Branqueamento de Capitais e Financiamento do Terrorismo

Prevenção e Combate Comissão de Coordenação

RESULTADOS IMEDIATOS

SINOPSES E GRELHAS COMPARATIVAS

FEVEREIRO DE 2017

Índice

Escala de Notações

		Notação da Eficácia
Alto Nível de eficácia	**H**	O RI é alcançado em muito larga escala. Ligeiras necessidades de melhoramento.
Significativo nível de eficácia	**S**	O RI é alcançado em larga escala. Moderadas necessidades de melhoramento.
Moderado nível de eficácia	**M**	O RI é alcançado em escala moderada. Importantes necessidades de melhoramento.
Baixo nível de eficácia	**L**	O RI não é alcançado ou é alcançado numa escala insignificante.
Não aplicável	**NA**	

H	*High* *Alto*	**S**	*Substantial* *Significativo*	**M**	*Moderate* *Moderado*	**L**	*Low* *Baixo*	**NA**	*Not Applicable* *Não Aplicável*

Tabela Comparativa Agregada

País	H	S	M	L	NA
ESPANHA	1	7	3	-	
NORUEGA	-	2	9	-	
BÉLGICA	-	4	7	-	
AUSTRÁLIA	1	4	6	-	
MALÁSIA	-	4	7	-	
ITÁLIA	-	8	3	-	
ÁUSTRIA		3	6	2	
CANADÁ		5	5	1	
SUIÇA		7	4		
EUA	4	4	2	1	

Tabela Comparativa Desagregada

País	RI 1	RI 2	RI 3	RI 4	RI 5	RI 6	RI 7	RI 8	RI 9	RI 10	RI 11
ESPANHA	S	S	S	M	S	H	S	S	S	M	M
NORUEGA	M	S	M	M	M	M	M	M	S	M	M
BÉLGICA	S	S	M	M	M	S	M	M	S	M	M
AUSTRÁLIA	S	H	M	M	M	S	M	M	S	M	S
MALÁSIA	S	M	S	M	M	S	M	M	M	S	M
ITÁLIA	S	S	M	M	S	S	S	S	S	M	S
ÁUSTRIA	M	S	M	M	M	L	L	M	S	M	S
CANADÁ	S	S	S	M	L	M	M	M	S	S	M
SUIÇA	S	M	M	M	M	S	S	S	S	S	S
EUA	S	S	M	M	L	S	S	H	H	H	H

Quadros-Resumo por Resultado Imediato

RI 1: Risco, Política e Coordenação

País	Rating	Fatores Subjacentes ao Rating
ESPANHA	**S**	Overall, Spain has done a good job in identifying, assessing and understanding its ML/TF risks and has effective mechanisms in most areas to mitigate these risks. The competent authorities are engaged, well-led and coordinated by the Commission. Coordination is good at the policy level and among supervisors at the policy and operational levels. However, the number and overlapping responsibilities of LEAs makes deconfliction a necessity and coordination a challenge. Given the relatively short period of time the risk-based approach has been formalised among obliged entities as a group, the banking sector has the best understanding of the risks and implements a sound riskbased approach. However, the understanding of risk and implementation of risk-based measures is variable in other sectors. There is also some variability in how well Spain uses the risk assessment to address priorities and policies. The system has resulted in some mitigation of ML and TF risks. However, there is inadequate cooperation and coordination between the competent authorities responsible for export control, and other competent authorities (such as SEPBLAC) who can add value in the area of detecting proliferation-related sanctions evasion.
NORUEGA	**M**	Norway has not sufficiently identified and assessed ML risks, and does not have a sufficient understanding of ML risks. This is demonstrated by the significant shortcomings in the NRA, which has limited usefulness as a firm basis for setting a national AML/CFT policy. Norway does not have overarching national AML/CFT policies. Norway does not have a mechanism for the coordination of AML activities at a policy level and operational level mechanisms are not effective. Coordination and cooperation is very limited at the policy level while at the operational level, mostly informal, ad hoc cooperation is taking place on ML. Norway has, in large part, properly identified, assessed and appears to have understood the TF risks, and allocated resources to address a number of priorities, with the exception of CFT related supervision. Coordination and cooperation on combatting TF and PF is more effective, both at the formal and informal level. There have only been limited and ad hoc efforts to raise awareness of ML risks among reporting entities. Norway does not maintain comprehensive statistics on AML which limits the ability of authorities to assess the risks and establish evidence-based policies

