicaragua | Mexico | Panama | Peru | Colombia | Dominican Republic | Uruguay |
|-------|------|------------|----------|-----------|-----------|--------|--------|------|----------|--------------------|---------|
| IO.1  | M    | M          | M        | M         | M         | S      | L      | M    | S        | M                  | M       |
| IO.2  | M    | S          | S        | S         | M         | S      | M      | S    | S        | S                  | M       |
| IO.3  | S    | M          | M        | M         | L         | M      | M      | M    | M        | L                  | M       |
| IO.4  | M    | M          | M        | M         | M         | L      | M      | M    | M        | M                  | M       |
| IO.5  | S    | L          | L        | M         | L         | M      | L      | L    | M        | M                  | M       |
| IO.6  | M    | M          | M        | S         | M         | M      | L      | S    | S        | M                  | M       |
| IO.7  | M    | M          | M        | S         | M         | L      | M      | L    | L        | M                  | M       |
| IO.8  | S    | M          | H        | S         | S         | L      | M      | M    | S        | M                  | M       |
| IO.9  | S    | M          | S        | M         | M         | M      | M      | M    | L        | S                  | M       |
| IO.10 | S    | L          | M        | M         | M         | S      | S      | S    | M        | M                  | M       |
| IO.11 | M    | L          | L        | M         | L         | S      | S      | S    | L        | M                  | M       |



### With regard to MER results:

Low or moderate effectiveness ratings are observed for most Immediate Outcomes in the MERs, demonstrating a lower degree of practical application of FATF standards.

- MERs generally show a low or moderate degree of awareness of proliferation financing and the implementation of public policies in this area.

- MERs show a low level of practical use of National Risk Assessments as a mechanism for prioritising public policies in this area.
- MERs reveal problems in the area of DNFBPs, both in terms of the application of preventive measures and their supervision.
- MERs generally show a low or moderate degree of awareness of the transparency and access to information on beneficial ownership of legal persons and other legal arrangements.
- MERs generally show a low or moderate degree of awareness of terrorist financing and the implementation of public policies in this area.

In addition to the suggested actions, it is proposed, based on the above analysis, to work on strategies and activities in the Action Plan, aimed at strengthening the AML/CFT systems in the following areas:

- National Risk Assessment (Understanding DNFBP risks).
- Risk Based Approach – Reporting Institutions.
- Risk-Based Supervision.
- Beneficial Ownership.

# ACTION FRAMEWORK

As part of its mandate and functions, GAFILAT is dedicated to preventing and combating money laundering, terrorist financing and proliferation financing in the region.

With input from the Global AML/CFT Network, the FATF is setting the global standards for combating money laundering, terrorist financing and proliferation financing. As a policy making body, the FATF works to generate the political will necessary to carry out national legislative and regulatory reforms in these areas. It issues the 40 Recommendations, which all its members and the Global Network are committed to implement. The FATF has a membership of 37 jurisdictions and 2 regional organisations, including GAFILAT members Argentina, Brazil and Mexico, as well as 9 associate members, including GAFILAT, and other observer bodies.

GAFILAT is an Associate Member of the FATF, and belongs to the category of "FATF-Style Regional Bodies" (FSRBs), which are part of the Global AML/CFT Network. The nucleus of this Global Network is the FATF itself, which has its headquarters in the city of Paris, France.

*GAFILAT is dedicated to preventing and combating money laundering, terrorist financing and proliferation financing in the region.*



