

## Executive Summary

1. This report summarises the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) measures in place in France as at the date of the on-site visit from 28 June to 28 July 2021. It analyses the level of compliance with the FATF 40 Recommendations and the level of effectiveness of France's AML/CTF system, and provides recommendations on how the system could be strengthened.

### Key Findings

- a) France has a good and very good understanding, respectively, of the risks regarding money laundering (ML) and financing of terrorism (FT), although this is less developed for certain supervisory authorities of designated non-financial businesses and professions (DNFBPs). The AML/CFT advisory board (COLB) ensures effective coordination at the national level. In general, national policies adequately reflect the risks identified.
- b) Competent authorities regularly use financial intelligence and other relevant information. TRACFIN plays a vital role in the AML/CFT system. It is highly operational, both nationally and internationally. Its contributions to ML/TF investigations are of high quality and considerable effort is made to share advice to regulated entities.
- c) Competent authorities prioritise the prosecution of high-end ML cases. They investigate and prosecute different types of ML activity, to a large extent consistent with France's risk profile, and have obtained convictions in different types of ML cases. However, stand-alone ML convictions account for fewer ML convictions than expected in view of the authorities' legal opportunities (i.e. presumption of ML) to prosecute stand-alone ML more easily since the burden of proof was reversed since 2013. In addition, France identifies potential ML cases in the course of high-risk predicate offences investigations to a certain extent. Despite an increase in staff, the lack of specialised investigators is a limitation for the system and impacts investigation timeframes, especially in complex cases.

- d) France has made confiscation an overarching priority and an objective of its criminal justice policy since 2010. It has obtained very good results, depriving criminals of considerable amounts representing criminal proceeds and instrumentalities or property of equivalent value. The results are broadly consistent with ML/TF risks and national AML/CFT policies and priorities. The assessment team notes the establishment of the Agency for the Management and Recovery of Seized and Confiscated Assets (AGRASC) as a strong point in the system.
- e) France was particularly impacted by the 2015 terrorist attacks and is very active in combating TF. It has made the fight against terrorism and its financing one of its top priorities and has obtained very good results. Prosecution, investigative and intelligence authorities collaborate effectively and in a structured manner, including for the purpose of exchanging information. Terrorism investigations systematically include a TF component.
- f) France plays an active role in proposing designations to the European Union (EU) and United Nations (UN) sanction lists. It has an adequate new legislative package to implement targeted financial sanctions (TFS) for TF and proliferation financing (PF) without delay. These reforms are recent, but there was one effective example of implementation of TF-related TFS without delay since their entry into force and before the end of the on-site visit. In addition, France deprives terrorists, terrorist organisations and terrorist financiers of assets and instrumentalities related to TF activities to a large extent.
- g) Authorities have taken a too broad approach to identifying the scope of not-for-profit organisations (NPOs) that are vulnerable to TF. They have applied targeted measures for humanitarian NPOs receiving government grants, which represent a small part of the at-risk sector. Authorities have demonstrated their ability to detect some NPOs through other intelligence-based measures and apply control measures of a general nature to all NPOs. These measures, although not tailored to TF risk, offer the possibility of mitigating the risk of NPOs being abused for TF.
- h) The understanding of ML/TF risks of financial institutions (FIs) and virtual assets services providers (VASPs) is generally good. For DNFBPs, understanding varies depending on the maturity of the sector. Client identification protocols are in place for FIs, but implementation remains a challenge for payment and e-money service providers (EPs and EMEs). DNFBPs' level of compliance with their obligations has improved, although the efforts of real estate agents and business service providers need to be strengthened and those of notaries and lawyers need to be maintained. For FIs and DNFBPs, relatively long delays in the implementation of obligations regarding Suspicious Transaction Reports (STRs) and TFS measures, as well as limitations in the identification of beneficial owners (BOs) were noted.
- i) The supervisory strategy of the Prudential Control and Resolution Authority (ACPR) is based since 2018 on a robust methodology with few noticeable areas for improvement. For the Financial Markets Authority (AMF), the risk-based approach was formalised in 2020 without yet extending to all sectors. For most DNFBPs, risk-based AML/CFT supervision is still recent and remains insufficient for certain sectors, particularly real estate agents and notaries, that are involved in a real estate sector exposed to significant ML risks.