BÉLGICA	**S**	Belgium evaluates its ML and TF risks. It appears to understand TF risks correctly and to have taken co-ordinated action at the national level to attenuate those risks. This co-ordination includes as well the combatting of proliferation financing. While the risks of ML appear to have been generally identified and understood, the analysis of this activity does not appear to be based on a proactive approach that would enable the detection of trends and emerging phenomena, notably with regard to vulnerabilities. In particular, the assessments did not have the participation of all competent authorities or the private sector. Elements of a risk-based approach have long contributed to AML/CFT policies and activities in Belgium. The CTIF and to a large degree the criminal prosecution authorities (the police in particular) have an established tradition of taking the identified risks into account when defining i. there is no overall, integrated approach that adequately ranks ML/TF risks in order to ensure the organisation and consistent planning ii. supervisors and self-regulatory bodies (SRBs) have not incorporated the main ML/TF risks into their inspection policies; iii. a certain number of identified ML risks have not been addressed; and incomplete dissemination of the non-confidential results of the risk assessments to financial institutions and DNFBPs slows down their being taken into account in their internal procedures.
AUSTRÁLIA	**S**	Australia is achieving Immediate Outcome 1 to a large extent as demonstrated by its good understanding of most of its major ML risks and of its TF risks, as well as its very good coordination of activities to address key aspects of the ML/TF risks. Australia identified and assessed most of its major ML risks but more attention needs to be paid to understanding foreign predicate risks, and vulnerabilities that impact its AML/CTF system. AML/CTF policies need to better address ML risks associated with foreign predicate offending the abuse of legal persons and arrangements, and laundering in the real estate sector, particularly through bringing all DNFBPs within the AML/CTF regime. More current information about ML/TF risks also needs to be communicated to the private sector. The identification of low or high ML/TF risks by the authorities should drive exemptions from requirements and strongly influence the application of enhanced or simplified measures for reporting entities. While cooperation, particularly on operational matters, is very good across relevant competent authorities, including for proliferation matters, Australia could better articulate an AML/CTF policy and maintain more comprehensive national statistics to demonstrate how efficient and effective its AML/CTF system is, including by developing ways to show that its disruption strategy for predicate crime addresses ML risks.
MALÁSIA	**S**	Malaysia is achieving the immediate outcome to a large extent. Malaysia has a robust policy framework for AML/CFT with very signiβicant political commitment and resource allocation evident to achieve the policy objectives. The conduct of two NRAs and other assessments of ML/TF threats and

		vulnerabilities has enabled Malaysia to undertake targeted responses to its risks. Malaysia's assessment of risk is reasonable, but its assessment of ML risks is stronger than TF, and both need to focus more on foreign threats. The level of detail in the TF assessments does not suficiently guide the private sector on risk. Only moderate improvements are required. AML/CFT policies, government priorities and resource allocation have been adjusted in response to assessments of risk to a large extent, and the moderate improvements required are being pursued. In addition, private sector stakeholders have commenced work to recalibrate their riskbased responses, but there is further to go in many sectors, in particular DNFBPs. Malaysia has well-functioning AML/CFT national coordination processes at both the policy and operational levels, which serve to drive improvements to Malaysia's AML/CFT system. National coordination in relation to PF is strong and is providing a basis for ongoing reforms.
ITÁLIA	**S**	Italy is achieving IO.1 to a large extent. It has a generally good understanding of the main ML/TF risks, and generally good policy cooperation and coordination to address its ML/TF risks. The NRA, which is of good quality, is a further and the most recent demonstration that it has identified and assessed its risks. Although competent authorities have for some time separately been applying an RBA to varying degrees based on their respective understanding of risk, Italy has not yet developed a nationally coordinated AML/CFT strategy which is fully informed by the ML/TF risks in the NRA. Although several initiatives have been launched in its wake, its results are only beginning to have an impact on the shape of the AML/CFT strategy. Supervisors have not fully adapted their tools and operational practices to reflect the identified risks. The UIF could further improve its policies and activities and better use its resources to focus more on high-risk areas. Current efforts are mainly aimed at sanctioning the predicate offenses, and some related third-party ML, and confiscating related assets at the expense of standalone ML cases and those generated by foreign predicate offenses. The lack of criminalization of self-laundering until January 1, 2015 meant that the AML framework could not be used to its fullest extent against one of Italy's highest risk areas, i.e., tax evasion. Although the new provision is a significant step forward, it is too soon to tell how they will work out in practice. Moreover, their efforts have not been commensurate with the extent of those risks. Although the authorities deem the risk of TF as relatively low, they are updating their assessment of the TF risk, as a result of the global rise in the threat of terrorism. Going forward, the FSC will need to ensure that policies and activities are fully aligned with and prioritized according the identified risks. The authorities have shared the results of the NRA with FIs and DNFBPs which as a result are generally aware of the main ML risks and to a lesser extent TF risks and how the identified risks relate to their institutions in the context of their business models. The financial

		sector, in general, and the banks, in particular, has a good understanding of the ML risks in Italy. The understanding of ML/TF risks within the DNFBP sectors is very mixed, but, overall, is not as sound as within the financial sector.
ÁUSTRIA	**M**	Austria has a mixed understanding of its ML/TF risks. The NRA does not provide a holistic picture of ML/TF risks that are present in the jurisdiction. Each competent authority has its own concept of ML/TF risks based on its practical experience; however, in most cases they do not match with each other and do not provide a complete picture of country's ML/TF risks. Austria did not demonstrate that it had any national AML/CFT policies, and the risks are only taken into account individually by certain agencies to the extent that they consider useful for their day-to- day work. As a consequence, the objectives and activities of individual competent authorities are determined by their own priorities and often are not coordinated. Domestic cooperation mechanisms do not result in the development and implementation of policies and activities that would be coordinated in a systematic manner. As to date, Austria uses the findings of the risk assessments to a limited extent: to justify simplified due diligence measures for savings associations and support the application of enhanced due diligence measures for higher risk scenarios (with respect to certain high TF risk countries). Most entities subject to AML/CFT legislation are aware of their risks, although their knowledge varies between sectors.
CANADÁ	**S**	The Canadian authorities have a good understanding of the country's main ML/TF risks and have an array of mitigating measures at their disposal. Canada's NRA is comprehensive, and also takes into account some activities not currently subject to the AML/CFT measures. All high-risk areas are covered by AML/CFT measures, except activities listed in the standard performed by legal counsels, legal firms and Quebec notaries, which is a significant loophole in Canada's AML/CFT framework, and online casinos, open loop prepaid cards, and white label ATMs. FIs and casinos have a good understanding of the risks. Other DNFBPs, and in particular those active in the real estate sector, do not have a similarly good understanding. Law enforcement action focus is not entirely commensurate with the ML risk emanating from high- risk offenses identified in the NRA. Cooperation and coordination are good at both the policy and operational levels, except, in some provinces, in the context of the dialogue between LEAs and the PPSC. Communication of the NRA findings to the private sector was delayed, but is in progress
SUIÇA	**S**	The level of understanding of ML/TF risks in Switzerland is significant and