# 3

## 2020-2025 STRATEGIC PLAN

### PART 1



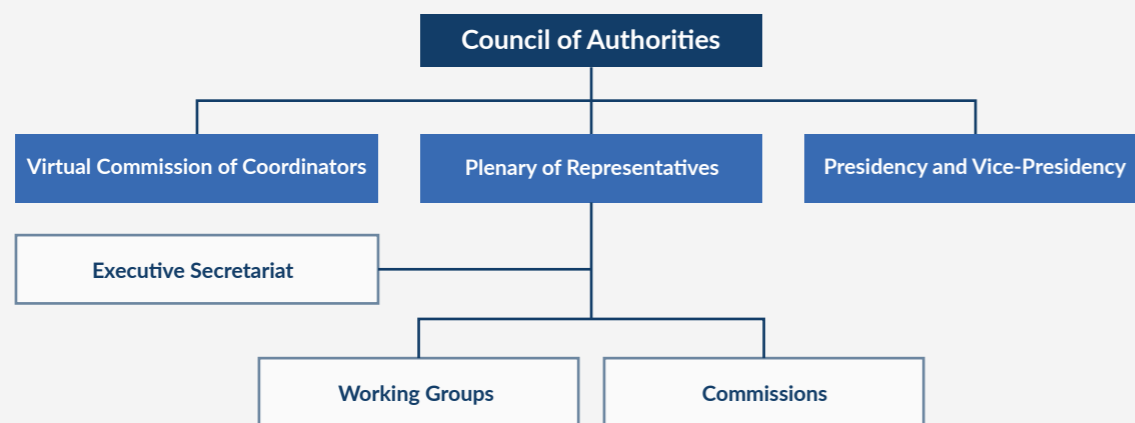
GAFILAT is one of nine FATF-style regional bodies that bring together almost every jurisdiction in the world to commit to and implement global AML/CFT standards. GAFILAT works closely with the FATF and other FSRBs in promoting, implementing and assessing jurisdictions' compliance with the standards. Together with the GAFILAT and the FATF, there are a total of 10 AML/CFT bodies with which it is closely associated.

The main objective of GAFILAT is to "Recognise and apply the Recommendations of the Financial Action Task Force (FATF) and the recommendations and measures adopted by GAFILAT." It brings together 17 countries from South America, Central America, North America and the Caribbean to prevent and combat money laundering, the financing of terrorism and the financing of the proliferation of weapons of mass destruction (ML/TF/FPWMD), through the commitment to continuously improve national policies to prevent and combat these threats, as well as to deepen the various cooperation mechanisms among member countries.



## THE INTERNAL STRUCTURE

GAFILAT's operating bodies are the Plenary of Representatives, the Executive Secretariat and the Working Groups, in accordance with the body's regulations.



## PLENARY OF REPRESENTATIVES

It is composed of the delegates appointed by each Member State and chaired by the President, who is elected by the Plenary from among its members. It is elected for one year and is succeeded by the Vice-president. The Plenary meets twice a year and has the following functions:

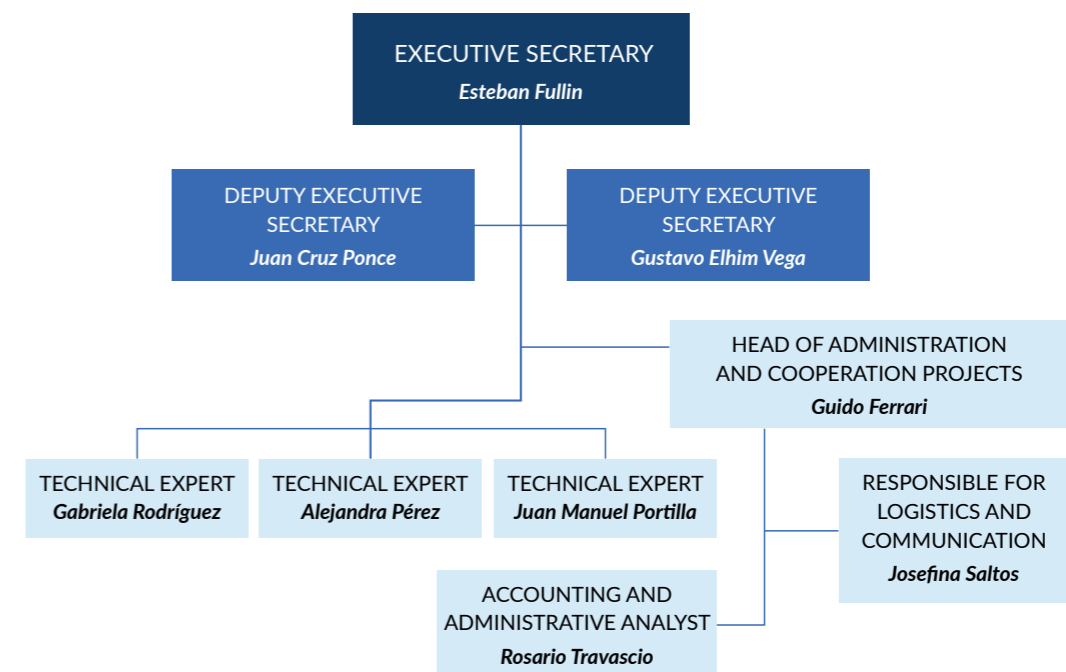
- a Assess, discuss and, where appropriate, approve all resolutions.
- b Approve the budget.
- c Approve the annual report.