- j) Efforts to improve transparency through the publication of detailed information on legal persons (except for associations) are notable, in particular the establishment of the publicly accessible register of beneficial owners (RBO) and registers on legal arrangements accessible by competent authorities. Measures to verify BO information by the registrars of the commercial courts (GTCs) are rigorous, but should be reinforced through the notification by the FIs/DNFBPs/authorities of any discrepancies encountered.
- k) France has a conventional framework and a domestic infrastructure that allows it to provide mutual legal assistance (MLA) in criminal matters of good quality. The majority of MLA in criminal matters is provided directly from magistrates to magistrates, especially within the framework of the EU. While statistics on the time to execute such requests, the offences on which they are based and the results obtained are not available, France was able to demonstrate the overall effectiveness of mutual assistance by other means. In addition, competent authorities, in particular TRACFIN and law enforcement authorities, make extensive use of informal cooperation.

### Risks and general situation

2. France faces a broad and substantial range of ML risks, mainly from abroad and less frequently domestically, from the proceeds of offences committed in France. To a lesser extent, it is exposed to ML risks in France from the proceeds of offences committed abroad, particularly with regard to violations of integrity offences (in particular *ill-gotten gains*). The assessment team also considered the risks specific to French Overseas Territories (OM), although the magnitude of these appears low compared to the overall risks in France.
3. In relation to ML, France is considered particularly exposed to threats related to tax fraud, social security fraud (e.g. fraud linked to social benefits or contributions) and customs fraud (e.g. fraud linked to customs duties and value-added tax (VAT)), in addition to scams and theft. Drug trafficking is another main ML threat and uses a large number of international ML channels. France is also exposed to two major ML threats involving smaller financial volumes but with a major societal impact: human trafficking, which essentially takes the form of sexual exploitation by organised networks and aid to illegal immigration; as well as violations of integrity offences including corruption, both active and passive, in particular the laundering of the proceeds of corruption by domestic and/or foreign politically exposed persons (PEPs).
4. Since the terrorist attacks of 2015, the "Islamic State" terrorist group (IS) has posed a high-level threat of attacks within the country. TF channels have remained relatively unchanged over recent years. The resources collected in France are mainly through micro financing. The flows from France to conflict zones are based on financing via networks of fundraisers, prepaid cards, virtual assets and to a lesser extent the use of the non-profit sector.

### Overall level of effectiveness and technical compliance

5. France has put in place an AML/CFT system that is effective in many respects. It obtains very good results in the area of TF investigations and prosecutions, the confiscation of proceeds of crime, and cooperation at the international level. Particularly satisfactory results are obtained in the areas of assessment and understanding of ML/TF risks; ML investigations and prosecutions including the use of financial intelligence and other information; transparency of legal persons; and preventing terrorists and financiers and those involved in proliferation from raising, moving and using funds, and from abusing the NPO sector. However, major improvements are needed in order to improve supervision and the implementation of preventive measures (especially for DNFBPs).
6. From a technical compliance standpoint, France benefits from a robust and sophisticated AML/CFT legal framework. Since its third-round evaluation, it has undertaken many reforms and improvements. Following major political and media cases, it has reinforced its arsenal of repressive measures to facilitate criminal prosecution and conviction for ML. Among other innovations, some of which stem from the transposition into domestic law of the last two European AML directives, the assessment team warmly welcomes, in particular, the following. *At the law enforcement level* – the establishment of the National Financial Prosecutor's Office (PNF) and the National Anti-Terrorism Prosecutor's Office (PNAT), the significant introduction of the legislative "basic presumption of criminal origin of assets or income" in 2013, and the reform of the confiscation mechanism and the establishment of the AGRASC. *At the preventive level* – the legislative reform concerning the implementation of TFS under the UN Security Council Resolution (UNSCRs), the extension of the scope of the sectors subject to AML/CFT requirements, the reinforcement of risk-based supervision by the ACPR and the AMF and the establishment of the RBO. Nevertheless, moderate shortcomings are still observed in certain areas: due diligence obligations relating to PEPs, enhanced measures for correspondent banking relationships and the regime applicable to NPOs at TF risk.

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

7. France has a good and very good understanding of the risks regarding ML and TF respectively, as reflected in the 2019 national risk assessment (NRA), reports from TRACFIN and SIRASCO, and certain sectoral risks analyses (SRA). This level of understanding is generally shared by all competent authorities, but is less developed for some DNFBP supervisory authorities. In addition, the assessment of risks for certain sectors and activities (real estate, virtual assets and cash) and threats (corruption) must be deepened.
8. National policies are mainly implemented through the adoption of thematic action plans. France pays particular attention to CFT issues and has achieved compelling results. In general, law enforcement policies and activities adequately reflect the identified risks. However, the allocation of resources dedicated to ML in local and OM investigation services, as well as in judicial investigations, remains necessary to effectively conduct ML investigations. Although the consideration of ML/TF risks by financial sector supervisors is good, it is more recent with regard to DNFBP supervisory authorities and needs to be further developed.

