



## Second Technical Compliance Re-Rating Report of Bolivia



August 2025

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Cover photo: Salar de Uyuni

## BOLIVIA: SECOND TECHNICAL COMPLIANCE RE-RATING REPORT

### I. INTRODUCTION

1. In accordance with GAFILAT's Fourth Round procedures, Bolivia's Mutual Evaluation Report (MER) was adopted in December 2023. Bolivia also submitted a first enhanced follow-up and technical compliance re-rating report in December 2024, in which Recommendations 6, 13, 22, 23, and 28 were re-rated. This follow-up report analyses Bolivia's progress in addressing the technical compliance deficiencies identified in its MER, as well as any new deficiencies since the first technical compliance re-rating report in December 2024. New ratings are granted when sufficient progress is observed. Overall, the expectation is that countries have addressed most, if not all, technical compliance deficiencies before the end of the third year since the adoption of their MER. This report does not address Bolivia's progress in improving its effectiveness.

### II. FINDINGS OF THE MUTUAL EVALUATION REPORT

2. In relation to Technical Compliance, the MER and subsequent re-qualifications indicate that Bolivia was rated as follows:

**Table 1. Technical Compliance Ratings, December 2024**

R.1	R.2	R.3	R.4	R.5	R.6	R.7	R.8	R.9	R.10
LC	C	LC	C	LC	LC	PC	PC	C	LC
R.11	R.12	R.13	R.14	R.15	R.16	R.17	R.18	R.19	R.20
C	C	LC	C	PC	LC	C	LC	LC	LC
R.21	R.22	R.23	R.24	R.25	R.26	R.27	R.28	R.29	R.30
PC	C	LC	PC	C	LC	C	C	C	C
R.31	R.32	R.33	R.34	R.35	R.36	R.37	R.38	R.39	R.40
PC	LC	C	LC	PC	LC	LC	LC	LC	LC

Note: There are four possible levels of technical compliance: Compliant (C), Largely Compliant (LC), Partially Compliant (PC) and Non-Compliant (NC).

Sources: i) Mutual Evaluation Report of Bolivia: <https://biblioteca.gafilat.org/wp-content/uploads/2024/07/IEM-Bolivia.pdf>

3. Considering the results reflected in the MER, GAFILAT placed Bolivia under the enhanced follow-up process.<sup>1</sup> The GAFILAT Plenary of Representatives previously approved this second request for re-rating based on the initial re-rating submission and the country's reported progress. The formal request was submitted with the necessary supporting documentation within the set deadline.

4. Based on the above, and in accordance with current GAFILAT procedures, a group of evaluators from the GAFILAT Expert Group (GEG) pool was appointed to carry out the analysis and prepare this report. María Paz Arriagada Ramírez (Head of Dissemination and Studies, Financial Analysis Unit, Chile) and Enzo Paolo Paredes Castañeda (Liaison and Cooperation Coordinator, Prevention, Liaison, and Cooperation Department, Financial Intelligence Unit,

<sup>1</sup> The regular follow-up is the default monitoring mechanism for all countries. The enhanced follow-up process is based on the FATF traditional policy that approaches members with significant (technical compliance or effectiveness) deficiencies in their AML/CFT systems, and it involves a more intensive monitoring process.



Superintendence of Banking, Insurance, and Pension Fund Administrators, Peru) carried out the assessment. Juan Cruz Ponce, Deputy Executive Secretary of GAFILAT; Diana Lucía Yon Véliz and Guillermo Alejandro Hernández, Technical Experts of the GAFILAT Secretariat; and Mónica Ayala De Paz, seconded expert (from El Salvador) to the Executive Secretariat of GAFILAT.

5. Section III of this report summarises the progress made by Bolivia in improving technical compliance with Recommendations 7, 24 and 35, which are the subject of this re-rating report. Section IV presents the conclusion and a table showing which Recommendations were re-rated.

### III. OVERVIEW OF THE PROGRESS MADE TO IMPROVE TECHNICAL COMPLIANCE

6. This section summarises Bolivia's progress in improving its technical compliance by addressing the technical compliance deficiencies identified in the MER.

#### 3.1. Progress in addressing technical compliance deficiencies identified in the MER

7. Bolivia has made progress in addressing its technical compliance deficiencies identified in the MER in relation to the following Recommendations:

- Recommendation 7, currently rated PC; upgraded to C;
- Recommendation 24, currently rated PC; upgraded to LC, and;
- Recommendation 35, currently rated PC, upgraded to LC.

#### ***Recommendation 7 – Targeted financial sanctions related to proliferation (rated PC – Upgraded to C)***

##### **Criterion 7.1**

##### **I) Analysis:**

8. The 2023 MER identified a deficiency in this criterion: the regulatory framework does not directly correspond to it because it does not refer to any of the UNSCRs related to suppressing and disrupting the proliferation of weapons of mass destruction and their financing. It was also noted that the relevant instruction was not enforceable against all REs due to scope deficiencies relating to DNFBPs. Some sectors applied only to large taxpayers, and the precious metals and stones trading sector was excluded.