- d Monitor the implementation of the approved Action Programme.
- e Appoint the Executive Secretary, approve the structure and other functions of the Secretariat.
- f Approve the rules of procedure.
- g Accept new members and observers.
- h Decide on the sanctioning of one of its members.

## EXECUTIVE SECRETARIAT

The Executive Secretariat carries out the technical and administrative functions for the development of GAFILAT's activities and represents the Organisation before other international organisations. The technical work team of the Executive Secretariat consists of the Executive Secretary, two Deputy Executive Secretaries and three Technical Experts.

In addition, there are three people who provide administrative support to the organisation.





Its functions are:

- a** Prepare the annual activity report, the budget and the working programmes in line with the Action Programme.
- b** Provide the Presidency and the Plenary with regular reports on its activities.
- c** Implement the approved Action Programme.
- d** Administer the approved budget.
- e** Coordinate, collaborate and facilitate mutual evaluations.

- f** Exercise the technical representation and act as a link between GAFILAT, third countries and organisations involved in the fight against money laundering, financing of terrorism, financing of the proliferation of weapons of mass destruction and related matters.
- g** Assist the Council of Authorities, the Presidency and Vice-Presidency and the Plenary of Representatives in the development of their activities.
- h** Any others assigned to it by the Plenary of Representatives.

## WORKING GROUPS AND COMMISSIONS

For the development of the various works and projects of GAFILAT, Working Groups have been formed, which are composed of representatives of the member countries and supported by the Executive Secretariat.

The groups are in charge of generating the fundamental inputs for the elaboration and fulfilment of the objectives set out in the annual action programmes. Their actions are subject to the approval of the Plenary of Representatives. These are:



### Mutual Evaluations Working Group (GTEM)

- Propose updates to the evaluation methodology, procedures and schedules.
- Review the quality and consistency of the GAFILAT Mutual Evaluation reports.
- Review the quality and consistency of the follow-up reports.
- Propose the application of the sanctioning regime linked to the follow-up processes.
- Promote training of evaluators in the region while maintaining international standards in mutual evaluation training.
- Review other developments or new policies implemented by members, where appropriate.

### Training and Development Working Group (GTCD)

- Training: carry out training and technical assistance needs assessments, plan annual training activities and carry out their regular evaluation.
- Specific projects: propose to the Plenary the realisation of projects of study, analysis and institutional development according to the needs identified on the basis of the results of the mutual evaluations and the diagnoses of training and technical assistance needs.
- Information system: maintain a permanent information system of GAFILAT, which will consist of the library of standards, information bulletin, ML/TF statistics, updating of the website, jurisprudence, links with IMOLIN, and other proposed mechanisms.
- Training budget: establish the necessary budgetary requirements for each project and training and technical assistance activity and study the possibilities of obtaining external funding for them.

### Operational Support Working Group (GTAO)

- Politically Exposed Persons (PEPs).
- Monitoring of cross-border transportation of money and securities.
- Development of typologies works.
- GAFILAT Asset Recovery Contact Point Network (RRAG).
- Information exchange between peers, for financial institution supervisory bodies.
- Follow-up on the signing of the MOUs by FIUs and GAFILAT supervisors.
- Guidelines for International Legal Cooperation.
- Technological tools used by countries in their AML/CFT systems.
- Other operational activities considered.

## Risk Analysis and Financial Inclusion Working Group (GTARIF)

It is made up of two subgroups, the risk analysis and the financial inclusion subgroups.

- Assess the scope of Recommendation 1, determining which Recommendations the Risk Based Approach (RBA) applies to.
- Monitor compliance with Recommendation 1 in GAFILAT countries, seeking to establish common criteria for the development of a Risk Based Approach (RBA).
- Conduct a regional threat analysis, verify the possible definition of vulnerabilities at the regional level, to propose measures to mitigate risk at regional level.
- Finalise the document on “Basic elements and difficulties identified in the risk analysis process.”
- Identify the efforts or work carried out by other international bodies in order to seek complementarity and coherence.