		generally consistent among the competent authorities. The first national risk assessment in June 2015 made a significant contribution to this understanding. The private sector was involved in this assessment. Switzerland established a framework for national AML/CFT co-ordination and co-operation, led by the GCBF. All competent authorities are involved in this group, which is responsible, among other things, for identifying, on an ongoing basis, the risks to which the country is exposed. The risk assessment as a whole has yielded good results, even if the sources used - essentially STRs - do not allow fully taking into account emerging or growing risks that have not yet aroused suspicions of ML/TF on the part of financial intermediaries. The assessment identified the threats and vulnerabilities of the sectors covered by the LBA, as well as other economic sectors not covered but presenting risks, which reflects a comprehensive and realistic vision of the risks. Switzerland has had a risk-based approach since the late 1990s, which led it to introduce or tighten AML/CFT measures, mainly to address the high level of risk associated with the banking sector. Generally speaking, the Swiss authorities' objectives and activities factor in the identified risks. Switzerland pursued this approach in the 2015 national risk assessment. The risks associated with the use of cash in ML and TF do not appear to have been given sufficient consideration. The authorities recognise the risks of TF in Switzerland. However, some systems that could potentially be used for TF purposes (for example "alternative" money transfer networks such as hawala, or prepaid cards) were not analysed in depth, so the preventive measures remain inadequate.
EUA	**S**	National coordination and cooperation on AML/CFT issues has improved significantly since the last evaluation in 2006. Policy and operational coordination are particularly well- developed on counter-terrorism, counter-proliferation and related financing issues which are the government's top national security priorities. The authorities have leveraged this experience into better inter-agency cooperation and collaboration on ML risks and issues. Overall, the U.S. has attained a significant level of understanding of its ML/TF risks through a comprehensive risk assessment process which has been ongoing for many years. The U.S. has demonstrated a high level of understanding of its key ML/TF threats, but a less evolved level of understanding of vulnerabilities. National policies and activities tend to address ML/TF threats well and there is a strong focus and reliance on LEAs. The NMLRA does not address DNFBP sector vulnerabilities systemically, but cites many situations where various DNFBPs were abused (wittingly or otherwise).

There is a number of gaps and exemptions (some more material than others) in the regulatory framework, most of which the assessors believe are not justified by a proven low risk assessment. The most significant of these is the lack of systemic and timely access to beneficial ownership (BO) information by LEAs, and inadequate framework for FIs and DNFBPs to identify and verify BO information when providing services to clients. National AML/CFT strategies, and law enforcement priorities and efforts, are broadly in line with the 2015 national risk assessments which represent a point-in-time summation of the main ML/TF risks: TF and the laundering of proceeds from fraud (particularly healthcare fraud), drug offenses, and transnational organised crime groups.

The U.S. AML/CFT system has a strong law enforcement focus. All LEAs (Federal, State, local) have direct access to SARs filed with FinCEN. A particularly strong feature is the inter-agency task force approach, which integrates authorities from all levels (Federal, State, local). This approach is widely used to conduct ML/TF and predicate investigations, and has proven very successful in significant, large and complex cases. There is a high level of effective cooperation and coordination amongst competent authorities to address ML/TF and the financing of WMD. The FI sector is reasonably aware of NMLRA and the NTFRA, though there is scope for improved guidance, particularly on SAR reporting, and a more focused approach to more frequent updates of national risk assessments.

BSA AML/CFT preventive measures are mostly imposed on the financial sector, with the casino sector being the only significant DNFBP sector comprehensively covered. Accordingly, the financial sector is the focus of most guidance relating to suspicion, and the authorities' view of risk is heavily influenced by financial activity. The financial sector is therefore generally aware of and responsive to ML/TF risks. All non-financial businesses and professions, including DNFBPs other than casinos, are subject to a cash transaction reporting requirement (Form 8300)[19]. All U.S. businesses and professions, including all financial institutions and all DNFBPs, are required to implement targeted financial sanctions.

However, comprehensive AML/CFT preventive and deterrent measures are not applied to DNFBPs, other than casinos and dealers in precious metals and stones, many of whom act as gatekeepers in practice, and are therefore potentially a substantial source of information on high risk sectors and transactions for FinCEN and LEAs. The assessors attribute compliance costs and burden on the private sector as the more heavily weighted factors influencing these exemptions and thresholds rather than a proven low risk of ML/TF, as required by the FATF Recommendations.

Generally the objectives and activities of competent authorities align well to national policies and identified threats. The supervisory authorities have adequate mechanisms in place to address FI supervision, but apart from casinos, very limited DNFBP supervisory

		activities are in place, as these are not subject to comprehensive AML/CFT preventive measures.