9. Based on the legal grounds that empower the Financial Intelligence Unit (FIU), the unit approved the Regulations on Supplementary Procedures for the Implementation of Measures Derived from UNSC Resolutions Related to the Financing of the Proliferation of Weapons of Mass Destruction (FPWMD) through an Administrative Resolution dated January 24th, 2025 (UIF/7/2025). According to article 3 of the AR, any existing, successor, or future UNSCR that calls for the implementation of targeted financial sanctions related to PF falls within its scope. Since no reference is made to specific resolutions, the provision is considered broad enough to cover potential changes to the sanctions regimes, including the addition of new individuals, entities, or countries. Similarly, article 6 refers directly to the regime established based on UNSCR 1718 (2006) and its successors. This makes it clear that the regime covered by the FATF standards—which includes the Democratic People's Republic of Korea's (North Korea's) weapons of mass destruction (WMD) development program—falls within the scope of the Regulation's provisions.

10. Regarding the scope deficiencies indicated for non-financial reporting entities, Administrative Resolution UIF/78/2023 dated December 6th, 2023, has already remedied them by eliminating the restriction on large taxpayers for sectors that have already been incorporated.

Administrative Resolution UIF/29/2024 incorporates the precious metals and stones trading sector as a reporting entity and appoints SENARECOM as the supervisor for this purpose. For more information, please see the analysis of Recommendations 22, 23, and 28 in the First Technical Compliance Re-Rating Report of the Plurinational State of Bolivia. The analysis considers the deficiencies addressed and re-rates the aforementioned Recommendations as C, LC, and C, respectively.

## II) Conclusion:

11. Bolivia has made significant progress by establishing specific supplementary regulations on targeted financial sanctions related to PF. These regulations are general in scope. Similarly, addressing the scope deficiency, eliminating restrictions on “large taxpayers,” and including the precious metals and stones sector effectively makes these provisions applicable to all reporting entities required by criterion 7.1.

12. On the basis of the above, criterion 7.1 is **met**.

## Criterion 7.2

13. The 2023 MER determined that the obligation referenced in criterion 7.2 did not apply to all entities designated by the standard as reporting entities.

## I) Analysis:

### a)

14. According to the FIU Regulations relating to PF, approved by the AR (UIF/7/2025), all natural or legal persons are required to apply TFSs relating to PF, regardless of their status as REs. This is outlined in subsection A of article 5, which states that the FIU has the authority to require all citizens, natural persons, and legal entities to freeze funds or other assets without delay or notification to natural persons or legal entities designated by the UNSC.

15. Furthermore, to ensure the entire population is aware of this obligation, article 15 stipulates updates to the lists be disseminated through a national media outlet<sup>2</sup>. The outlet must provide hyperlinks to the lists and reiterate the prohibition of providing funds or other assets to or for the benefit of designated persons or entities. Based on the above, as well as the expanded scope of the REs analysed, it can be concluded that the prohibition applies to all natural and legal persons in the country.

16. Therefore, these measures are considered to meet the sub-criterion requirement. Thus, the requirement is **met**.

<sup>2</sup> The FIU Regulations and the notices updating the consolidated lists are published on the FIU website. As of July 2025, the FIU website contained the Regulations at the link <https://www.uif.gob.bo/otros-relacionados/>; with regard to the communications through which the FIU transmits the freezing obligation, these can be found in the “Communications” section, available at the following link: <https://www.uif.gob.bo/comunicados-8797/>. The Guide can be found at the link <https://www.uif.gob.bo/guias-1/>.

b)

17. Considering the analysis of the MER and the definition of the term “funds or other assets” in article 4 of the aforementioned FIU Regulation, as well as the scope of application of article 5 of the Regulation, the sub-criterion requirements are **met**.

c)

18. As analysed in criterion 7.1, the obligation not to make funds or other assets available to designated persons or entities applies to all citizens, natural persons and legal entities within the country, as set out in paragraph c) of article 5. Similarly, subsection C) of article 5 of the FIU Regulation on TFSs related to PF contains a provision with wording that is practically identical to that of the standard. In accordance with the above, the sub-criterion is **met**.

d)

19. Based on the analysis conducted in the MER, it can be concluded that this sub-criterion’s requirements are **met**.

e)

20. All entities are informed in paragraph 3 of the notices announcing updates to the sanctions regimes and changes to the United Nations’ consolidated list that ‘if it is identified that a natural or legal person or entity designated on the lists attempts to carry out any act, operation or service, the described prohibition must be applied without delay and this fact must be reported to the Financial Investigation Unit’. In accordance with paragraph 4 of the aforementioned notices, failure to comply with these provisions may result in punishment in accordance with current regulations.

21. To promote compliance with these provisions, Administrative Resolution UIF/5/2025, approved on 21 January 2025, established a Guidance for the Implementation of Targeted Financial Sanctions under United Nations Security Council Resolutions. This Guidance outlines the legal basis, obligations, and procedures to be followed. With regards to UNSCR related to TF and PF. Furthermore, Chapter II, Section B, Paragraph 5 of the Guide sets out the obligation to report any freezing carried out using the designated form and email address, as well as any attempted transactions. Based on the above, the requirements have been fulfilled, and the sub-criterion has been **met**.

f)

22. Under the terms of the Regulations for the Implementation of the UNSCRs on PF, article 5, paragraph f, the country shall implement measures to protect the rights of third parties acting in good faith when complying with the regulations’ provisions. In this sense, the sub-criterion is **met**.