The Financial Inclusion Subgroup of the GTARIF seeks to work on the following topics:

- Conduct studies and projects related to the inter-section between financial inclusion policies and policies for the prevention of money laundering and terrorist financing (ML/TF).
- Inform GAFILAT members of the benefits in terms of financial inclusion, resulting from the application of risk-based analysis in the regulation and supervision of ML/TF prevention.
- Identify the efforts or work carried out by other international bodies in order to seek complementarity and coherence.

## Terrorist Financing Working Group (GTFT)

- Develop and generate studies on the regulations applicable to terrorism and TF in the region, as well as identify the measures and actions that should be implemented by the member countries of the organisation in this area.
- Propose training and technical assistance activities on the prevention and combating of TF and other relevant issues related to it, in order to achieve specialisation in this area in the GAFILAT member countries.
- Promote compliance with Recommendations 5 and 6 in the GAFILAT member countries, through a specific procedure, as well as others that have a direct impact on the immediate outcomes 9 and 10 of the FATF Evaluation Methodology.
- Study the feasibility of generating or creating mechanisms for the exchange of information between GAFILAT member countries, as well as information monitoring systems that allow the identification of risk indicators in this area and, if necessary, support them in their implementation.
- Lay the foundations for the identification of the possible use of social platforms and networks to identify TF risks in the region.
- Develop and generate studies to establish mechanisms to detect high-risk travellers in the region covered by GAFILAT.
- Generate mechanisms to support GAFILAT member countries in preventing the financing of the proliferation of weapons of mass destruction (FP), so as to strengthen effective compliance with FATF Recommendation 7.
- All those actions determined by the GAFILAT Plenary.

## OBSERVERS

The observer members of GAFILAT are those States and organisations that have expressed their support for the objectives of the Group. Their incorporation is considered and approved by the Plenary of Representatives under the terms and conditions established in the Internal Regulations.

In addition to supporting the aims and activity of GAFILAT, observers provide technical assistance and financial support, in accordance with its rules and policies on the subject, for the achievement of the objectives pursued.

The following participate as observers of GAFILAT: the Federal Republic of Germany, Canada, the Kingdom of Spain, the United States of America, the Inter-American

Development Bank (IDB), the World Bank (WB), the International Monetary Fund (IMF), the Republic of France, the Organisation of American States, represented by the Inter-American Drug Abuse Control Commission (CICAD), the European Commission (EC), the Department against Transnational Organised Crime (DIOC) and the Inter-American Committee against Terrorism (CICTE), the United Nations, represented by the United Nations Office on Drugs and Crime (UNODC) and by the Secretariat of the Security Council Counter-Terrorism Committee, the Alliance for Financial Inclusion (AFI), Interpol and the Republic of Portugal. The FATF, the Egmont Group, the Asia Pacific Group on Money Laundering (APG) and the Caribbean Financial Action Task Force (CFATF) also attend its meetings as observers.





# 3

## 2020–2025 STRATEGIC PLAN

### PART 2

The Strategic Plan is developed in 4 components.



# STRATEGIC DIRECTION



## MISSION

To promote the implementation and strengthening of effective systems for the prevention, detection and suppression of money laundering, terrorist financing and financing of the proliferation of weapons of mass destruction, in order to contribute to the regional growth, transparency and protection of the social and economic integrity of GAFILAT member countries, under a process of continuous improvement.

## VISION

To be a regional technical body with recognition and impact on the global AML/CFT network, which proactively ensures that its members achieve high levels of effectiveness in the systems to jointly combat money laundering, terrorist financing and financing of the proliferation of weapons of mass destruction.

## VALUES

- Integrity and Transparency.
- Leadership.
- Commitment.
- Cooperation.
- Responsibility and Inclusion.
- Capacity.
- Efficiency and Effectiveness.
- Technical Professionalism.



## PILLARS

The 2020-2025 Strategic Plan sets out the objectives and strategies of GAFILAT for the next five years and includes programmatic areas and activities planned in four thematic areas, which stem from its purpose and core mandates, and which are presented in order of priority:

- 1 Improving compliance with international standards and the effectiveness of the AML/CFT/FPWMD systems.
- 2 Providing AML/CFT training and technical assistance to member countries.
- 3 Promoting and strengthening technological upgrading.
- 4 Participating actively in the Global Network.