9. The COLB ensures effective cooperation and coordination at the national level. The authorities also cooperate bilaterally. However, cooperation between authorities responsible for supervising the same DNFBP sector still needs to be further developed. With regard to PF, co-operation between competent authorities is ensured by the General Secretariat for Defence and National Security (SGDSN).

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

#### *Use of financial intelligence*

10. France regularly uses financial intelligence and other relevant information to investigate ML cases, associated predicate offences and TF, and to trace the proceeds of crime. TRACFIN plays a key role in enriching financial intelligence courtesy of the various sources of information to which the financial intelligence unit (FIU) has access and its internal processing system, STARTRAC.
11. TRACFIN receives a substantial number of STRs and other relevant information. It has access to a large number of databases and makes extensive use of its right to obtain information from regulated entities and other competent national authorities, in particular through its liaison officers. However, not all of the available information is exploited in an optimal manner and there could be a further increase in the dissemination of information.
12. TRACFIN produces high-quality, in-depth operational analyses that meet the needs of competent authorities. In addition, it develops strategic analyses, mainly in the form of typologies, which help to improve the understanding of risks.

#### *Investigation and prosecution of ML*

13. While France identifies ML cases only to a certain extent, it is very active in investigating complex and highly complex ML cases, with an average of 1 100 investigations, 1 700 persons prosecuted and 1 300 convictions for ML per year. The authorities favour a "top-down" approach in prioritising the pursuit of high-end ML cases. The majority of ML investigations are handled by specialised investigation and prosecution authorities, with inter-regional or national jurisdiction depending on the complexity of the cases.
14. ML investigations and prosecutions are largely consistent with the identified risk profile (tax fraud, scams, drug trafficking) and national AML policies. However, the number of ML cases related to corruption and human trafficking is low. The authorities prosecute and obtain convictions for the different types of ML (stand-alone ML, self-laundering, third-party ML and ML based on a foreign predicate) to a large extent. However, stand-alone ML accounts for fewer ML convictions than expected (15%), in view of the legal possibility opened to authorities in 2013 to prosecute this type of ML more easily with the introduction of the presumption of ML.
15. The investigative and prosecution authorities have adequate financial and technical resources to identify and investigate ML cases. However, despite an increase in staff, the lack of specialized investigators, in particular in local and OM investigation services and in judicial investigations is a limitation for the system and impacts on investigation timeframes, especially in complex and highly complex cases.

16. The sanctions imposed are generally effective, proportionate and dissuasive. The courts use the full range of penalties and hand down severe sentences in the most complex cases.

### *Confiscation*

17. France has made the seizure and confiscation of the proceeds and instrumentalities of crime and property of equivalent value one of its overarching priorities, and this has remained an objective of its criminal justice policy since 2010. Criminal policy aims to identify criminal assets as early as possible in the investigation to optimize their seizure. The establishment of AGRASC is a strong point in the system, providing significant support to the judiciary and investigative services in the execution of national and international seizures and confiscations. The judicial investigation authorities systematically conduct asset investigations. Proceeds investigations follow a "top-down" approach, according to which the investigations are more in-depth where the value of the proceeds or instrumentalities is high and the existence of seizable assets appears likely.
18. France has successfully deprived criminals of considerable amounts representing criminal proceeds and instrumentalities or property of equivalent value (EUR 4.7 billion per year) using various measures, including confiscation, deferred prosecution agreement (CJIP), tax penalties and repatriation of proceeds moved to other countries. These results are broadly consistent with national AML policies and priorities and the risks identified in the NRA. In addition, the authorities are active in identifying proceeds located in a foreign country and following up on foreign requests for the identification of assets in France. However, the number of cases and the relative amounts of proceeds repatriated and shared with other countries are not yet significant but are just starting to increase.