## II) Conclusion:

23. Analysis of the sub-criteria that make up criterion 7.2 shows that most of the deficiencies listed in the MER have been fully addressed. It is therefore concluded that **criterion 7.2 has been met**.

## Criterion 7.3

24. The 2023 MER identified that the country does not include the purchase and sale of precious metals and stones in its AML/CTF/CPF system. It also highlighted the limitations referred



to in R.15 and R.22 concerning VASPs, lawyers, accountants, and real estate agents, respectively. The country was also advised to strengthen its legal framework in line with Criterion 7.1 (paragraph III of article 495 of Law 393; paragraph I of articles 24 and 25 of Supreme Decree 4904; and paragraph II of article 12 of FIU Instruction 26/2023).

#### **I) Analysis:**

25. As mentioned above, in response to the scope deficiency relating to the REs, which only covered 'large taxpayers' and excluded traders in precious stones and metals, the restriction on large taxpayers has been removed for the already incorporated sectors, and the precious metals and stones trading sector has been incorporated as a reporting entity.

26. Similarly, Criterion 7.1, which relates to the effective implementation of TFS linked to PF, the approval and issuance of TFS Regulations and the PF Guide, and the inclusion of provisions related to sanctions applicable under Art. 160 of the Criminal Code "Disobedience to Authority", consisting of 30 10 100 days in fine.

27. With regard to supervisory actions for all sectors, subsection cc) of Article 25 of Supreme Decree No. 4904 indicates that failure to comply with the measures established by the FIU constitutes an administrative sanction. Likewise, Paragraph II of Article 12 of the "Specific Instructions for Obligated Entities in the Application of United Nations Security Council Resolutions" and Article 10 of the "Regulations on Complementary Procedures for the Implementation of Measures Derived from UNSC Resolutions Related to the FPADM of the FIU" establish complementary provisions in this regard.

28. In addition to the above, the various supervisors with jurisdiction over AML/CFT updated their specific guidelines and manuals to incorporate the SFD provisions on PF, as follows:

- On June 27, 2024, the ASFI updated its Risk Supervision Guidelines to establish supervisory tasks in areas including monitoring to verify that clients and/or users of the OSs under its supervision have registered in the UNSC listing system, as well as the implementation of procedures for the application of SFDs for registered entities.
- On November 5, 2024, the APS approved the update of its Supervision Manual for insurance entities, which establishes the procedures for conducting off-site and on-site supervision and monitoring of regulated entities. Likewise, the Insurance Sector Sanctions Regulations, as amended on December 31, 2024, establish that failure to comply with the measures established by the FIU, as set forth in Article 25 of Supreme Decree No. 4904, constitutes an administrative offense punishable under Articles 11 and 12 thereof.
- On October 31, 2024, the AJ approved the Procedure Manual for Verifying Compliance with Targeted Financial Sanctions, which states that if conduct is detected that may constitute the offenses established in Article 25 of Supreme Decree No. 4904, the respective sanctioning process will be initiated.
- On December 8, 2023, the AEMP approved six technical documents aimed at implementing the EBR in the supervision of APNFDs; likewise, on May 17, 2024, the AEMP prepared the "Informative Guide on the LGI/FT/FPADM Sanctioning Regime."
- The Sole Additional Provision of the Regulations on Preventive Freezing in the Fight Against TF and PF establishes that the DIRNOPLU will supervise compliance with freezing and unfreezing measures, within the framework of current regulations, for the notary public sector.



- SENARECOM developed the Regulations on Preventive Freezing and Unfreezing within the framework of ML/TF/PF, which aims to effectively implement legal provisions and strengthen supervision. With regard to the sanctions established for non-compliance, these will be imposed in accordance with the provisions of Law No. 2341 on Administrative Procedure and its regulations, or the SENARECOM Regulations on Infractions and Penalties, approved by Board Resolution No. 001 of January 24, 2025.

29. Based on the foregoing, provisions have been issued that allow the various authorities to impose sanctions on SO, as well as on citizens, natural persons, and legal entities that are not SO, for non-compliance with TFS obligations under PF.

## II) Conclusion:

30. The criterion is considered to be **met** by addressing the scope deficiencies regarding DNFBPs and establishing sector-specific provisions.

### Criterion 7.4

31. The MER 2023 identified a lack of procedures relating to criterion 7.4 as a shortcoming.

## I) Analysis

### a)

32. Article 13 of the FIU Regulations on TFS for PF establishes that the criterion for CODELIN to propose the removal of a person or entity listed in the sanctions regime of UNSCR 1718 (2006) and its successor resolutions is that they no longer meet the original designation criteria. Verification of this shall be carried out and, by means of a Technical Report, CODELIN shall propose that the person or entity concerned be removed, either through CODELIN or directly via the United Nations focal point. Similarly, Section II establishes that the requirements and procedures for cases of removal from the lists due to homonymy are indicated on the website. These requirements and procedures have been verified as being disseminated in the same terms as indicated in the regulatory framework. The analysis shows that the sub-criterion is **met**.

