

## Executive Summary

1. This report summarises the anti-money laundering and counter-terrorist financing (AML/CFT) measures in place in the United Kingdom of Great Britain and Northern Ireland (UK) as at the date of the on-site visit from 5 to 23 March 2018. It analyses the level of compliance with the FATF 40 Recommendations and the level of effectiveness of the UK's AML/CFT system, and provides recommendations on how the system could be strengthened.

### Key Findings

- a) The UK has a robust understanding of its ML/TF risks which is reflected in its public national risk assessments (NRAs). National AML/CFT policies, strategies and activities seek to address the risks identified in the NRAs. National co-ordination and co-operation on AML/CFT issues at both the policy and operational levels has improved significantly since the last evaluation.
- b) The UK proactively investigates, prosecutes and convicts a range of TF activity, in line with its identified risks in this area. A particularly positive feature of the system is the strong public/private partnership on TF matters. This is facilitated by the Joint Money Laundering Intelligence Task Force (JMLIT) which facilitates public/private information sharing including on TF and ML investigations.
- c) The UK routinely and aggressively identifies, pursues and prioritises ML investigations and prosecutions. It achieves around 7 900 investigations, 2 000 prosecutions and 1 400 convictions annually for standalone ML or where ML is the principal offence. The UK investigates and prosecutes a wide range of ML activity. Investigations of high-end ML (a long-standing risk area for the UK) have increased since being prioritised in 2014. These cases generally take years to progress to prosecution and conviction and limited statistics are available on high-end ML investigations, prosecutions and convictions prior to its prioritisation in 2014. As a result, it is not yet clear whether the level prosecutions and convictions of high-end ML is fully consistent with the UK's threats, risk profile and national AML/CFT policies.

- d) Another strong point of the system is that all entities within the FATF definition of *financial institutions* and all DNFBPs are subject to comprehensive AML/CFT requirements and subject to supervision. Supervisors' outreach activities, and fitness and proprietary controls are generally strong. Each supervisor takes a slightly different approach to risk-based supervision. However, while positive steps have been taken, there are weaknesses in the risk-based approach to supervision even among the statutory supervisors.
- e) The UK has been a leader in designating terrorists at the UN and EU level, and takes a leading role promoting effective global implementation of proliferation-related TFS. The UK has frozen assets and other funds pursuant to its proliferation financing sanctions program and taken steps to increase the overall effectiveness of its targeted financial sanctions (TFS) regime, including through the creation of the Office of Financial Sanctions Implementation and the strengthening of penalties for breaching TFS. However, minor improvements are required in relation to applying penalties for sanctions breaches, ensuring consistent application of TFS and communicating designations immediately. The UK has a good understanding of the TF risks associated with NPOs and has been effective in taking action to protect the sector from abuse. The UK also has a robust confiscation regime through which it can and does deprive terrorists of assets.
- f) Available financial intelligence and analysis is regularly used by a wide range of competent authorities to support investigations of ML/TF and related predicate offences, trace assets, enforce confiscation orders and identify risks. However, the UK has made a deliberate policy decision to limit the role of the UK Financial Intelligence Unit (UKFIU) in undertaking operational and strategic analysis which calls into question whether suspicious activity report (SAR) data is being fully exploited in a systematic and holistic way and providing adequate support to investigators. Additionally, while reports of a high quality are being received, the SAR regime requires a significant overhaul to improve the quality of financial intelligence available to the competent authorities.
- g) The UK is a global leader in promoting corporate transparency and has a good understanding of the ML/TF risks posed by legal persons and arrangements. The UK has a comprehensive legal framework requiring all financial institutions and all DNFBPs to conduct customer due diligence and obtain and maintain beneficial ownership information in a manner that is generally in line with the FATF requirements. Beneficial information on trusts is available to the competent authorities through a registry of trusts with tax consequences in the UK. The information in the trust register is verified for accuracy, but the register itself is not yet fully populated. For legal persons, basic and beneficial ownership information is freely and immediately available to the public and all competent authorities through a central public register. This information is not verified for accuracy which limits its reliability. Authorities confirmed that beneficial ownership information, where held in the UK, was obtainable for investigative purposes in a timely manner via available informal and formal investigative tools, including JMLIT and the NCA s.7 gateway.