RI 2: Cooperação Internacional

País	Rating	Fatores Subjacentes ao Rating
ESPANHA	**S**	Spain demonstrates many of the characteristics of an effective system in this area, and only moderate improvements are needed. It generally provides constructive and timely information or assistance when requested by other countries, including: extradition; the identification, freezing, seizing, confiscation and sharing of assets; and providing information (including evidence, financial intelligence, supervisory and available beneficial ownership information) related to ML, TF or associated predicate offences. Some problems have arisen in the context of Spain making requests to and sharing assets with non-EU countries with legal systems which are very different to Spain's. However, these issues do not appear to be overly serious or systemic. Spain routinely seeks international cooperation to pursue criminals and their assets and, in general, this works well. Cooperation with tax havens presents challenges. However, Spain has had some success in resolving some of these issues (for example, involving international cooperation with Andorra, San Marino and Switzerland). The exception is MLA and extradition requests to Gibraltar, with whom Spain deals indirectly through the UK authorities which causes delays. All of the law enforcement and prosecutorial authorities met with during the onsite visit viewed international cooperation as a critical matter of high importance. They are focused on providing information, evidence and assistance in a constructive and timely manner, and also proactively seeking international cooperation, as needed. Spain relies heavily on cooperation with its foreign counterparts (particularly when pursuing cases involving the laundering of foreign predicate offences, or the activities of trans-national organised crime groups) and has achieved success in high profile ML and TF cases (for example, White Whale, Malaya, dismantling of ETA's economic and financing network). Spain was also able to provide concrete examples of organised crime groups and financing networks of terrorist groups which have been dismantled through these efforts. This is an important factor in the Spanish context, given the nature of its ML/TF risks. It is expected that Spain's focus on international cooperation, and the additional measures that it is taking to increase the transparency of basic and beneficial ownership information (such as implementation of the Financial Ownership File) will be important steps toward making Spain an unattractive location for criminals (including terrorists) to operate in, maintain their illegal proceeds in, or use as a safe haven.
NORUEGA	**S**	Norway does not maintain comprehensive statistics on mutual legal assistance and extradition, nor on other forms of international cooperation (other than by the FIU), which creates difficulties in assessing effectiveness with respect to ML/TF cases. Norway has a strong commitment to international cooperation and

		prioritizes the provision of international assistance. Norway cooperates effectively, and in a timely way, particularly with Nordic and EU countries, including direct cooperation between the competent authorities. With respect to other forms of cooperation the FIU, LEAs and the Customs Authority engage in effective international cooperation with their counterparts, both upon request and spontaneously. Norway has a sound legal framework in place to allow the FSA to exchange information with foreign counterparts in the financial sector. However, the FSA makes limited use of international information exchange for AML/CFT matters. It has provided information upon request for AML/CFT purposes in specific cases.
BÉLGICA	**S**	Belgium's partners find the international co-operation it provides to be of good quality. No countries reported any major difficulties with Belgium's information exchange practices, and the assessors did not see any indication of serious ineffectiveness in the handling of international co-operation by the Belgian system. The interviews with the various competent authorities confirmed this finding, which was particularly positive in the area of combating TF and terrorism. In practice, the legal limitations that were found do not appear to have a major impact on the exchange of information.
AUSTRÁLIA	**H**	The Immediate Outcome is achieved to a very large extent. Australia uses robust systems for mutual legal assistance, as demonstrated by their statistics, although there are some limitations in relation to the categorization of ML offences within the case management framework. Informal cooperation is generally good across agencies. Although diagonal cooperation does not appear to be permitted with ASIC and APRA, this is not a significant issue. Australia cooperates well in providing available beneficial ownership information for legal persons and trusts in relation to foreign requests, keeping in mind that what is not (required to be) available in Australia cannot be shared.
MALÁSIA	**M**	Malaysia is achieving the immediate outcome to some extent. Major improvements are needed to ensure Malaysia's international cooperation is better aligned with its risk proβile, in particular requesting legal cooperation to address the risks it faces from transnational crime. The minor technical deficiencies in relation to MLA have not, to date, affected Malaysia's ability to cooperate. Mechanisms are generally in place to allow for the timely exchange of information and assistance. Statistics and cases show that Malaysia provides a range of international cooperation, including extradition, MLA, financial intelligence and beneficial ownership information. However, for MLA, extradition and LEA cooperation the experience is that Malaysia receives far more requests than it makes, which the assessors judge as reflecting a need for a greater focus on foreign threats and property/people moved offshore.

		The FIU and supervisors have generally demonstrated well-functioning cooperation with foreign counterparts in keeping with the risk and context. This is producing strong outcomes which benefit Malaysia's investigative and supervisory efforts as well as its efforts to assess foreign sourced risks. Some authorities, particularly the RMP, should enhance their focus on international cooperation to better support their investigation functions to cooperatively respond to trans-national risks.
ITÁLIA	**S**	Italy demonstrates many characteristics of an effective system. Italy has a strong framework for cooperation and provides constructive and timely assistance when requested by other countries. Competent authorities notably provide information, including evidence, financial intelligence, supervisory information related to ML, TF, or associated predicate offenses, and assist with requests to locate and extradite criminals as well as to identify, freeze, seize and confiscate assets. Italy seeks on a regular basis and generally in a successful way, international cooperation from other countries to pursue criminals and their assets. Italy should nevertheless set up a case management system and improve its statistics on international cooperation. Although the absence of implementation of the relevant EU instruments has not been an obstacle to cooperation so far, it cannot be excluded that it may slow down cooperation in the future. Implementation is therefore encouraged with a view to avoid potential delays. In addition, a greater exchange with foreign authorities of financial intelligence and supervisory information would enhance the system further.
ÁUSTRIA	**S**	Austria demonstrates many characteristics of an effective system for international co-operation. Austria provides assistance to countries who request it, and the Austrian authorities regularly ask their foreign counterparts for information and evidence. Most countries that gave input on the international co-operation of the Austrian authorities (speaking broadly) found it to be generally satisfactory. Conversely, Austria is generally satisfied with the co-operation that it receives. Based on the information, including statistics, supplied by the authorities, it is possible to determine the volume of international co-operation (including extradition) dedicated to AML/CFT, but not which types of ML cases. The authorities were not able to indicate among those requests, which are more particularly concerned with identification, seizing and confiscation of criminal assets. Regarding information sharing from the A-FIU, the level of suspicion of ML required hinders, in some cases, its ability to collect and share relevant information with foreign FIUs. Finally, the Austrian procedural rules and practices concerning extradition with one non-EU country raise some concerns with regards to its effectiveness.
CANADÁ	**S**	International cooperation is important given Canada's context, and Canada has the main tools necessary to cooperate effectively, including a central authority supported by provincial prosecution services and