### b)

33. In accordance with article 7 of the FIU Regulations for TFS for PF, if it is verified that the designation affects a person or entity other than the one subject to sanctions due to homonymy, CODELIN must analyse the request. If corroborated, CODELIN must then recommend the issuance of an Administrative Resolution for the purposes of unfreezing, which must be ratified by the judicial authority.

34. Similarly, Chapter XI of the FIU Guidance on TFS for PF sets out a procedure for REs to follow, stating that the relevant person or entity may communicate with the FIU via the form provided on its website. Once contact has been established, the FIU will liaise with the relevant person or entity to verify the homonym case. Once the measure has been confirmed, the authority that determined the freezing measure shall order its lifting. The FIU shall then notify the REs, public entities and public registries of this. The REs must inform the FIU of the lifting of measures via the communication channel designated for this purpose. As this meets the requirements, the sub-criterion is also **met**.





c)

35. In accordance with the MER, judges determining the measure may grant access to funds and other assets to cover basic or extraordinary expenses. In this sense, the sub-criterion is **met**.

d)

36. In accordance with the MER, Inst. UIF/26/2023 establishes that the FIU shall notify the SO of the RA ordering the unfreezing of funds or other assets through the established mechanisms, when a person or entity has been removed from the UNSC lists. The established procedure indicates that the notification shall be made expeditiously and that regulated SO shall implement it immediately. In this regard, the sub-criterion is **met**.

## II) Conclusion:

37. The country has made significant progress in addressing the remaining deficiencies identified in the MER relating to the homonym procedure, as well as cases where the criteria for designating a person or entity are no longer met. The FIU Regulations set out the procedures for analysing cases of homonymy and other situations in which sanctions should be lifted. Considering the above **criterion 7.4. is met**.

## Criterion 7.5

38. According to the analysis carried out in the 2023 MER, the provisions relating to TFS for PF are unclear as to whether they cover all types of pre-existing obligations or only those arising from the conclusion of a contract. They also make no specific mention of interest or other earnings due in respect of accounts frozen pursuant to UNSCR 1718 or 2231.

### I) Analysis:

a)

39. According to the Compilation of Rules for Financial Services, issued by the Financial System Supervisory Authority, any funds withheld by order of a competent administrative authority, such as the Financial Investigation Unit (FIU) will affect the balance on the date and time at which the supervised entity receives the instruction, as well as any subsequent deposits. In this regard, the provision covers the requirement for interests or other benefits to be included, which will remain frozen. In this sense, the sub-criterion is **met**.

b)

40. As identified in the 2023 MER and based on article 9, which was incorporated into Supreme Decree 1553 via Supreme Decree 4906, the sub-criteria requirements have been met. Therefore, the sub-criterion is **met**.

### II) Conclusion:

41. The Expert Team considers that the information provided by Bolivia regarding criterion 7.5a addresses the remaining concerns about including interest income from frozen bank accounts in accordance with the standard. This improves the weighting of criterion 7.5. Therefore, criterion 7.5 is deemed to have been **met**.

## General conclusion on Recommendation 7

42. Since adopting the MER, Bolivia has made significant progress. The FIU approved the Regulations on Supplementary Procedures for the Implementation of Measures Derived from UNSC Resolutions Related to the Financing of the Proliferation of Weapons of Mass Destruction (FPWMD) through an Administrative Resolution dated January 2025 (UIF/7/2025). This resolution indicates that any existing, successor, or future UNSCR that calls for the implementation of targeted financial sanctions related to PF falls within its scope. In these terms, Bolivia has the legal framework that allows it to implement SFD to comply with the UNSCR, which is reinforced by updates to the various provisions, manuals, and instructions of the supervisory bodies, including SENARECOM, for the recently incorporated precious stones and metals sector, which include provisions related to monitoring and sanctions for non-compliance with TFS obligations. This represents significant progress in addressing the deficiencies identified in the MER.

43. The country also provided information on the provision that allows deposits to be made to accounts held by administrative authorities that will remain frozen. Therefore, re-rating Recommendation 7 as **Compliant** is proposed.

## ***Recommendation 24 - Transparency and beneficial ownership of legal persons (rated PC - Upgraded to LC)***

### **Criterion 24.1**

#### **I) Analysis:**

44. The 2023 MER noted that the term “legal persons” was not covered in accordance with the international legal standard and its glossary. However, by stating in the MER that it does not consider sole proprietorships to be covered by the term “legal person” in the international standard on the subject and its glossary, the AT is not identifying a deficiency, but rather clarifying that these companies are not to be considered as legal persons, as they are natural persons with a business. It should also be noted that Step 46 ‘Operational changes’ of the Business Register Procedures Guidance clearly sets out how beneficial ownership information is to be obtained.

45. The First Follow-up Report with Technical Compliance Re-rating (TCR) concluded that there were no remaining deficiencies. No changes have been identified since the previous report.