## Risks and General Situation

2. The UK faces significant ML risks from overseas, in particular from other financial centres (including some of its Overseas Territories and Crown Dependencies), due to its position as a major global financial centre and the world's largest centre for cross-border banking. In particular, the UK is vulnerable and at risk of being used as a destination or transit location for criminal proceeds. Criminal activity in the UK also generates a significant amount of proceeds although domestic crime levels have continued to decrease over the past 20 years. The main money laundering (ML) risks include high-end ML, cash-based ML, and the laundering of proceeds from fraud and tax offences, drug offending and human trafficking, and organised crime. The UK also faces particular and significant risks from laundering the proceeds of foreign predicate crimes, including transnational organised crime and overseas corruption

3. The UK faces severe threats from international terrorism. Terrorist financing activity in the UK is usually low-level, involving small amounts of funds raised by UK-based individuals to fund their own travel to join terrorist groups, to send to terrorist associates, or to finance their own terrorist attack plans. The UK also faces threats from Northern Ireland-related terrorism which are rated severe in Northern Ireland and substantial in Great Britain. The nature of the Northern Ireland-related terrorism threat has evolved with paramilitaries and terrorist groups focusing on forms of organised crime which are not all specifically intended to raise funds for terrorism.

## Overall Level of Compliance and Effectiveness

4. The UK has implemented an AML/CFT system that is effective in many respects. Particularly good results are being achieved in the areas of investigation and prosecution of ML/TF, confiscation, the implementation of targeted financial sanctions related to terrorism and proliferation, protecting the non-profit sector from terrorist abuse, understanding the ML/TF risks facing the country, preventing misuse of legal structures and co-operating domestically and internationally to address them. However, major improvements are needed to strengthen supervision and implementation of preventive measures, and ensure that financial intelligence is fully exploited.

5. In terms of technical compliance, the legal framework is particularly strong with only two areas in need of significant improvements—measures related to correspondent banking and the UKFIU.

6. The UK has significantly strengthened its AML/CFT framework since its last evaluation particularly in relation to operational co-ordination among law enforcement agencies, stronger investigative tools, mechanisms to facilitate public/private information sharing, and the creation of an authority to address inconsistencies in the supervision of lawyers and accountants. One important issue which is outstanding from the previous assessment is the need to enhance the resources and capabilities available to the UKFIU.

## *Assessment of risk, co-ordination and policy setting (Chapter 2; IO.1, R.1, 2, 33 & 34)*

7. Overall, the UK has a robust understanding of its ML/TF risks. This is reflected in the National Risk Assessments (NRA) which are public documents. National

AML/CFT policies, strategies and activities seek to address the risks identified in the NRA. For example: new investigative tools and powers were introduced to enhance the ability to investigate and prosecute ML and TF; the Joint Money Laundering Intelligence Task Force (JMLIT) was made permanent to enhance public/private information sharing; international liaison officers were posted abroad to enhance the UK's ability to provide international co-operation; Office for Professional Body Anti-Money Laundering Supervision (OPBAS) was created to address identified inconsistencies in the supervision of lawyers and accountants; and a public registry of beneficial ownership information was established to increase transparency.

8. National co-ordination and co-operation on AML/CFT issues at the policy and operational levels has improved significantly since the last evaluation. This is particularly evident in relation to operational level co-ordination among law enforcement agencies (LEAs) across all jurisdictions in the UK.

***Financial intelligence, ML investigations, prosecutions and confiscation (Chapter 3; IO.6, 7, 8; R.3, 4, 29–32)***

*Use of financial intelligence (Immediate Outcome 6)*

9. The competent authorities, including LEAs at the national, regional and local levels, all have access to and regularly use a broad range of financial intelligence and other relevant information to investigate ML/TF and predicate offences, and trace criminal proceeds. Even the smaller police forces have specialist financial investigators which enhances their ability to use financial intelligence in investigations. A particularly strong feature is JMLIT. JMLIT is an innovative model for public/private information sharing that has generated very positive results since its inception in 2015 and is considered to be an example of best practice.