		federal counsel in regional offices. The authorities undertake a range of activities on behalf of other countries and feedback from delegations on the timeliness and quality of the assistance provided is largely positive. Assistance with timely access to accurate beneficial ownership information is, however, challenging, and some concerns were raised by some Canadian LEAs about delays in the processing of some requests. The extradition framework is adequately implemented. Canada also solicits other countries' assistance to fight TF and, to a somewhat lesser extent, ML. Informal cooperation appears effective amongst all relevant authorities, more fluid and more frequently used than formal cooperation, but the impossibility for FINTRAC to obtain additional information from REs, and the low quantity of STRs filed by DNFBPs limit the range of assistance it can provide
SUIÇA	**M**	Mutual Legal Assistance Switzerland has a complete apparatus of legislation, agreements (consisting of the numerous treaties to which it is party) and administration for mutual legal assistance and experiences a high level of activity in incoming and outgoing requests. It provides effective mutual legal assistance concerning the seizure and return of assets. According to the comments of other delegations, Switzerland's responses to requests for mutual legal assistance are satisfactory overall and obtained without undue delay. The spontaneous sharing of information with foreign authorities is an effective tool for cooperation that is used to start investigations abroad and/or to formulate requests for mutual legal assistance. Switzerland is very active in this area and shares information spontaneously more often than it receives such information. The incoming requests also constitute a significant source for ML investigations that have been opened in Switzerland. In general, the bank account holder targeted by a mutual legal assistance request, and any other person with an interest considered sufficient, is notified before transmission of the requested information. This has the effect of compromising the foreign investigation if confidentiality is required and, in case of appeal in the name of the person notified, to prolong processing times for completing the request. The problem is only partly compensated by the possibility, in certain cases, of temporarily prohibiting such notification, and even to provide evidence conditionally ("dynamic mutual legal assistance"). More generally, the results and limits of mutual legal assistance cannot be measured accurately without complete data, particularly for requests sent or handled by cantonal authorities.

		MROS The Money Laundering Reporting Office Switzerland (MROS) sends numerous requests for information to its foreign counterparts and uses the information to improve its analysis. MROS responds to requests without undue delay. It may also request information from any financial intermediary on behalf of an FIU, but only if the financial intermediary has previously made an STR or presents a link with an STR received by MROS. Not being able to contact financial intermediaries without a previous STR limits the effectiveness of the cooperation granted by MROS. Appropriate mechanisms involving law enforcement authorities or FINMA compensate for this limitation in certain cases, but they are exceptional. The same limitation applies to requests concerning beneficial owners FINMA The Swiss Financial Market Supervisory Authority (FINMA) makes limited requests to its foreign counterparts on issues relating to AML/CFT. It receives a large, and growing, number of requests for information from abroad. It responds with diligence in most cases, even if the procedure applicable for a request concerning the customer of a financial intermediary can delay delivery of the information. The assessors note the recent modification of Swiss law, which is intended to increase the extent of the information accessible to the home country supervisory authority during on-site inspections, in the framework of shared supervision of foreign financial groups with institutions in Switzerland
EUA	**S**	The U.S. generally provides constructive and timely assistance when requested by other countries. This encompasses the range of international cooperation requests, including Mutual Legal Assistance (MLA), extradition, financial intelligence, supervisory, law enforcement and other forms of international cooperation. The U.S. also proactively seeks assistance in an appropriate and timely manner to pursue domestic predicate and TF cases which have transnational elements. The assistance requested includes requests for evidence and for the freezing, seizing and forfeiture of assets, besides financial intelligence, supervisory and other forms of international cooperation. There may be barriers to obtaining beneficial ownership (BO) in a timely way, because the U.S. legal framework in this area is seriously deficient, and there are no other measures in place to ensure that BO is collected, maintained and easily accessible to the authorities. This can require resource-intensive investigations by LEAs, often impinging on timeliness and priority concerns. Tax information is not generally available to foreign law enforcement for use in non-tax criminal investigations