The aim is to:

- Contribute to the improvement of the region's ratings, which will be reflected in the technical compliance and effectiveness results (C/MC) and (H/S) of the AML/CFT) systems.
- Strengthen the organisation, so that it can face the region's AML/CFT needs and challenges.
- Prioritise resources in training to improve the effectiveness of the systems.
- Promote the participation of the organisation and its members in the Global Network.
- Achieve recognition among stakeholders, citizens and senior government about the importance of effective AML/CFT systems.



# STRATEGIC PLAN

## OBJECTIVES AND STRATEGIES

The Strategic Objectives were formulated based on the identification of the action framework of the Global Network and GAFILAT's mandate, its functions and competences, as well as on the systematised and consolidated diagnosis, aimed at fulfilling the Mission and Vision and adhering to the fulfilment of the Global Network's strategy.

The following is a description of the strategic objectives that will allow GAFILAT to fulfill its mission and vision:

**STRATEGIC OBJECTIVE 1.** Strengthen the systems against money laundering, terrorist financing and financing of the proliferation of weapons of mass destruction (AML/CFT/CFPWMD).

GAFILAT will prioritise the work to address the major challenges faced by the region, including the opportunities and threats posed by new technologies and the need to strengthen AML/CFT systems, including those related to digital transformation.

It is necessary to analyse in more detail how the authorities, supervisors and the private sector can benefit from the new technologies and how to make the entire AML/CFT system more effective. At the same time, it is necessary to see how to protect the system against the misuse of such technologies; supporting the implementation of new standards on virtual assets. In line with the efforts of the Global Network, GAFILAT will monitor the risks and explore opportunities brought by the digital transformation to the fight against money laundering and terrorist financing. In this scenario, it is relevant to have the input of the private sector, academics, technology developers in events, consultations or working groups for the construction of study documents, typologies, good practices or guides that address the new threats.

Being consistent with the objectives and functions of the Organisation and the Global Network, GAFILAT

will continue to identify and analyse the methods and trends of money laundering and terrorist financing, through the study of Regional Threats and typologies that affect the region, such as those related to virtual assets, illegal mining, trafficking in persons, public and private corruption, arms trafficking and environmental crimes. The Latin American region is exposed to these threats in different ways and the Global Network is aware of this and looks forward to the contributions the region can make.

Likewise, GAFILAT will promote continuity and visibility to the operational exercises that have defined a line of action such as: exchange of information of the GAFILAT Asset Recovery Network (RRAG), regional or sub-regional exercises of intensified monitoring of cross-border transportation of cash and the cross-border transportation of cash network (TTD-Network).

With respect to the RRAG, in particular, efforts will be made to continue working towards its strengthening and sustainability, with a view to further consolidating its structure and scope, and increasing and making its results visible.

### STRATEGIES

- Promote the exchange of good practices and experiences at the global and regional level.
- Support research and development of technical documents on risks, AML/CFT and contextual issues in the region.
- Provide continuity and visibility to GAFILAT's operational exercises.
- Support member countries in their legal, regulatory and policy efforts to implement international recommendations.

**STRATEGIC OBJECTIVE 2.** Improve the results of Mutual Evaluations.

In this period GAFILAT will focus on identifying national and regional problems that affect the implementation of international standards, in order to provide concrete and specific technical assistance to member countries; this in order to improve compliance with the recommendations, reflected in more effective AML/CFT systems and evidenced in improved ratings.

made by governments are translated into concrete actions by raising awareness of the Senior Government and those in decision-making positions, so that they understand the importance and benefits of strong and effective AML/CFT systems. GAFILAT will take advantage of the senior level support that the FATF intends to give to each FSRB and to the authorities.

In the same sense, it is necessary to understand that the technical implementation of the standards requires political support from the countries and that is why GAFILAT will focus on ensuring that the commitments

### STRATEGIES

- Identify national and regional issues affecting the implementation of FATF standards.
- Increase the level of compliance and effectiveness of the AML/CFT systems.

**STRATEGIC OBJECTIVE 3. Strengthen mutual evaluation and follow-up processes.**

GAFILAT will seek to continue strengthening the Mutual Evaluation processes, including follow-up processes, by identifying possible challenges and deficiencies, in response to which possible mitigation actions or measures will be detailed and outlined. These actions will be consistent with the FATF Universal Procedures and the FATF and FSRBs High Level Principles and Objectives. In order to facilitate and support the follow-up of the progress made by evaluated countries, the development of a follow-up mechanism for the countries' Action Plans and their corresponding relationship with the follow-up reports and re-rating processes may be agreed.