10. The UK has pursued a deliberate policy decision to limit the role of the UKFIU in undertaking operational and strategic analysis. The UKFIU suffers from a lack of available resources (human and IT) and analytical capability which is a serious concern considering similar issues were raised over a decade ago in the UK's previous FATF mutual evaluation. The limited role of the UKFIU calls into question the quality of financial intelligence available to investigators. This is somewhat mitigated by the direct access that law enforcement agencies (LEAs) and supervisory authorities have to the UKFIU database, enabling them to apply their own resources to analysing the financial intelligence from SARs, in line with their own operational needs. However, the assessment team was not convinced that the gaps in the UKFIU are being adequately filled by other agencies such that financial intelligence is fully exploited in the context of the significant ML/TF risks faced by the UK. The limited role of the UKFIU also undercuts its ability to effectively share information with foreign FIUs.

11. While a significant number of high-quality SARs are received, the SAR regime needs a significant overhaul which would improve the financial intelligence available to the competent authorities (see also Chapter 5 on IO.4). While the full range of financial institutions (FIs) and designated non-financial businesses and professions (DNFBPs) are required to report SARs, there remains an underreporting of suspicious transactions by higher risk sectors such as trust and company service providers (TCSPs), lawyers, and accountants.

### *ML offence (Immediate Outcome 7)*

12. The UK routinely and aggressively pursues money laundering investigations. Over 2 000 prosecutions and 1 400 convictions are achieved annually in cases of standalone ML or where ML was the primary offence. All relevant law enforcement authorities prioritise ML and financial investigations, including at the regional and local level. Investigative tools and information-sharing gateways are robust, and resources are applied flexibly both within and across enforcement agencies to respond to investigative needs. Case studies show that the UK is able to investigate and successfully prosecute a wide range of ML activity in line with the risks identified in the NRA. Where a ML conviction is obtained, the sentences appear to be effective, proportionate, and dissuasive. Where prosecution is not possible, the UK actively uses a wide array of other alternative measures to disrupt offenders, including pursuing the predicate offence, seeking civil recovery, taking action for tax offences, or obtaining serious crime prevention orders to restrict behaviour.

13. The UK's focus on pursuing high-end ML is relatively new (dating from December 2014), although high-end ML was pursued to a lesser extent prior to this date as part of LEAs' focus on other complex offending. Since being prioritised by law enforcement in December 2014, the number of high-end ML investigations has risen. However, because such cases are complex and generally take years to complete and statistics in this area are not comprehensive, the UK is not yet able to demonstrate that its level of prosecutions and convictions of high-end ML is fully consistent with its threats, risk profile and national AML/CFT policies.

### *Confiscation (Immediate Outcome 8)*

14. The UK pursues confiscation as a policy objective. It has restrained 1.3 billion and recovered 1 billion since 2014 using POCA, civil recovery, and agency-specific disgorgement mechanisms. HMRC has recovered a further GBP 3.4 billion since 2016 using its tax powers. The UK has demonstrated its ability to recover assets in a range of ML and TF cases. LEAs routinely pursue financial investigations to identify assets for the purpose of recovery and there are many examples of specialised asset recovery units at the national and regional levels.

15. Once assets are identified, a variety of tools are available to the UK authorities including criminal restraint and confiscation, civil forfeiture, cash forfeiture, unexplained wealth orders, and a novel hybrid approach of combining civil recovery with tax powers which permits the UK to recover assets from entities and individuals with tax liabilities in the UK. Where another jurisdiction is involved and depending on the circumstances, the UK is willing to pursue asset sharing or repatriation.

16. Cash is seized at the border and the authorities proactively target high-risk ports. Increasing threats posed by cash in freight have been identified and cases were provided which show that the border authorities are working to improve detection and seizure in this area.

*Terrorist and proliferation financing (Chapter 4; IO.9, 10, 11; R. 1, 4, 5–8, 30, 31 & 39.)**TF offence (Immediate Outcome 9)*

17. The UK proactively and systematically investigates TF alongside terrorism-related investigations. Case studies demonstrate that a range of TF activity is pursued, and that TF is prosecuted as a distinct criminal activity. TF investigations are well-integrated into broader counter-terrorism strategies, and agencies co-ordinate and co-operate well across jurisdictions, regions, and sectors. Notably, counter-terrorism financing authorities have a close and fruitful relationship with both financial institutions and the non-profit organisation (NPO) sector. All TF convictions are subject to an expectation of imprisonment. The UK has demonstrated its ability and willingness to use all available measures to disrupt TF, including freezing, seizure, and confiscation, as well as the removal of legitimate benefits and entitlements, orders to restrict activity and movement, and new powers which permit the seizure of funds in bank accounts. For example, LEAs in Northern Ireland have adapted to the changing and very specific nature of TF in their jurisdiction by pursuing alternative offences, particularly relating to organised crime, to investigate and prosecute potential TF activities.

