This Bulletin provides a brief update on the Mutual Evaluation Reports and Follow-up Reports recently published by the Financial Action Task Force (FATF). For additional details, please see the FATF public website.

Mutual Evaluation Report

The Russian Federation

- The Russian Federation (Russia) has an in-depth understanding of its money laundering and terrorist financing risks and has established policies and laws to address these risks, but it should enhance its approach to supervision and prioritise the investigation and prosecution of complex money laundering cases, especially concerning money being laundered abroad.
- The FATF, the Eurasian Group and MONEYVAL, assessed Russia's anti-money laundering and counter terrorist financing (AML/CFT) system. The Mutual Evaluation Report of Russia 2019 (pdf, 4.8Mb) is a comprehensive review of the effectiveness of Russia's measures and their compliance with the FATF Recommendations. Key findings, ratings and priority actions can be found here.
- Russia recognises that it faces significant money laundering risks as a result of the proceeds of crimes committed within the country, in particular those related to corruption and its role as both a transit and destination country for narcotics trafficking. A national risk assessment, complemented by in-depth knowledge of relevant law enforcement agencies, has allowed the country to identify and understand its risks, including terrorist financing risks.
- Russia's legal framework appropriately addresses these risks and the country has formal policies in place, supported by strong domestic co-ordination and co-operation, to combat money laundering and terrorist financing. However, the country needs to address gaps in its ability to freeze, without delay, assets linked to terrorism, financing of terrorism and proliferation of weapons of mass destruction, and ensure that this freezing obligation extends to all natural and legal persons.
- In general, Russia cooperates with foreign counterparts, including through more than 100 international co-operation agreements with its financial intelligence unit, Rosfmonitoring. Authorities make excellent use of financial intelligence, based on a wealth of collected data and analysed with sophisticated technologies to contribute to money laundering and terrorist financing investigations. While the country has prioritised getting money back for the victims of crimes – around EUR 816 million per year – it needs to focus more on the investigation and prosecution of complex money laundering cases, especially concerning money being laundered abroad.
- Russia has strengthened its oversight of the banking sector and has now mitigated the risks of criminals being the owners or controllers of financial institutions. However, deficiencies in licensing remain and the sanctions for banks that do not comply with AML/CFT requirements are not effective or dissuasive.
- In general, financial and certain non-financial entities such as accountants and auditors, have a good understanding of how their services could be used to launder the proceeds of criminal activity or terrorist financing, but given that Russia is a significant centre for mining precious metals and stones, this sector's understanding of risk is not in line with the country's risk assessment.
- The FATF adopted this report at its October 2019 Plenary meeting.
Turkey has understood the risks it faces from money laundering and terrorist financing but serious shortcomings remain, including the need to improve measures for freezing assets linked to terrorism and proliferation of weapons of mass destruction.

The FATF assessed Turkey's AML/CFT system. The Mutual Evaluation Report of Turkey 2019 (pdf, 3.3Mb) is a comprehensive review of the effectiveness of Turkey's measures and their compliance with the FATF Recommendations. Key findings, ratings and priority actions can be found here.

Turkey completed a national risk assessment in 2018. Due to its geographic location, the country faces the greatest money laundering risks from drug trafficking, migrant smuggling, human trafficking and fuel smuggling. The country also faces significant terrorist financing risks from both national and international threats.

In recent years, Turkey has significantly strengthened relevant laws and regulations. They form the foundation for positive action to address these risks and detect and prevent criminals and terrorist from misusing the financial system. However, it needs to swiftly improve implementation in a number of areas to boost effectiveness.

Authorities cooperate and coordinate well but they need to make better use of financial intelligence to improve and increase the number of money laundering investigations which currently result in few convictions only. The country must also develop a national strategy to permanently deprive criminals of the proceeds of their crimes.

When investigating terrorist financing cases, Turkey’s authorities focus largely on identifying the assets held by terror suspects, rather than expanding the scope to include the collection, movement, and use of funds or other assets. Turkey also needs to fundamentally improve its ability to freeze, without delay, assets linked to terrorism, financing of terrorism and proliferation of weapons of mass destruction.

Turkey's authorities demonstrated a substantial level of effectiveness in their co-operation with foreign counterparts on a variety of requests and sharing information both spontaneously and on requests.

The Turkish banking sector has a good understanding of its potential exposure to transactions with links to crime, but less understanding of their exposure to terrorist financing. Non-financial entities, such as real estate agents, dealers in precious metal and stones have a less comprehensive and sometimes limited understanding of the risks they face. Supervision of the financial and other relevant sectors is generally well-developed but sanctions for non-compliance are not always effective, proportionate and dissuasive.

The FATF adopted this report at its October 2019 Plenary meeting.
5th Year Follow-up Assessment

**Norway**

- Since its mutual evaluation in 2014, Norway has worked to improve the effectiveness of its national framework to combat money laundering and terrorist financing.
- The FATF has conducted a 5th year follow-up assessment that looks at the effectiveness of Norway's measures on five issues, or 'Immediate outcomes'.
- To reflect the country's progress, the FATF has re-rated Norway on three of these immediate outcomes - Risk, Policy and Coordination (Immediate Outcome 1), Financial Intelligence (Immediate Outcome 6), and PF Financial Sanctions (Immediate Outcome 11), from Moderate to Substantial. See the full follow-up report [here](#).

**Risk, Policy and Coordination (Immediate Outcome 1)**
Norway has reached a substantial level of effectiveness in understanding the money laundering and terrorist financing risks it faces and co-ordinating actions domestically to combat these crimes.

**Financial Intelligence (Immediate Outcome 6)**
Competent authorities in Norway have reached a substantial level of effectiveness in appropriately using financial intelligence and other relevant information for money laundering and terrorist financing investigations.