In keeping with the previous strategy, and with the aim of generating systemic tools that support more efficient follow-up to compliance with the recommendations, GAFILAT will promote the creation of a Statistical Management Follow-up System, which will make it possible to monitor compliance with the 40 Recommendations, support follow-up reports and re-rating processes, in order to manage online information related to ML/TF statistics, so as to have analysis tools that support and sustain the central purpose of the organisation.

**STRATEGIES**

- Identify possible challenges and deficiencies presented in the Fourth Round of ME and follow-up processes, with the aim of adopting possible mitigating measures to strengthen their development.
- Promote the creation of systems that facilitate and support the follow-up processes of evaluated countries, with the possibility of including tools for self-diagnosis and/or follow-up of action plans established by the respective countries.

**STRATEGIC OBJECTIVE 4. Generate mechanisms that promote effective training in the region.**

GAFILAT will prioritise the work to generate training tools that will offset the consequences of the current situation faced by the region and the world, through the creation of an e-learning training technology platform. The creation of this platform will also allow evaluating the fulfillment of the training plan by means of management indicators and knowledge evaluation,

as well as showing by means of performance indicators (Key Performance Indicator - KPI) the efforts made by GAFILAT in the field of training.

GAFILAT will focus its efforts to eliminate the gaps that threaten the full performance of its functions, through connection mechanisms, virtual meetings, participation

and evaluation. For the implementation of this Strategic Plan it will be necessary to strengthen alliances and create new ties to work together in order to maximise the resources available.

The success and impact of the Plan will depend largely on the availability of funds. More stable and predictable funding over the long term will help increase the impact of the work and achieve long-term sustained results.

**STRATEGIES**

- Promote the creation of the Virtual Training Platform.
- Generate the GAFILAT regional training program based on the diagnosis of needs.
- Develop a comprehensive training system, which measures the level of participation and effectiveness of training.

**STRATEGIC OBJECTIVE 5. Strengthen the relationship and participation in the global AML/CFT network.**

GAFILAT will focus efforts on strengthening its participation in the Global Network, primarily through active and technical participation in FATF meetings through the Executive Secretariat, Presidency and Vice Presidency, as well as the participation of delegations through technical input to FATF documents or projects. Alliances will also be promoted and new ties will be created to work together with other FSRBs and international organisations, in order to maximise not only the effectiveness of actions, but also the resources available. The success and impact of the Plan will depend largely on the availability of funds.

More stable and predictable funding over the long term will help increase the impact of the work and achieve long-term sustained results. GAFILAT will also extend its outreach to partner organisations and international technical fora.

Likewise, it is vital that GAFILAT reaches more interest groups, such as Reporting Institutions and their compliance officers, who are currently less related to the actions of the organisation.

**STRATEGIES**

- Actively participate in the development of international projects, policies, good practices or guidelines on AML/CFT, and in the process of developing or modifying international standards through cooperation with the FATF and other relevant international organisations.
- Consider strengthening the alliance with strategic actors of the regional or international AML/CFT system, including the relationship with organisations whose potential incorporation as Observers of GAFILAT could be strategic.

## STRATEGIC OBJECTIVE 6. Strengthen the structure and mandates of GAFILAT.

The strengthening of GAFILAT’s institutional capacity, its technological upgrading and the expansion of the technical staff are the actions of a cross-cutting objective necessary for the development and sustainability of the organisation and the fulfilment of the SP. The Working Groups (WG) will be strengthened and the scope of their activities and functions will be updated.

Likewise, the involvement of National Coordinators, technical staff, FIUs and other competent entities of the countries in the WGs will be promoted, for working together to strengthen capacities for the fight against ML/TF, as well as the generation of documents that are useful for the institutions.

### STRATEGIES

- Strengthen the resources and structure of the Executive Secretariat, so that it can efficiently meet the new challenges of the institution and fulfill the goals established.
- Update the regulations, mandates, and procedures.
- Develop a communication strategy.

## ACTION PLAN

At this point it is important to mention that the SP constitutes a planning tool for GAFILAT, which must be flexible to the needs and requirements of the Organisation and the region and adjustable to the lines of action of each GAFILAT Presidency. Likewise, the SP may be subject to changes due to possible contingencies or actions that may arise from crisis or unforeseen events due to scenarios of future uncertainty, which could have an impact on the definition of new objectives or the rethinking of strategies and indicators.