*Preventing terrorists from raising, moving and using funds (Immediate Outcome 10)*

18. Working closely with other countries, the UK actively proposes and co-sponsors individuals and entities for designation pursuant to UNSCR 1267/1988, 1989 and their successor resolutions. It has also implemented domestic measures for the purposes of UNSCRs 1267 and 1373 to remove the delay which currently exists under the EU sanctions regime. The UK proactively makes national designations pursuant to UNSCR 1373 and requests other countries to take freezing action as appropriate. It implements targeted financial sanctions (TFS) without delay and has successfully frozen terrorist-related assets pursuant to both UNSCR regimes. TFS designations are effective without delay in the UK. They are communicated within one business day, although this can sometimes take up to three or four calendar days.

19. The Office of Financial Sanctions Implementation (OFSI) was established in 2016 and has undertaken a great deal of communication with the industry to increase awareness of their TFS obligations. However, outside of the larger banks and MSBs, and particularly amongst DNFBPs, there is uneven understanding and application of TFS. There are also weaknesses in supervision (see IO.3) and the application of sanctions where breaches of these requirements are found, although several investigations are underway.

20. The UK has a good understanding of the TF risks associated with NPOs and applies a targeted risk-based approach to mitigating those risks. The three national charities regulators and OFSI engage regularly with the sector on these issues, have conducted extensive outreach and issued useful guidance. As centralised points of contact, the national charities regulators facilitate the ability of LEAs to investigate NPOs suspected of being abused by terrorist financiers, and provide international co-operation in such cases. There are cases demonstrating the UK's success in helping to protect the sector from such abuse. The UK also has a robust confiscation regime through which it applies both criminal and civil measures to deprive terrorists of their assets. Overall, the UK's measures are generally consistent with its overall risk profile.



*Proliferation financing (Immediate Outcome 11)*

21. The UK takes a leading role promoting effective global implementation of proliferation-related TFS, has designating entities under the UN and EU proliferation financing (PF) sanctions regimes and has frozen assets under both the Iran and DPRK sanctions regimes. Countering proliferation financing is a strategic priority for the UK and it has implemented national measures to close the gaps in the EU system to implement proliferation-related TFS without delay. TFS designations are effective without delay in the UK. They are communicated within one business day, although this can sometimes take up to three or four calendar days.

22. The UK has a range of mechanisms for addressing proliferation financing in a co-ordinated fashion, including OFSI which was recently created to increase the focus on these issues. OFSI's outreach has improved financial institutions' understanding of their obligation to implement TFS, particularly in the banking sector, where proliferation-related assets are most likely to be found. However, other sectors show less awareness and the issues identified in IO.10 in relation to weaknesses in supervision and the application of sanctions for breaches of these requirements by the NCA and OSFI apply equally here.

*Preventive measures (Chapter 5; IO.4; R.9–23)*

23. The UK has extremely large and diverse financial and DNFBP sectors. The level and types of ML/TF risks affecting individual FIs and DNFBPs vary, as do the ML/TF risks facing particular sectors. All of the entities performing activities covered by the FATF Standards are required to apply a range of AML/CFT preventive measures under the Money Laundering Regulations 2017. These requirements are comprehensive and consistent across all sectors.

24. AML/CFT compliance is not consistent across different categories of financial institutions. While SARs of a high quality are being received, there are concerns about the low level of SAR reporting in many sectors, including some identified as being at high risk, and the large number of poor quality SARs being filed even among banks which submit 85% of SARs filed. The banking sector plays a predominant role in the UK and the international financial system. Overall, the understanding of ML/TF risks and obligations and implementation of AML/CFT measures appears most developed among the banks which demonstrated awareness of their AML/CFT risks in line with the NRA. Other large FIs (MSBs, insurance providers, investment firms and wealth managers) display a good understanding of risks and AML/CFT compliance requirements in their sectors; however, both banks and MSBs, particularly smaller firms, have a mixed understanding of risk.