#### **II) Conclusion:**

46. Accordingly, criterion 24.1 is deemed to have been **met**.

### **Criterion 24.2**

#### **I) Analysis:**

47. In both the 2023 MER and the TCR report, the criterion was considered to have been mostly met. However, the deficiencies identified in the criterion linked to risk analysis were

maintained. This is because the risks associated with corporations and limited partnerships by shares are not fully considered, even when they are of lesser materiality.

48. In January 2025, the FIU issued Technical Report INFORME/UIF/DAES/UAEC/7/2025. This report approved the Sectoral Risk Study on Legal Structures, which covered trusts. This addressed one of the deficiencies identified in the MER.

49. By contrast, the update to the Terrorist Financing SRA considered corporations and limited partnerships that issue bearer shares for analysis. To identify the associated risks of corporations and limited partnerships that issue bearer shares, the national-level participation percentage of both companies was considered, which in the case of SAs represented 1.1% and in the case of SCAs represented 0.001%, figures that indicate low participation with respect to the business base. In this regard, the study concluded that the threat posed by TF is low.

## II) Conclusion:

50. The deficiencies identified in the MER have been resolved with the expansion of both sectoral studies. Therefore, **criterion 24.2 is met.**

### Criterion 24.3

#### I) Analysis:

51. In the 2023 MER, the requirement of the sub-criterion was considered to be met. Furthermore, the TCR follow-up report did not identify any deficiencies in this regard. No changes to the implemented measures have been identified, either.

#### II) Conclusion:

52. The rating is maintained because the country has not reported any changes to the legal provisions relevant to this criterion. In this sense, **criterion 24.3 is met.**

### Criterion 24.4

#### I) Analysis:

53. In the 2023 MER, the requirement of the sub-criterion was considered to be mostly met, as there was a deficiency related to the lack of specific regulations on the keeping of corporate accounts. The First TCR Report maintains this weighting.

54. This second TCR report has not identified any specific progress in overcoming the deficiencies in this criterion, nor has the country reported any changes to the relevant legal provisions.

#### II) Conclusion:

55. Consequently, **criterion 24.4 is mostly met.**

## Criterion 24.5

### I) Analysis:

56. The 2023 MER concluded that the criterion was mostly met. As no progress or additional measures were identified in this regard, it is considered that the MER analysis remains valid.

### II) Conclusion:

57. In light of the above, the MER's conclusion that criterion 24.5 is **mostly met** remains unchanged.

## Criterion 24.6

### I) Analysis:

#### a)

58. The sub-criterion requirement is mostly met in the 2023 MER and subsequent TCR report. As there is no information available regarding the resolution of the identified deficiencies, it is reiterated that the sub-criterion is mostly met.

#### b)

59. The sub-criterion requirement is mostly met in the 2023 MER and subsequent TCR report. As there is no information available regarding the resolution of the identified deficiencies, it is reiterated that the sub-criterion is mostly met.

#### c)

60. The sub-criterion requirement is mostly met in the 2023 MER and subsequent TCR report. As there is no information available regarding the resolution of the identified deficiencies, it is reiterated that the sub-criterion is mostly met.

### II) Conclusion:

61. In accordance with the above, it is concluded that criterion 24.6 has **been mostly met**.

## Criterion 24.7

### I) Analysis:

62. The MER identified a deficiency whereby FIs and DNFBPs must ensure that their CDD and BO information is kept up to date. However, in the case of DNFBPs, this obligation only applied to those considered to be 'large taxpayers', a discrepancy that was corrected in the First TCR Report. The report noted that it could not be verified whether the country had complied with the requirement for the information to be as up to date as possible.

63. In accordance with Administrative Resolution 494/2024, which approved the second version of the Regulations for the Declaration of the Beneficial Owner, article 7 was amended with regard to the deadlines for declaring the BO. This amendment provides for a period of 30



days to update data and declare BO information, ensuring it is adequate, up to date and accurate, as required by the sub-criterion in question.

64. Furthermore, to monitor compliance with the information provided on the BO, article 9, paragraph III of the Regulations states that the commercial company must ensure that the information declared and updated on the BO is accurate, adequate and up to date. Otherwise, fines will be imposed as set out in article 13 of the Regulations on Penalties and Information Offences relating to the Beneficial Owner.

## II) Conclusion:

65. In view of the above, the related adjustments to the Regulations for the Declaration of the Beneficial Owner in their Second Version address the identified deficiencies relating to deadlines, and ensure compliance, under penalty of sanctions in the event of non-compliance. Consequently, the deficiencies identified in the TCR report have been resolved and the **criterion has therefore been met**.

## Criterion 24.8

### I) Analysis:

#### a)

66. In the 2023 MER, the sub-criterion is met. As no information on progress in meeting the sub-criterion has been made available since the First TCR Report, it is considered that the **sub-criterion remains met**.

#### b)

67. The first TCR report confirms that this sub-criterion is met with the measures reported at that time. If there are no further developments or modifications, it is assumed that the **sub-criterion has been met**.