Likewise, it is necessary to emphasize that the development of the objectives depends both on the execution of actions by GAFILAT members, and on the attainment of resources and funds. In this sense, it is relevant to outline a prioritization of the key elements, directly associated to the Mandate and Purpose of GAFILAT, a prioritization that will guide the annual execution of activities.

In this way, in the event of possible difficulties or pressure on the resources necessary for the full implementation of the Action Plan, the execution of the “central” actions, which cover two categories of actions, should be prioritised: (i) those indicated with an asterisk (\*) related to the fulfilment of the GAFILAT mandate and to the ME process, and (ii) the actions proposed each year by the GAFILAT Presidencies.

In addition, considering the situation of the Covid-19 pandemic affecting the region at the date of approval of the document and whose date of conclusion is still uncertain, those activities or workshops planned as classroom activities or workshops during the following periods may, in the event that they cannot be carried out, be migrated to virtual (or e-learning) activities. In cases where, due to the nature of the activity or workshop, it is not feasible or appropriate to conduct it in a virtual or e-learning format, then an alternative project that is consistent with the objectives may be conducted.

Below are the strategies and actions proposed:



### MISSION

To promote the implementation and strengthening of effective systems for the prevention, detection and suppression of money laundering, terrorist financing and the proliferation of weapons of mass destruction, in order to contribute to the regional growth, transparency and protection of the social and economic integrity of GAFILAT member countries, under a process of continuous improvement.



### VISION

To be a regional technical body with recognition and impact on the global AML/CFT network, which proactively ensures that its members achieve high levels of effectiveness in the systems to jointly combat money laundering, terrorist financing and the proliferation of weapons of mass destruction.

### STRATEGIC OBJECTIVES

- 1

**1 Strengthen AML/CFT/CFPWMD systems.**

  - 1.1 Promote the exchange of good practices and experiences at the global and regional level.
  - 1.2 Support research and development of technical documents on risks, AML/CFT and contextual issues of ML/TF in the region.
  - 1.3 Provide continuity and visibility to GAFILAT's operational exercises.
  - 1.4 Support member countries in their legal, regulatory and policy efforts to implement international recommendations.
- 2

**2 Improve the results of Mutual Evaluations.**

  - 2.1 Identify national and regional issues affecting the implementation of FATF standards.
  - 2.2 Increase the level of compliance and effectiveness of the AML/CFT systems.
- 3

**3 Strengthen mutual evaluation and follow-up processes.**

  - 3.1 Identify possible challenges and deficiencies presented in the Fourth Round of ME and follow-up processes, with the aim of adopting possible mitigating measures to strengthen their development.
  - 3.2 Promote the creation of systems that facilitate and support the follow-up processes of evaluated countries, with the possibility of including tools for self-diagnosis and/or follow-up of action plans established by the respective countries.
- 4

**4 Generate mechanisms that promote effective training in the region.**

  - 4.1 Promote the creation of the Virtual Training Platform.
  - 4.2 Generate the GAFILAT regional training program based on the diagnosis of needs.
  - 4.3 Develop a comprehensive training system, which measures the level of participation and effectiveness of training.
- 5