RI 3: Supervisão

País	Rating	Fatores Subjacentes ao Rating
ESPANHA	**S**	Spain has a strong system of AML/CFT supervision in the financial sectors and has demonstrated that its supervision and monitoring processes have prevented criminals from controlling financial institutions.In addition, the process has also resulted in identifying, remedying and sanctioning violations or failings of risk management processes. The supervisory approach to parts of the DNFBP sector is a work in progress. Uncertainties about the numbers of lawyers caught by the AML/CFT Law and their lack of understanding of the risks, the level of knowledge in the auditing and tax advisor sectors, and the high risks in the real estate sector all suggest that the authorities need to focus their attention on the sub-sectors lacking supervisors, central prevention units, or where there is higher risk to improve the overall level of effective supervision in the DENFBP sector. However, SEPBLAC is aware of these challenges, and based on SEPBLAC's achievements to date in the financial sector, the assessment team is comfortable that SEPBLAC has the ability to move forward on these issues. SEPBLAC's approach to risk analysis is elaborate. It drives both the risk assessment process and the supervisory approach. The Bank of Spain has improved its engagement with the AML/CFT supervisory regime. Nevertheless, there are some areas where moderate improvements are needed, as outlined below. Based on the comprehensive risk assessments done by SEPBLAC, its effective partnership with the Bank of Spain in the banking sector, its work in the MVTS sector, its directive stance in the remainder of the financial sectors, and its understanding of the risks in the DNPBP sector which will inform its approach in that sector going forward, Spain has achieved a substantial level of effectiveness for Immediate Outcome 3.
NORUEGA	**M**	Licensing, market entry and regulation of financial institutions are generally comprehensive. ML/TF risks have not been adequately identified and or understood by the FSA and SRBs. The FSA is the AML/CFT supervisor for all financial institutions and DNFBPs which are reporting entities in Norway, with the exception of the lawyers which is the Supervisory Council, and TCSPs and dealers in precious metals and stones which do not have a designated supervisor. The FSA undertakes both on and off-site AML/CFT supervision based largely on prudential and business conduct risks. The frequency, scope and intensity of AML/CFT supervision are not sufficiently ML/TF risk based and requires enhancement, particularly for large complex institutions. The FSA and Supervisory Council generally undertake only high level onsite supervision that does not adequately test the effectiveness of controls, rather focusing on technical compliance checklists. Taking into account the risks of the sector, concerns exist over the lack of onsite supervision in the authorised MVTS sector, and the lack of supervision of "passported" MVTS is a significant concern1. Action has been taken to

		identify and sanction unauthorised MVT providers, led by the FIU, though this is on an ad hoc basis and could be improved. Systems, procedures and specialised supervisory resources are not sufficient to support effective, risk based AML/CFT supervision. The FSA's feedback and guidance on AML/CFT requirements has been insufficient to address knowledge gaps on some core issues. Although the FSA is aware that compliance is not at a level that it should be (and in some cases serious breaches have been identified), the sanctions that are legally available to the authorities, including coercive fines or prosecutions, (which have technical limitations) have not been imposed and no regulations on the amount of fines have been issued. There is only very limited supervision of targeted financial sanctions requirements, and the FSA has not considered the adequacy of the systems used by reporting entities.
BÉLGICA	**M**	In the financial sector, supervisors have generally identified the main high risks. However, the understanding of the risks is too irregular due to insufficient controls, particularly on-site inspections. At present, the BNB mainly conducts its controls on a prudential basis, and the implementation of ML/TF risk-based controls is limited. On-site inspections are also limited, due to underestimation of the ML/TF risks faced by the institutions and lack of resources. The shortcomings in terms of supervision are of particular concern for financial institutions operating in Belgium under the European Passport, operating under freedom of establishment via agents in Belgium. The BNB recently began using a periodic questionnaire, which will provide it with specific and systematic information on ML/TF risks and allow it to set supervision priorities more effectively The AML/CFT controls implemented by the Financial Services and Markets Authority (FSMA) target the bureau de change sector, identified as the sector exposed to the greatest ML/TF risk; they are appropriate. Nevertheless, this control should be reinforced with regard to STR quality due to the large proportion of automatic STRs. For collective investment fund management companies, investment management and investment advisory companies and mortgage credit services, given the more limited risks these activities present, AML/CFT controls are included in the more general on-site inspections. For the financial intermediary sector, no other specific and qualitative on-site inspections are in place to verify compliance with AML/CFT obligations. A tightening of controls is thus necessary. Federal Public Service (FPS) Finance has conducted on-site inspections at Bpost, for information only, on the AML/CFT systems and procedures in place, but no on-site inspection operation has been conducted to date. For the financial sectors under the supervision of FPS Economy, no inspections have been conducted. However, these are low-risk sectors (mortgage and direct financing lease providers). The main supervisors of the financial sector have an active policy to promote understanding of ML/TF risks and explain AML/CFT obligations, primarily through a concrete and detailed Guidance and joint circulars (BNB/FSMA), and referral to the website and annual report of the CTIF.