#### c)

68. The first TCR report confirms that this sub-criterion is met with the measures reported at that time. As no information on progress in meeting the sub-criterion has been made available since the First TCR Report, it is considered that the **sub-criterion remains met**.

## II) Conclusion:

69. The country has not submitted any information on changes to the legal framework relating to criterion 24.8, which was deemed to be met in the last TCR report. In accordance with the above, the criterion 24.8 is **met**.



### Criterion 24.9

#### I) Analysis:

70. The first TCR report indicated that the deficiencies identified in the MER had been addressed. As there have been no changes to the regulatory framework or standard, the analysis remains the same.

#### II) Conclusion:

71. As there have been no changes to the legal framework or standard and no additional updates have been issued, the analysis of the First TCR Report remains unchanged. In this sense, criterion 24.9 is **met**.

### Criterion 24.10

#### I) Analysis:

72. In the 2023 MER, the requirement of the criterion was considered to be met. The rating is maintained as the country reports that the legal provisions related to compliance with this criterion have not changed since the ME. No modifications or updates to either the MER or the First TCR Report were identified.

#### II) Conclusion:

73. In accordance with the above, the criterion 24.10 is **met**.

### Criterion 24.11

#### I) Analysis:

##### a)

74. In the MER analysis, it was determined that this sub-criterion did not apply. Accordingly, the rating is maintained as no changes have been noted since then.

##### b)

75. There are no deficiencies in this sub-criterion in the 2023 MER. The rating is maintained as the country reports that the legal provisions related to compliance with this criterion have not changed since the ME.

##### c)

76. The 2023 MER indicates that this sub-criterion is not applicable and therefore the rating is maintained as there are no changes to this sub-criterion.

##### d)

77. The First TCR Report determined that the sub-criterion had been met. As there have been no updates to the relevant measures, the analysis of the report remains unchanged.

e)

78. The analysis in the First TCR Report of January 2025 shows that this criterion is met. As there have been no updates to the relevant measures, the analysis of the report remains unchanged.

## II) Conclusion:

79. Bolivia made significant progress in meeting the requirements of Criterion 24.11 in its First TCR Report. As there have been no changes to the legal framework or standard, the analysis in this report remains unchanged, meaning that criterion 24.11 **is met**.

## Criterion 24.12

### I) Analysis:

a)

80. The 2023 MER indicates that this sub-criterion is not applicable and therefore the rating is maintained as there are no changes to this sub-criterion.

b)

81. The 2023 MER indicates that this sub-criterion is not applicable and therefore the rating is maintained as there are no changes to this sub-criterion.

c)

82. The 2023 MER indicates that this sub-criterion is not applicable and therefore the rating is maintained as there are no changes to this sub-criterion.

### II) Conclusion:

83. In line with the above, criterion 24.12 remains as **Not applicable**.

## Criterion 24.13

### I) Analysis:

84. The First TCR Report on Bolivia stated that the AEMP had the power to impose sanctions for failing to comply with basic reporting obligations, and that these sanctions were proportionate, but not dissuasive. Furthermore, the analysis did not reveal that the legal framework provides for sanctions against natural persons for non-compliance with BO.

85. The Authority for Fiscal and Social Control of Businesses (AEMP) approved the Regulations on Sanctions and Violations of Beneficial Owner Information through Administrative Resolution No. 93/2024, with the aim of strengthening the application of administrative sanctions for non-compliance with the obligation to report and update beneficial ownership information in the case of commercial companies.

86. Under the terms of article 9 of Administrative Resolution RA/AEMP/No. 093/2024, the applicable sanctions consist of fines according to the type of commercial company in question. These are detailed in article 11 and range from 4,000 Bolivianos for limited partnerships issuing



shares and limited partnerships to 16,000 Bolivianos for corporations in the event of failure to submit BO information. Article 12 establishes a range of fines from 2,400 to 9,600 bolivianos for late submission of information, depending on the type of company in question. In cases of recidivism, art. 8 states that repeat offenders will face a 20% increase in the established fine.

87. Similarly, Administrative Resolution 116/2024 of the AEMP incorporated article 13 into the aforementioned Regulation. This classifies the declaration of incorrect or incomplete information and the misidentification of the BO to SEPREC as administrative offences, establishing a range of fines depending on the type of company that fails to comply. For this reason, the AEMP is authorized to impose administrative sanctions on commercial companies registered in the Commercial Register that fail to fulfil their reporting and updating obligations with regard to the BO. The AEMP is also responsible for ensuring that the information can be verified with other registers or databases to determine its accuracy.

88. The sanctions regime applicable to non-compliance with the beneficial owner disclosure obligations is characterized by high fines based on the risk and context of the country. In this regard, the fine for failure to comply with this obligation amounts to approximately USD 1,434, which, in the context of Bolivia, is a significant amount. Furthermore, the amount of the fines provided for is based on a criterion of effective dissuasion, considering the reality of the types of companies incorporated in Bolivia, and may also be increased in the event of repeat offenses. Considering these aspects, the expert team considers that the sanctions regime established in this area has reinforced its dissuasive nature and, therefore, has addressed this deficiency identified in the previous re-rating report and in the MER.