25. The understanding of ML/TF risk is much less developed among DNFBPs as the requirement for these entities to undertake a written risk assessment is fairly recent. While larger legal, accountancy and TCSP firms understand their ML risks and have the resources to mitigate them, the understanding is uneven in these sectors. The multiplicity of supervisors in these sectors does not aid a consistent approach, although the UK has created OPBAS to specifically address these issues. Casinos appear to have a good understanding of industry-specific risks, although the degree of understanding varies across the industry. High value dealers are less aware of their ML/TF risks and receive little guidance or supervision. Real estate agents play a minor role in the

financial aspect of property transactions in the UK and their industry's understanding of risk is likely highly variable.

***Supervision (Chapter 6; IO.3; R.26–28, 34, 35)***

26. All of the regulated activities under the FATF Standards are supervised for AML/CFT compliance under the UK regime. Generally, there are strong systems in place for doing background checks and looking at the fitness and propriety of persons owning or controlling regulated activities.

27. The FCA and Revenue and Customs (HMRC) have a good understanding of ML/TF risks which is in line with the NRA. Their sectoral risk understanding is also strong, but they did not demonstrate the ability to develop an accurate picture of risks at the firm-specific level. While the main legal sector supervisor displayed a good understanding of risks facing their sector, there is a mixed understanding of risks amongst the other self-regulatory bodies (SRBs), particularly the smaller ones. The Gambling Commission displayed a very strong understanding of risks both at a sector and firm-specific level.

28. A risk-based approach to supervision is mandated under the 2017 Money Laundering Regulations and each supervisor takes a slightly different approach. The FCA's supervision model focuses on the 14 largest retail and investment banks and an additional 156 smaller firms assessed as higher risk. It is positive that the FCA has recently expanded its supervisory focus (including through the Risk Assurance Reviews and the Annual Data Return). However, the FCA should consider how to ensure appropriate intensity of supervision for all the different categories of its supervisory population from low risk to high risk considering that the FCA has a supervisory population of over 19 600 and that, outside of the 170 firms covered by its systematic and proactive supervision programs, there are a significant number of firms undertaking high and medium risk activities falling outside its regular, cyclical supervisory attention. HMRC develops tactical plans rather than having a cyclical inspection cycle and the risk tool it uses to assess firms individually has only recently been introduced and should be reviewed to ensure it is sufficiently ML/TF focused and effective. While positive steps have been taken, some other supervisors tend to focus on the largest firms in their supervisory pool rather than taking a more comprehensively risk-based approach.

29. The FCA and HMRC have taken remedial actions and levied sanctions against both firms and individuals. The introduction of the Senior Managers and Certification Regime with the designation of Money Laundering Reporting Officer (MLRO) as a senior management function is also a positive development that many firms highlighted as encouraging a stronger compliance culture. There is an increasing trend in FCA and HMRC levying penalties for serious failings. For the accountancy and legal sectors, while remedial actions have been taken, and sanctions levied against both firms and individuals, the scope to enhance sanctions has been identified as an issue by the government. Supervisors have taken concrete steps to promote a clear understanding of AML/CFT obligations. In many cases, guidance is developed with the regulated sector clearly demonstrating the supervisors' willingness to work with the sectors they supervise and their commitment to improve understanding of ML/TF risks.



***Transparency and beneficial ownership (Chapter 7; IO.5; R.24, 25)***

30. The UK has acted as a global leader in this space, promoting the use of public registers of beneficial ownership and using a variety of fora to encourage transparency in this area. The UK has a good understanding of the ML/TF risks posed by legal persons and arrangements. This understanding is shared by relevant LEAs and policy bodies and was reflected in the 2017 NRAs. The UK acknowledges the risks posed by UK corporate structures and Scottish Limited Partnerships, and is taking steps to mitigate these risks. This includes its recent establishment of the People with Significant Control (PSC) register which is fully public and highly transparent and the development of HMRC's register of trusts with UK tax consequences which is accessible by LEAs upon request. The UK has also implemented a comprehensive legal framework which requires all financial institutions and all DNFBPs to obtain and maintain beneficial ownership (BO) information in a manner which is in line with the FATF requirements and entities appear to comply with these requirements.