		The DNFBP supervisors have been designated and the regulatory systems are in place. In general, the highest risks have been identified by these authorities, but systems still need to be set up for ensuring that these risks are known and understood and for monitoring how they change over time. In general, supervision of DNFBPs remains extremely limited or inexistent. When there is a risk-based approach, it is limited to the assessment included in the annual AML/CFT report; this determines the priorities in terms of businesses to inspect. However, there is no differentiation in the subsequent controls carried out, which are uniform. For the financial and non-financial sectors, there needs to be greater co-operation between the supervisors and the CTIF, particularly in improving the policy for all reporting entities. Limited controls and significant lack of sanctions applied, specifically in ML/TF matters, have a major impact on the effectiveness of AML/CFT measures. FPS Economy conducts targeted supervision operations to verify compliance with restrictions on payments in cash, and ML/TF risk is one of the elements considered in selecting the target sectors. As these controls have only recently been introduced, the results are difficult to measure, but they have already prompted some professionals to change their practices. Greater resources need to be allocated to these inspections so that large-scale operations can be conducted.
AUSTRÁLIA	**M**	AUSTRAC relies heavily on varying forms of reporting (i.e. SMRs and IFTIs) and unverified self-reporting of compliance to determine reporting entity risks; other risk factors should be considered and AUSTRAC supervisory practice should extend to more individual reporting entities. AUSTRAC's approach does not seem sufficiently nuanced to adequately account for the risks of individual REs in a REG. More generally, AUSTRAC's graduated approach to supervision does not seem to be adequate to ensure compliance. No monetary penalties for violations of the AML/CFT preventive measure obligations have ever been pronounced. Rather, AUSTRAC had applied sanctions to a limited extent in the form of enforceable undertaking, which amounts to – among other things – a formal agreement that the RE will comply with AML/CFT requirements. The assessors concluded that the use of sanctions for non- compliance has had minimal impact on ensuring compliance among REs not directly affected by the sanction. The private sector shared similar views about the depth, breadth, and effectiveness of the supervisory regime. In addition, there is no appropriate supervision or regulation of most higher-risk DNFBPs because they are not subject to AML/CFT requirements. Overall, the authorities were unable to demonstrate improving AML/CFT compliance by regulated entities or that they are successfully discouraging criminal abuse of the financial and DNFBP sectors.
MALÁSIA	**S**	Malaysia is achieving the immediate outcome to a large extent. Malaysia has a sound legal framework for supervision and supervisor have the required powers to regulate the RI population. Malaysia has well implemented market entry fit and proper controls across FIs, though some gaps exist with

		market entry for certain DNFBPs, including casino management. All regulators apply a risk-based approach to supervision. The substance of supervision has transitioned from a rules-based approach to risk-based approaches incorporating comprehensive risk assessment inputs. BNM is well resourced and is applying supervisory tools in a risk-sensitive manner. Supervision of banking, MSB and casino sectors, which carry the bulk of the ML/TF risks, are targeted to address risks In those sectors, including in relation to TFS. SC takes a comparably sound approach in the supervision and mitigation of ML/TF risks in the securities sector. The LFSA's outputs are improving in relation to the relatively small offshore sector, in part through its joint supervision with BNM and a focus on TCSPs. Major improvements in supervision are required for DNFBP sectors beyond the casino and Labuan TCSPs, reflecting Malaysia's graduated approach as these are not the highest risk areas. An increasingly effective range of sanctions have been imposed for violations of AML/CFT requirements which has been shown to improving compliance, although this needs to be deepened across a range of sectors to ensure wholly risk-based approaches. The relicensing and consolidation of the entire MSB sector and related crackdowns on illegal MSBs demonstrate key risk mitigation results.
ITÁLIA	**M**	Financial sector supervisors and the UIF generally have a good understanding of the ML/TF risk associated with the range of FIs they oversee, and the BoI in particular has undertaken a large number of on-site inspections across the range of institutions it supervises. While financial sector supervisors have a reasonably good understanding of risk at the national level, their supervisory tools could be improved in order to provide them with comprehensive, timely and consistent data on the nature and quantum of inherent risk at the level of individual institutions. There is no well defined, documented model in place that would ensure that the rating generated for operational risk by the RAS is effectively integrated into a rating that takes comprehensive information on inherent risk and risk mitigants into account, in order to prioritize FIs for supervisory oversight. There are some weaknesses in the supervisory arrangements for the large number of agents of EU PIs operating in Italy under EU passports. The level of supervisory cooperation with respect to these entities with foreign counterparts is generally inadequate and to date no home country supervisor has undertaken an on-site inspection of any agents operating in Italy. While the BoI and IVASS apply sanctions for violation of the AML Law and related regulations on an on-going basis there is room to strengthen the existing arrangements. A notable concern relates to the uncertainty about whether BoI can apply sanctions available under the CLB to banks that fall under the ECB's supervisory responsibility as these sanctions are an important supplement to those available under the AML Law. The BoI's inability to remove directors and managers has been addressed by legislative decree 72/2015 which came into effect after the end of the on-

		site visit. Beyond these measures there is scope to make the sanction regime more effective and dissuasive.
ÁUSTRIA	**M**	With respect to market entry, Austrian financial sector supervisors appropriately conduct fit and proper tests and criminal background checks in licensing and registering credit institutions. The FMA also proactively targets unlicensed financial service providers as it considers these types of activities to be a key risk to the sector and has established a dedicated function to address these activities. In general, the FMA has a sound understanding of ML/TF risks present in the institutions it supervises. Based on this understanding, it has developed strategies using supervisory tools to risk rate the institutions it regulates, and its staff is appropriately qualified to perform assigned functions. However, effective implementation of these supervisory strategies is limited by a lack of adequate resources especially related to the supervision of higher risk credit institutions. A similar level of understanding of risks is not present among authorities that supervise a range of DNFBPs and therefore, the supervision of these business and professions is based more on statutory requirements rather than appropriate risk analysis or ratings. In some cases (particularly the local district authorities), authorities lack the necessary expertise to conduct effective inspections. FMA has access to a full range of public and non-public supervisory actions that it can and does apply to achieve compliance. However, there are cases where the applications of these actions may not be proportionately applied, possibly due to resource limitations. Furthermore, financial penalties imposed by the FMA do not appear to be dissuasive. It is unclear if the authorities that regulate the DNFBP sectors have access to a similar range of sanctions and that they consistently apply these to achieve compliance within the sector. There is a lack of understanding of the activities and ML/TF risks associated with the on-line activities of foreign MVTS providers and e-money institutions in Austria. As a result, Austrian supervisory arrangements under the EU passporting rules do not provide adequate control of these ML/FT risks.
CANADÁ	**S**	FINTRAC and OSFI have a good understanding of ML and TF risks; and FIs and DNFBPs are generally subject to appropriate risk-sensitive AML/CFT supervision, but supervision of the real estate and DPMS sectors is not entirely commensurate to the risks in those sectors. The PCMLTFA is not operative in respect of legal counsels, legal firms, and Quebec notaries—as a result, these professions are not supervised for AML/CFT purposes which represents a major loophole in Canada's regime. A few providers of financial activities and other services fall outside the scope of Canada's supervisory framework (namely TCSPs other than trust companies, and those dealing with open loop pre-paid card, including non FI providers on line gambling and virtual currency, factoring companies, leasing and financing companies, check cashing business, and unregulated