89. Nevertheless, the indicated sanctions do not cover natural persons, which was deemed a minor deficiency in the follow-up report with the TCR. Therefore, the deficiencies identified in the MER and the TCR report have largely been remedied.

## II) Conclusion:

90. Bolivia has made significant progress in addressing the deficiencies highlighted in the MER. There is a deficiency in relation to sanctions, as these do not appear to cover natural persons. Therefore, the criterion is **mostly met**.

### Criterion 24.14

#### I) Analysis:

##### a)

91. There are no deficiencies in this sub-criterion in the 2023 MER. The country reports that the relevant legislation has not changed since then and therefore the rating granted in the MER is maintained.

##### b)

92. There are no deficiencies in this sub-criterion in the 2023 MER. As the country reports that there have been no legislative changes since the ME that could affect compliance with this criterion, the analysis of the MER is maintained.



c)

93. There are no deficiencies in this sub-criterion in the 2023 MER. The country reports that the relevant legislation has not changed and therefore the analysis and weighting of the ME is maintained.

## II) Conclusion:

94. In accordance with the above and in the absence of any changes to the implemented measures or the standard, criterion 24.14 remains **met**.

### Criterion 24.15

## I) Analysis:

95. The 2023 MER revealed that the relevant authorities, which are the Bolivian Police and the Prosecutors Office, had made significant progress, as evidenced by the analysis of Bolivia's First TCR Report. No additional information has been presented on this occasion, and no changes to the implemented measures or the standard have been identified. Therefore, the analysis in the report remains unchanged.

## II) Conclusion:

96. No changes have been made to the legal and regulatory framework or the implementation of the measures presented in the First TCR Report. Criterion 24.15 therefore remains **met**.

### General conclusion on Recommendation 24

97. The country reported on the attention given to the two remaining deficiencies identified in the First TCR Report: the lack of a deadline for submitting and updating information on the BO, and the lack of sanctions for non-compliance. In both cases, deficiencies have mostly been addressed by establishing a 30-day period for submitting information for the first time and updating it in the event of changes. A range of fines has also been set for failing to submit or update information, including repeat offences, depending on the nature of the commercial company. However, there is still a gap in the legislation whereby sanctions do not appear to apply to individuals within companies who may have information about the BO.

98. In view of the above, the moderate deficiencies are considered to have been remedied, while the deficiency relating to the application of sanctions to natural persons is considered minor. In view of the above, Recommendation 24 is proposed for re-rating as **Largely Compliant**.



## **Recommendation 35 – Sanctions (rated PC – Re-rated LC)**

### **Criterion 35.1**

#### **I) Analysis:**

99. Following the extension of DNFBPs as REs under Resolution UIF/78/2023 of December 6<sup>th</sup>, 2023, the term ‘reporting entities’ now covers all lawyers, accountants and real estate agents, removing the previous restriction to large taxpayers in these sectors only. Accordingly, Administrative Resolution UIF/25/2023 of April 14<sup>th</sup>, 2023, stipulates that the Company Monitoring Authority (AEMP for its Spanish acronym) is responsible for monitoring the compliance of REs with the FIU’s rules, which apply to all lawyers, accountants and real estate agents. In addition, Resolution UIF/29/2024 dated June 28<sup>th</sup>, 2024, designates the sector of dealers in precious metals and stones as REs. Furthermore, the National Service for the Registration and Control of Mineral and Metal Marketing (SENARECOM for its Spanish acronym) has the role of supervisor for this sector.

100. For this reason, the AEMP and SENARECOM, the supervisory bodies for these sectors, must impose administrative sanctions for AML/CFT violations in accordance with articles 23, 24 and 25 of FIU Regulation DS 4904. Accordingly, the AEMP issued Administrative Resolutions RA/AEMP/DJ No. 042/2024, dated March 27<sup>th</sup>, 2024, and RA/AEMP/DJ No. 052/2024, dated March 29<sup>th</sup>, 2024. These resolutions provide for sanctions and administrative offences applicable to DNFBPs identified by the FIU. Following an extension, these resolutions will now apply to all accountants, lawyers and real estate agents. The range of sanctions applicable under the Administrative Resolution is graded according to the severity of the infringements, classifying them as minor, moderate, and serious, from which sanctions may be applied, including written warnings, fines, or temporary suspension. This range of sanctions, which was already applicable to DNFBPs previously incorporated with the restriction of “large taxpayers,” is extended to all REs with the elimination of the restriction.

101. On the other hand, SENARECOM enforces the sanctions regime in accordance with paragraph III of article 495 of Law No. 393 on Financial Services and the Regulations for the Application of Administrative Sanctions and Infractions. This is done through Board Resolution No. 001/2025 of January 24<sup>th</sup>, 2025, which sets out the sanctions for offences committed by precious metals and precious stones dealers, includes Annex 1, which identifies a range of sanctions based on the severity of the infringements, classifying them as minor, moderate, and serious, from which a range of penalties may be applied, including written warnings, fines, or temporary suspension. In this way, the designation of the precious metals and precious stones trading sector as an RE was confirmed, SENARECOM was designated as its supervisor, and the Regulation was approved. This Regulation sets out the administrative sanctions to be applied if the sector commits any infraction, which are graded according to their severity and may be subject to different types of penalties, as appropriate.