31. LEAs can access accurate and up-to-date beneficial ownership information from financial institutions and DNFBP in a timely fashion through a range of available informal and formal investigative tools, including JMLIT and the NCA's s.7 gateway. The process is more complicated and less timely where the company holds accounts abroad. Accessing the PSC register on-line is quick and easy, however, while the information in the register is subject to basic checks it remains largely unverified. Individuals and entities are not screened against targeted financial sanctions lists when registering companies. Financial institutions and DNFBPs (which use the register as one aspect of customer due diligence (CDD) information) and LEAs confirmed that the register information is sometimes inaccurate. Although such inaccuracies may be reported to Companies House for correction, there is not yet an obligation to do so and this does not always happen in practice. A legal requirement on FIs and DNFBPs to report inaccuracies will come into force in January 2020. When notified of an inaccuracy, Companies House follows up with the company concerned to encourage compliance. Sanctions are used as a last resort where compliance is not achieved prior to prosecution.

***International co-operation (Chapter 8; IO.2; R.36–40)***

32. In general, the UK provides a broad range of constructive mutual legal assistance and extradition. Informal co-operation amongst LEA and prosecutorial authorities is facilitated through an extensive overseas criminal justice network, including intelligence officials, investigators, and prosecutors, who are posted to jurisdictions in a targeted fashion which is in line with the UK's identification of risk. Another particularly strong feature of the system is the public/private information sharing through JMLIT to which foreign counterparts may submit requests for consideration. International co-operation with other EU member states is facilitated by a wide range of regional co-operation tools and information-sharing gateways that streamline and speed up the process. This is an important feature as an overwhelming majority of the UK's international co-operation, including 80% of incoming MLA requests, is with other EU member states.

33. However, there remains room for improvement. Formal international co-operation would benefit from better co-ordination for requests routed through the Home Office UK Central Authority (UKCA) to ensure timely assistance is provided. The

limitations of the UKFIU (see Chapter 3 under IO.6) impact its ability to provide co-operation and the scope of assistance it is expected to provide to requesting FIUs. Although, in theory, the public PSC register should facilitate the UK's ability to respond to international requests for beneficial ownership information on legal persons, international counterparts are usually referred to the registry without being alerted to the issues concerning the accuracy of the information.

### Priority Actions

- a) Substantially increase the human resources available to the UKFIU and review the UKFIU's role to ensure that financial intelligence is fully exploited in the context of the significant ML/TF risks faced by the UK and so it is better able to co-operate with foreign FIUs. Substantially increase the UKFIU's IT capacity, including by updating analysis software, ensuring sophisticated screening of SARs and allowing automatic checks against multiple databases.
- b) Prioritise reform of the SAR regime, including by modernising reporting mechanisms so they are fit-for-purpose for the whole range of reporting entities and making the on-line SAR form (or its replacement) more user-friendly.
- c) Continue to improve the quality of information available on the PSC register to ensure that the information is accurate and up-to-date by: pursuing planned work with OFSI to screen information against sanctions lists and share this information as appropriate; ensuring that FIs, DNFBPs and LEAs report identified discrepancies to Companies House; continuing to improve the register's functionality (facilitate searching); where appropriate, clearly flagging in the register any discrepancies reported by FIs, DNFBPs, or LEAs; and ensuring Companies House continues to report suspicions to relevant authorities, including by filing a SAR as appropriate.
- d) The FCA should consider how to ensure appropriate intensity of supervision for all the different categories of its supervisory population from low risk to high risk. HMRC should consider how to ensure appropriate intensity of supervision for all the different categories of its supervisory population from low risk to high risk. HMRC should ensure that it properly takes into account ML/TF when risk rating firms subject to their supervision. Supervisors should continue to ensure, in accordance with the increased trend for levying penalties, that proportionate, dissuasive and effective sanctions are applied for violations of AML/CFT and sanctions obligations.
- e) Continue its efforts to address the significant weaknesses in supervision by the 22 legal and accountancy sector supervisors through: ensuring consistency in ML/TF risk understanding; taking a risk-based approach to supervision; and ensuring that effective and dissuasive sanctions apply. The UK should closely monitor the impact of the Office for Professional Body Anti-Money Laundering Supervision (OPBAS) in undertaking this work.