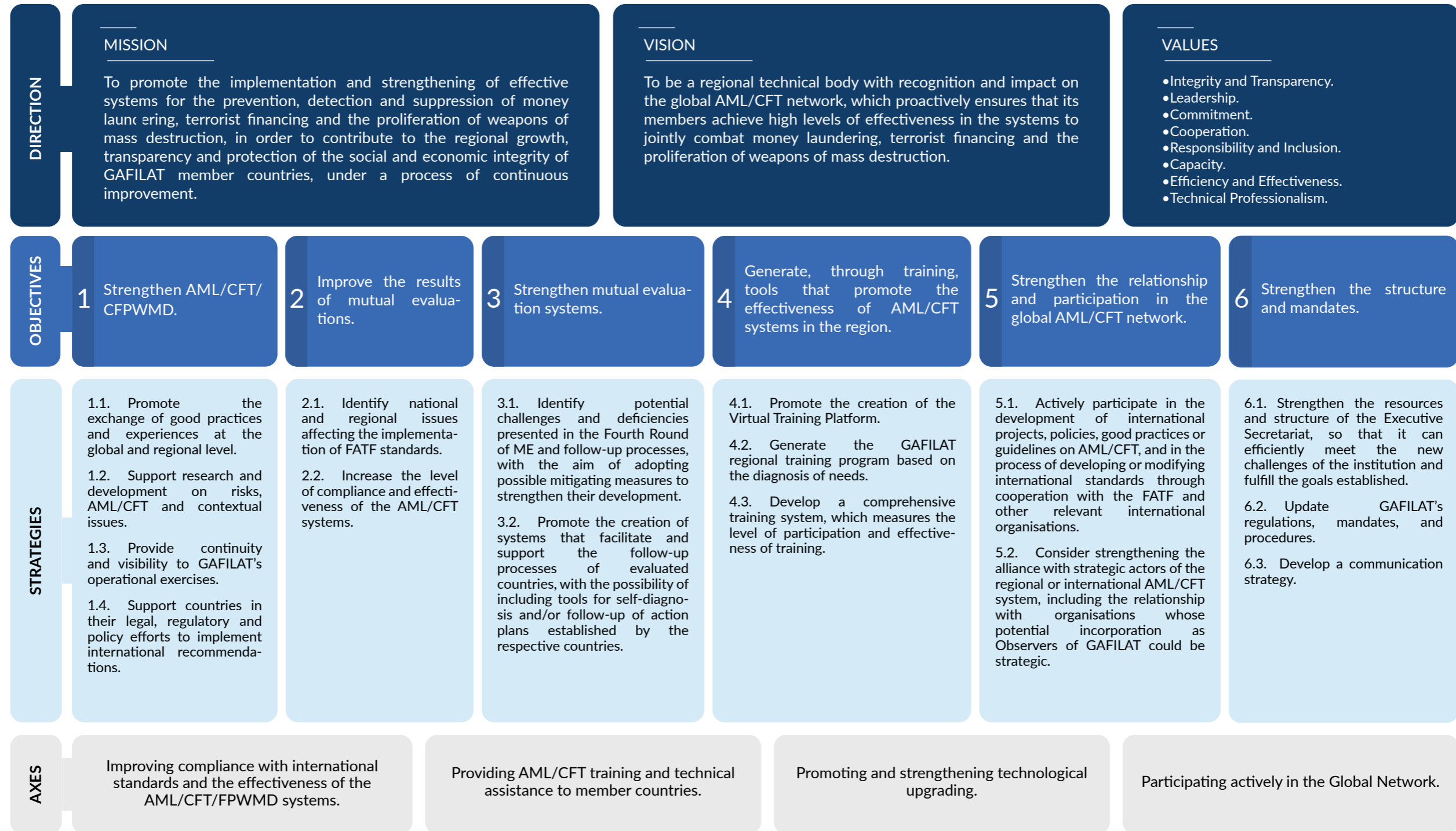
**5 Strengthen the relationship and participation in the global AML/CFT network.**

  - 5.1 Actively participate in the development of international projects, policies, good practices or guidelines on AML/CFT, and in the process of developing or modifying international standards through cooperation with the FATF and other relevant international organisations.
  - 5.2 Consider strengthening the alliance with strategic actors of the regional or international AML/CFT system, including the relationship with organisations whose potential incorporation as Observers of GAFILAT could be strategic.
- 6

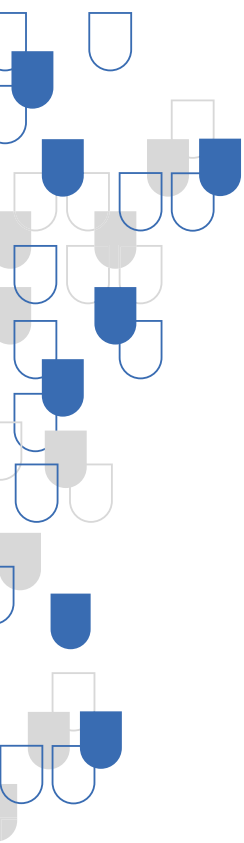
**6 Strengthen the structure and mandates of GAFILAT.**

  - 6.1 Strengthen the resources and structure of the Executive Secretariat, so that it can efficiently meet the new challenges of the institution and fulfill the goals established.
  - 6.2 Update the regulations, mandates, and procedures.
  - 6.3 Develop a communication strategy.

## STRATEGIC MAP







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of Latin America's Financial  
Systems**



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