**PF Financial Sanctions (Immediate Outcome 11)**
Norway is now achieving a substantial level of effectiveness in preventing persons and entities involved in the proliferation of weapons of mass destruction from raising, moving and using funds, consistent with the relevant United Nations Security Council Resolutions.

- As a result of its progress, the country has moved from the enhanced follow-up process to the regular follow-up process.
- Norway is now achieving high or substantial levels of effectiveness on 5 of the 11 key areas identified by the FATF as immediate outcomes of an effective framework to combat money laundering and terrorist financing.
- Norway must now focus on strengthening its effectiveness on the remaining immediate outcomes, including its measure to ensure appropriate supervision, monitoring and regulation of financial institutions and lawyers, real estate agents and other non-financial entities, and to ensure that the proceeds of crime are confiscated.

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**Spain**

- Since its mutual evaluation in 2014, Spain has worked to improve the effectiveness of its national framework to combat money laundering and terrorist financing.
- The FATF has conducted a 5th year follow-up assessment that looks at the effectiveness of Spain's measures on three issues, or 'Immediate outcomes'. To reflect the country's progress, the FATF has re-rated Spain on two of these immediate outcomes - Preventive Measures (Immediate Outcome 4) and PF Financial Sanctions (Immediate Outcome 11) from Moderate to Substantial. See the full follow-up report [here](#).

**Preventive Measures (Immediate Outcome 4)**
Spain, being the first among FATF members, is now achieving a substantial level of effectiveness in ensuring that financial institutions and lawyers, real estate agents and other non-financial businesses and professions apply preventive measures to address the money laundering and terrorist financing risks they face, and report suspicious transactions.

**PF Financial Sanctions (Immediate Outcome 11)**
Spain is now achieving a substantial level of effectiveness in preventing persons and entities involved in the proliferation of weapons of mass destruction from raising, moving and using funds, consistent with the relevant United Nations Security Council Resolutions.

- Spain is now achieving high or substantial levels of effectiveness on 10 of the 11 key areas identified by the FATF as Immediate Outcomes of an effective framework to combat money laundering and terrorist financing.
- Spain must now focus on strengthening the effectiveness of its measure to prevent terrorists and terrorist organisations from raising, moving and using funds and from abusing the non-profit sector.
**Follow-Up Report and Technical Compliance Re-rating**

**Denmark**

- Since the 2017 assessment of Denmark’s measures to tackle money laundering and terrorist financing, and their first follow-up progress report in November 2018, the country has taken a number of actions to strengthen its framework.
- Denmark has been in an enhanced follow-up process following the adoption of its mutual evaluation in 2017. In line with the FATF Procedures for mutual evaluations, the country has continued to report back to the FATF on the action it has taken to strengthen its measures to combat money laundering and terrorist financing, since its November 2018 progress report. Consequently, the FATF has re-rated the country on 3 Recommendations (see the full Follow-up Report of Denmark).
- The report also looks at whether Denmark’s measures meet the requirements of FATF Recommendation 2 (National cooperation and coordination), which changed since their 2018 progress report. The FATF agreed to maintain the rating of largely compliant.
- Today, Denmark is compliant on 6 Recommendations of the 40 Recommendations and largely compliant on 28 of them. It remains partially compliant on 6 of the 40 Recommendations.
- Denmark will continue to report back to FATF on its progress.

**Singapore**

- Since the 2016 assessment of Singapore’s measures to tackle money laundering and terrorist financing, the country has taken a number of actions to strengthen its framework. Singapore has been in an enhanced follow-up process following the adoption of its mutual evaluation in 2016.
- In line with the FATF Procedures for mutual evaluations, the country has reported back to the FATF on the action it has taken since then. To reflect Singapore’s progress, the FATF has now re-rated the country on 4 Recommendations (see the full Follow-up Report of Singapore).
- The FATF also maintained the rating of largely compliant for Recommendation 5 (Terrorist financing offence), Recommendation 7 (Targeted financial sanctions related to proliferation) and Recommendation 8 (Non-profit organisations).
- Singapore is now compliant on 20 of the 40 Recommendations and largely compliant on 17 of them. It remains partially compliant on 3 of the 40 Recommendations.
- Singapore will continue to report back to FATF on its progress.

**Ireland**

- Ireland has been in an enhanced follow-up process following the adoption of its mutual evaluation in 2017. In line with the FATF Procedures for mutual evaluations, the country has reported back to the FATF on the action it has taken since then.
- The FATF has now re-rated the country on 11 FATF Recommendations, to reflect the country's progress and current level of technical compliance (see the full Follow-up Report of Ireland).
- The report also looks at whether Ireland’s measures meet the requirements of FATF Recommendations that have changed since the 2017 mutual evaluation. The FATF agreed to maintain the rating of partially compliant for Recommendation 7 (Targeted financial sanctions related to proliferation) and maintain Recommendation 21 (Tipping-off and confidentiality) as compliant.
- Today, Ireland is compliant on 17 Recommendations of the 40 Recommendations and largely compliant on 16 of them. It remains partially compliant on 7 of the 40 Recommendations.
- Ireland will move from enhanced to regular follow-up and will continue to report back to the FATF on progress to strengthen its implementation of AML/CFT measures.
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FSRB Reports and Statement

ESAAMLG

- Ethiopia - Follow Up Report
- Malawi - Mutual Evaluation Report
- Mauritius - Follow-Up Report
- Zimbabwe - Follow-Up Report

CFATF

- CFATF Public Statement on Sint Maarten at L Plenary
  St. Johns, Antigua and Barbuda, November 27th, 2019