### ***Terrorist and proliferation financing (Chapter 4; 10.9, 10, 11; R. 1, 4, 5–8, 30, 31 & 39.)***

#### *TF investigations and prosecutions*

19. France has made combating terrorism –and its financing– one of its major priorities. The legal and operational CFT measures in place, as well as increased staff numbers, allows it to effectively address the risk of terrorism and TF in a co-ordinated manner. France's law enforcement activities are in line with its TF risk profile, especially through actions to counter the micro financing of terrorism by means of fund-raisers. Between 2016 and 2020, France investigated 172 cases of TF, resulting in the conviction of 95 persons for TF, including one legal person.
20. The PNAT, which has more than doubled its staff since 2014, effectively conducts TF investigations, coordinating with the intelligence services. Investigations into terrorism systematically include a TF component. Similarly, information from TF investigations is systematically integrated into counter-terrorism strategies and investigations.

21. France actively prosecutes TF cases against natural persons and, to a lesser extent, against legal persons. This appears consistent with the relatively low risk of a legal person being involved in TF in France. Sanctions imposed by the courts are effective, proportionate and dissuasive. Concomitant measures or alternatives to sanctions are also used (e.g. dissolution of NPOs, freezing of assets, measures to combat radicalisation).

*Preventing terrorist from raising, moving and using funds*

22. France plays an active role in proposing designations on the EU and UN TFS lists. France is depriving terrorists, terrorist organisations and their financiers of their assets to a large extent and by various means, especially asset freezing measures and confiscation decisions. These actions are largely consistent with France's overall TF risk profile as identified in the NRA. Between 2016 and May 2021, France froze around EUR 1.7 billion of assets belonging to persons and entities (including NPOs) designated in the national and EU TFS regimes.
23. The French legal system enables the implementation of TF-related TFS under the UNSCRs. Implementation is achieved through EU and national regimes which were sometimes subject to delays, up to 2020, due to the need to adopt a national order. To overcome these delays, a legislative reform entered into force in February 2021 allowing the implementation of TFS without delay. These reforms are recent, but there was one effective example of implementation of TF-related TFS without delay since their entry into force and before the end of the on-site visit.
24. Regarding the risk of using NPOs for TF purposes, the team notes some deficiencies, including the identification of an excessively broad range of NPOs as vulnerable to TF, an inability to list the exact number of associations in each category identified as at-risk, and a lack of awareness-raising in the sector. The authorities apply targeted CFT measures to a small part of the at-risk sector, and apply control measures of a general nature to all NPOs, which can help to mitigate the risk of NPOs being abused for TF. Moderate improvements are required in this area.

*Financial sanctions related to the financing of proliferation*

25. The French legal system, as well as the EU and international systems, allows for the implementation of TFS under UNSCRs to counter PF. Notably, France has played an active role in proposing listings at the EU level in response to the North Korean nuclear crisis. As in the case of TF-related TFS, some delays in implementation were observed until the end of 2020, an issue which has since been rectified by the introduction of a legislative reform enabling implementation without delay.
26. France has identified threats from different forms of proliferation (i.e., weapons of mass destruction, chemical and nuclear weapons) and has long been effective in undertaking actions aimed at thwarting attempts to circumvent PF-related TFS.
27. Regulated entities' understanding of and compliance with their freezing obligations is variable. In particular, it is not systematic in small FI/DNFBP entities and some DNFBPs do not even apply it. Monitoring by supervisors to ensure the compliance of these entities proved satisfactory, but some limitations were noted for certain FIs and for DNFBPs. Less awareness raising is carried out in the DNFBP sector. Therefore, moderate improvements are needed in this regard.

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

28. In general, FIs have a good understanding of their ML/TF risks, although the understanding by some smaller FIs seems to be limited to the conclusions of the NRA and SRAs. On the other hand, the understanding of risks is only average among DNFBPs: it is still inadequate among real estate agents and business service providers, needs to be developed for notaries, and is satisfactory for lawyers. A similar observation applies to the implementation of risk classification tools and adapted measures.
29. FIs generally have a good understanding of AML/CFT obligations. At the level of financial groups, the integration of due diligence procedures varies among foreign subsidiaries, but recent efforts to improve internal controls have been noted. For DNFBPs, implementation of these obligations is variable but is tending to improve. However, important gaps remain between the various sectors; legal and accounting professionals generally have a higher level of implementation than real estate agents and business service providers.
30. Most FIs and DNFBPs endeavour to identify the BO of their customers, but mainly focus on capital control and in some cases refer only to the RBO to verify the information. Large FIs and DNFBPs rely on commercial lists or automated tools to implement TFSs, and to identify PEPs. Smaller DNFBPs are insufficiently equipped to identify PEPs. For some FIs, implementation of the freezing measure may take effect more than 24 hours after the listing and few measures seem to be in place to avoid making funds or other assets available indirectly to TFS designated persons or entities.
31. In general, FIs properly fulfil their reporting obligations. Apart from notaries, casinos and online gaming operators, DNFBPs still submit too few STRs. The need to improve the quality of these reports has also been highlighted by TRACFIN. For FIs and DNFBPs alike, the average reporting time appears to be relatively long and, in some cases, the reports are subject to managerial approval.
32. VASPs seem to have a good understanding of the ML/TF risks to which they are specifically exposed and have taken steps to fulfil their obligations. Some problems were noted in the application of the ‘travel rule’ and the introduction of internal control structures. However, given they have only recently become regulated entities, it is still difficult to fully assess the effectiveness of their preventive measures.