102. Regardless of the measures implemented with respect to DNFBPs, there is still no information on how sanctions applicable to the NPO sector are to be modified. Consequently, the deficiency relating to the sector persists. In this sense, the range of applicable sanctions for the most vulnerable NPOs is neither effective nor proportionate. The only applicable sanction is the revocation of legal status or operating license, without considering other sanctions, such as warnings or fines, or the removal of officials, which could align the sanctions with the required proportionality.

## II) Conclusion:

103. In line with the above analysis, the deficiencies identified in the MER with regard to the RE sectors have been addressed. However, there is still a deficiency regarding the range of applicable sanctions in the NPO sector, as no additional information on the sanctions applicable to this sector has been provided. This means that the sanctions are not fully effective or proportionate. However, in the broader context of R.35, it is considered that this is a minor deficiency and that most of the elements of the Criterion have been addressed.

104. On the basis of the above, criterion 35.1 is **mostly met**.

### Criterion 35.2

#### I) Analysis:

105. The scope is extended to lawyers, accountants and real estate agents with the inclusion of all DNFBPs as REs, as established in Resolution UIF/78/2023, discarding the previous limitation to large taxpayers. Conversely, Resolution UIF/29/2024, dated June 28<sup>th</sup>, 2024, establishes the designation of precious metals and precious stones dealers as REs and appoints SENARECOM as the supervisor of this sector.

106. Regarding the AEMP, the supervisor is bound by the regulation on the application of sanctions and administrative offences for AML/CFT, as amended by RA/AEMP/DJ No. 52/2024, dated March 29<sup>th</sup>, 2024. Specifically, articles 18 and 19 set out the sanctions that will be imposed on directors, senior management and officials responsible for the REs if they fail to comply with the obligations set out in article 25 of Supreme Decree No. 4904.

107. By contrast, SENARECOM approved the AML/CFT Regulations for the Application of Administrative Sanctions and Infractions by means of Board Resolution No. 001/2025. Articles 16 and 17 set out the sanctions regime for directors, senior management and officials responsible for the REs if they fail to comply with the obligations set out in article 25 of SD No. 4904.

#### II) Conclusion:

108. Based on the above analysis, the shortcomings identified in the MER have been addressed. As supervisors of the DNFBP sectors excluded from the MER, the AEMP and SENARECOM should apply administrative sanctions for AML/CFT matters to REs, directors, managers, administrators, competent officials and members of the Compliance Unit, as well as any dependent employees.

109. Therefore, criterion 35.2 is **met**.

### General conclusion on Recommendation 35

110. Bolivia has made significant progress by adopting the necessary regulations to include all DNFBPs as REs and to designate the dealers in precious metals and stones sector as an RE through Administrative Resolutions UIF/78/2024 amending AR UIF/25/23 and UIF/29/2024, respectively. Manuals and guides have also been approved for each sector, covering the

requirements and characteristics set out in the standard. It is therefore considered that the deficiencies identified in relation to this Recommendation have been mostly overcome.

111. These measures ensure that supervisory tools are applicable to the entire DNFBP sector. They provide for the proper application of the risk level of each sector subject to AML/CFT compliance monitoring systems, together with a supervisory plan. The gradual nature of the sanctions applicable for non-compliance in NPOs remains a shortcoming, as they are not perceived as proportionate or effective. However, in the broader context of R.35, this is considered a minor deficiency, and the moderate deficiencies indicated by the MER are deemed to have been addressed. Likewise, the minor deficiency related to the recurrence of sanctions for the notarial sector identified in the MER persists.

112. In view of the above, it is proposed that Recommendation 35 be re-rated as **Largely Compliant**.

#### IV. CONCLUSION

113. In view of the progress made by Bolivia since the adoption of its MER, it is proposed that its technical compliance with the FATF Recommendations be re-rated as follows:

**Table 2. Technical Compliance Ratings, December 2023**

R.1	R.2	R.3	R.4	R.5	R.6	R.7	R.8	R.9	R.10
LC	C	LC	C	LC	LC	C	PC	C	LC
R.11	R.12	R.13	R.14	R.15	R.16	R.17	R.18	R.19	R.20
C	C	LC	C	PC	LC	C	LC	LC	LC
R.21	R.22	R.23	R.24	R.25	R.26	R.27	R.28	R.29	R.30
PC	C	LC	LC	C	LC	C	C	C	C
R.31	R.32	R.33	R.34	R.35	R.36	R.37	R.38	R.39	R.40
PC	LC	C	LC	LC	LC	LC	LC	LC	LC

Note: There are four possible levels of technical compliance: Compliant (C), Largely Compliant (LC), Partially Compliant (PC) and Non-Compliant (NC).

114. On the basis of the approved follow-up procedures for the Fourth Round and the roadmap for the preparation of the Fifth Round of Mutual Evaluations, Bolivia will continue its follow-up under the corresponding FATF ICRG process.