- f) Ensure the UKFIU provides assistance to a larger extent to international partners.
- g) To the extent possible, work with international partners to endeavour to ensure that the UK continues to use and access regional co-operation tools and information-sharing gateways comparable to those available to the UK under the EU framework.

## Effectiveness & Technical Compliance Ratings

*Effectiveness Ratings (High, Substantial, Moderate, Low)*

<b>IO.1 - Risk, policy and coordination</b>	<b>IO.2 - International cooperation</b>	<b>IO.3 - Supervision</b>	<b>IO.4 - Preventive measures</b>	<b>IO.5 - Legal persons and arrangements</b>	<b>IO.6 - Financial intelligence</b>
<b>High</b>	<b>Substantial</b>	<b>Moderate</b>	<b>Moderate</b>	<b>Substantial</b>	<b>Moderate</b>
<b>IO.7 - ML investigation &amp; prosecution</b>	<b>IO.8 - Confiscation</b>	<b>IO.9 - TF investigation &amp; prosecution</b>	<b>IO.10 - TF preventive measures &amp; financial sanctions</b>	<b>IO.11 - PF financial sanctions</b>	
<b>Substantial</b>	<b>Substantial</b>	<b>High</b>	<b>High</b>	<b>High</b>	

*Technical Compliance Ratings (Technical Compliance Ratings (C - compliant, LC – largely compliant, PC – partially compliant, NC – non compliant))*

<b>R.1 - assessing risk &amp; applying risk-based approach</b>	<b>R.2 - national cooperation and coordination</b>	<b>R.3 - money laundering offence</b>	<b>R.4 - confiscation &amp; provisional measures</b>	<b>R.5 - terrorist financing offence</b>	<b>R.6 - targeted financial sanctions – terrorism &amp; terrorist financing</b>
<b>LC</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>LC</b>
<b>R.7 - targeted financial sanctions - proliferation</b>	<b>R.8 - non-profit organisations</b>	<b>R.9 - financial institution secrecy laws</b>	<b>R.10 - Customer due diligence</b>	<b>R.11 - Record keeping</b>	<b>R.12 - Politically exposed persons</b>
<b>LC</b>	<b>C</b>	<b>C</b>	<b>LC</b>	<b>C</b>	<b>C</b>
<b>R.13 - Correspondent banking</b>	<b>R.14 - Money or value transfer services</b>	<b>R.15 - New technologies</b>	<b>R.16 - Wire transfers</b>	<b>R.17 - Reliance on third parties</b>	<b>R.18 - Internal controls and foreign branches and subsidiaries</b>
<b>PC</b>	<b>C</b>	<b>LC</b>	<b>C</b>	<b>LC</b>	<b>LC</b>
<b>R.19 - Higher-risk countries</b>	<b>R.20 - Reporting of suspicious transactions</b>	<b>R.21 - Tipping-off and confidentiality</b>	<b>R.22 - DNFBPs: Customer due diligence</b>	<b>R.23 - DNFBPs: Other measures</b>	<b>R.24 - Transparency &amp; BO of legal persons</b>
<b>LC</b>	<b>C</b>	<b>C</b>	<b>LC</b>	<b>LC</b>	<b>LC</b>
<b>R.25 - Transparency &amp; BO of legal arrangements</b>	<b>R.26 - Regulation and supervision of financial institutions</b>	<b>R.27 - Powers of supervision</b>	<b>R.28 - Regulation and supervision of DNFBPs</b>	<b>R.29 - Financial intelligence units</b>	<b>R.30 - Responsibilities of law enforcement and investigative authorities</b>
<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>PC</b>	<b>C</b>
<b>R.31 - Powers of law enforcement and investigative authorities</b>	<b>R.32 - Cash couriers</b>	<b>R.33 - Statistics</b>	<b>R.34 - Guidance and feedback</b>	<b>R.35 - Sanctions</b>	<b>R.36 - International instruments</b>
<b>C</b>	<b>LC</b>	<b>LC</b>	<b>C</b>	<b>C</b>	<b>C</b>
<b>R.37 - Mutual legal assistance</b>	<b>R.38 - Mutual legal assistance: freezing and confiscation</b>	<b>R.39 - Extradition</b>	<b>R.40 - Other forms of international cooperation</b>		
<b>LC</b>	<b>C</b>	<b>C</b>	<b>LC</b>		