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

33. In the financial sector, the understanding of ML/TF risks by the supervisory authorities began to be formalised and refined from 2016 onwards, and became more established with the adoption of the NRA and SRAs in 2019. The licensing requirements by the ACPR and the AMF involve verification of whether the effective managers of FIs are fit and proper. However, verification does not apply in the same way to all management functions across the financial sector.



34. The deployment of the SABRE tool in 2018 enables the ACPR to implement a more granular risk-based AML/CFT supervision that considers the inherent risks as well as the results of desk-based supervision. However, the consideration of the risks of subsidiaries of French FIs established abroad does not seem sufficiently informed. Risk-based supervision by the AMF, which is more recent, is also based on the results of the NRA. The intensity and frequency of onsite inspections for IFs is generally well informed on the basis of risks for the sectors of greater importance, with improvements needed to allow the coverage of more FIs at higher risk over a shorter period.
35. The authorities have a good understanding of the VASP sector. Registration requirements continue to be refined in consultation with the regulated entities. The risk-based approach is under development. Some inspections have already been carried out since December 2020, but it is still too soon to measure the effectiveness of the implementation of the AML/CFT system in this recently regulated sector.
36. DNFBBs supervisory authorities have been designated and regulatory measures are in place. The quality of DNFBBs supervision still needs to be improved, in particular in light of the higher risks identified for certain DNFBBs. The risk-based approach – when it is in place – was implemented recently (after 2019) and its effectiveness has yet to be demonstrated.
37. Supervisors have access to a wide range of disciplinary or financial sanctions. The ACPR uses these sanctions primarily to punish the most serious deficiencies, which may even result in the closure of an establishment and significant financial sanctions. Between 2015 and 2020, 39 sanctions were imposed by the ACPR sanctions commission, including financial sanctions exceeding a total of EUR 100 million. For the AMF, the sanction system, although technically satisfactory, suffers from cumbersome procedures which significantly reduces its effectiveness and has only led to one sanction since 2016, without any repressive aim. The operational implementation of sanctions by DNFBBs is even more limited.

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

38. France has a good understanding of the ML/TF risks associated with legal persons, although it would benefit from more depth in some respects. The GTC's work and their good cooperation with TRACFIN allow France to identify new typologies that could ultimately help improve the detection of cases of abuse.
39. Efforts to improve transparency through the publication of detailed information on legal persons (except associations) are notable, in particular the establishment of the publicly accessible RBO in 2017 and of registers on legal arrangements accessible by competent authorities. Measures to verify companies' BO information by GTCs are rigorous, but should be reinforced through the notification by FIs/DNFBBs/authorities of any discrepancies observed. For associations, foundations and endowment funds, the lack of verification of information in registers or collection of information on BOs, as well as the limited publication of information limits transparency efforts.

40. The use of multiple mechanisms for accessing information on legal persons allows authorities to overcome some of the weaknesses of the different registers, but slows down access to this information. In relation to legal arrangements, although the use of *fiducies* and trusts is not widespread in France, the competent authorities access basic and BO information of the latter through FIs/DNFBNs and the various registers although the accuracy of the trust register is difficult to insure. The sanctions regime, which favours *ex officio* deregistration, must be implemented in a more dissuasive manner to support the efforts for transparency of legal persons.

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

41. International cooperation is an important issue in France in the AML/CFT context. France is mainly exposed to the risk of illicit proceeds generated on its own territory being laundered abroad, and to a lesser extent in some high-risk sectors (e.g. luxury real estate and luxury goods), and to ML risks in France from offences committed abroad (e.g. *ill-gotten gains* cases). France also faces a high TF threat, with logistical support from abroad. France's international co-operation also focuses to a large extent on the identification, seizure and confiscation of criminal assets abroad.
42. France has a conventional framework and domestic infrastructure that provides for effective responses to MLA requests. Most MLA occurs within the EU, directly from magistrate to magistrate. The quality of the mutual assistance provided by France is good. As the authorities keep no detailed statistics on intra-EU exchanges, it is difficult to precisely evaluate the execution time frames, the results obtained and their compatibility with the risk profile (predicate offences). While the lack of data poses challenges, France was able to demonstrate by other means the overall effectiveness of mutual assistance provided and requested. Delays were noted in the processing of some extradition requests. Incoming and outgoing international co-operation regarding the identification and exchange of information on legal persons and arrangements seems to be functioning effectively.
43. France makes extensive use of informal cooperation at all levels. Consequently, TRACFIN collaborates with its foreign counterparts on a regular basis, in line with the main threats identified. Although some delays have been noted, the quality of the co-operation provided is good. Police and customs make active use of their informal co-operation mechanisms, via joint investigation teams (JITs), police *attachés* and also through Interpol/Europol. Supervisory authorities co-operate and exchange information with their counterparts and also organise supervisory colleges (including on AML/CFT).

### Priority Actions

France should :

- a) Improve efforts to supervise DNFBNs, by making sure that:
- The CSN, the DGCCRF and the CSOEC conduct a more in-depth analysis of the specific risks within their sectors and by type of entity;
  - All DNFBNs supervisors align the intensity and frequency of controls according to risks and DGCCRF formalises, and be afforded with the required resources to, implement a risk-based control strategy;

- DGCCRF implements broader awareness-raising measures to reach all entities within its sectors.
  - The role of the CSN as a supervisory authority for the notarial profession is confirmed in order to centralise the various exchanges and data and to amplify the efficiency and granularity of the inspections of notaries.
- b) Implement the necessary measures to increase all DNFBPs' awareness of their AML/CFT obligations, especially related to the understanding of the concept of BO, the identification of PEPs and the scope of their obligation to submit STRs. Actions should be undertaken more generally to improve the quality of STRs and reduce the reporting delays of STRs as well as the delays in the implementation of TFS.
  - c) Continue to implement strategies relating to the application of the presumption of ML across all prosecuting authorities.
  - d) Increase the number of specifically trained and dedicated staff to combat ML, especially in local investigation departments, in OM, and for judicial investigations.
  - e) Provide GTCs with tools to verify the authenticity of documents recorded in the RCS and RBO, while continuing to raise awareness among FIs/DNFBPs of their obligation to report any discrepancies between the collected information and the information recorded in the register.
  - f) Extend requirements relating to fit and proper checks to all senior management posts and BOs, in line with the FAFT Recommendations and lift any restrictive regulatory provisions in the implementation of enhanced due diligence for PEPs, especially when they have left their position for more than one year.
  - g) Ensure that basic and BO information on associations, foundations and endowment funds is accurate, up-to-date and made available to the competent authorities, in particular by continuing to modernize the national directory of associations, taking measures to verify the accuracy of information and considering the establishment of a register for foundations and endowment funds.
  - h) Carry out a more in-depth assessment of the risks of TF abuse in the NPO sector, taking account the threats and vulnerabilities linked to associations' activities, especially the different measures applicable to each type of NPO, the type and area of activity, and on this basis apply a RBA to monitoring NPOs identified at higher risk of TF abuse.
  - i) Refine its analyses of the risks associated with certain sectors (real estate), activities (cash and virtual assets) and threats (corruption), with a more detailed examination of the available data, including in OM, in its next NRA and develop SRAs that better take into account specific features relating to different sectors, in particular with regard to DNFBPs.
  - j) Ensure that all competent authorities, and especially the COLB, continue their efforts to improve the collection and/or maintenance of statistics, and continue to centralise these statistics in order to enable the assessment of the impact of the various AML/CFT policies and strategies, especially with regard to seizures, confiscation, and mutual legal assistance (notably inter-EU).

## Effectiveness &amp; Technical Compliance Ratings

Table 1. Effectiveness Ratings

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

Note: Effectiveness ratings can be either High- HE, Substantial- SE, Moderate- ME, or Low - LE, level of effectiveness.

Table 2. Technical Compliance Ratings

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

Note: Technical compliance ratings can be either a C – compliant, LC – largely compliant, PC - partially compliant or NC – non compliant