		mortgage lenders), but legislative steps have been taken with respect to online gambling, open-loop pre-paid cards and virtual currencies. Supervisory coverage of FRFIs is good, but the current supervisory model generates some unnecessary duplication of effort between OSFI and FINTRAC. FINTRAC has increased its supervisory capacity to an adequate level but its sector-specific expertise is still somewhat limited. OSFI conducts effective AML/CFT supervision with limited resources. Market entry controls are good and fitness and probity checks on directors and senior managers of FRFIs robust. There are, however, no controls for DPMS, and insufficient fit-and-proper monitoring of some REs at the provincial level. Remedial actions are effectively used but administrative sanctions for breaches of the PCMLTFA are not applied in a proportionate and/or sufficiently dissuasive manner. Supervisory actions have had a largely positive effect on compliance by REs. Increased guidance and feedback has enhanced awareness and understanding of risks and compliance obligations in the financial sector and to a lesser extent in the DNFBP sector.
SUIÇA	**M**	The risk-based approach implemented by FINMA is generally satisfactory. The approach used by certain OARs does not adequately take differing levels of risk into account, for example as concerns the fiduciaries that are linked to the creation of offshore structures. FINMA's supervision ensures close and continuous control of financial intermediaries and allows for an intensification of the measures as needed. FINMA's authority is recognised by financial intermediaries it directly supervises and by the OARs. This ensures compliance with its remedial measures in the majority of cases. The possibility of sanctions affecting the ability to carry out activities as a financial intermediary is feared by the profession. However, the conditions for these sanctions and how often they are actually imposed on financial institutions or their management found responsible for serious violations of AML/CFT aspects of the supervisory law reduce the potentially dissuasive character of such sanctions. The mechanism for ensuring the fit and proper conduct of natural and legal persons allows the probity of financial institutions and their directors who hold an investment or control, or the beneficial owners, to be certified. The management, co-ordination and follow-up of FINMA's controls of the OARs are generally satisfactory. However, a discrepancy was noted in the approach to risks and the controls of the financial intermediaries in the same sector which may be directly supervised to FINMA or affiliated with an OAR. This is particularly the case for MVTS providers, which are considered to be a high ML/TF risk.

		Measures were recently adopted to reinforce the requirements for the qualification and independence of audit firms which effectively inspect the financial intermediaries. However these new requirements do not impose a regular rotation of the audit firms. In general, the ordinary controls carried out by the audit firms are of an essentially formal character and the material weaknesses are not always revealed fully. FINMA nonetheless provides for a systematic review of the quality of the reports. The OARs do not carry out similar checks of the quality of the reports on their affiliates. Awareness-raising on suspicious transaction reporting among financial intermediaries appears to have had limited results so far. The controls and the sanctions by the supervisory authorities in this area remain insufficient and have not increased reporting. FINMA is aware that this is a point for improvement and attention for the supervision and inspection programmes.
EUA	**S**	The regulatory and supervisory framework in the U.S. is highly complex and multi-faceted, involving a number of authorities both at the Federal and State levels. FBAs and some of the State regulators have effective processes to understand ML/TF risks. Entry criteria in the financial and casino sectors are generally robust and examination programs, follow-up and enforcement actions are often coordinated at the Federal and State level. In the life insurance sector the situation is similar, except that the overall quality of supervision for AML/CFT requirements is less intensive and is often not followed up with written findings. State insurance supervisors do not appear to have a comprehensive view of ML/TF risks; however the assessors have placed a low weighting on this as there appears to be relatively few instances of ML/TF identified in this sector, and also because of the ability of FinCEN to enforce compliance. The process of coordinating MSB examinations between FinCEN, IRS SBSE and the States is positively evolving. FinCEN and IRS-SBSE have taken initiatives to address unregistered money remitters through outreach and enforcement actions, which have been effective. Other than casinos and dealers in precious metals and stones, DNFBPs are not supervised for AML/CFT compliance. While there are some voluntary guidance and outreach efforts by the ABA, and the National Association of Realtors the lack of enforceable obligations is an impediment in assessing the extent to which that guidance is applied or is having the desired impact.

RI 4: Medidas Preventivas

País	Rating	Fatores Subjacentes ao Rating
ESPANHA	**M**	The overall strength of the preventive measures applied by Spain's financial institutions is most notable in the banking sector. The banking sector has developed a good understanding of its ML/TF risks and applies the AML/CFT measures according to the risks. The sector has a low appetite for risk, and seems conscientious in its application of AML/CFT obligations. The controls applied by this key sector are relatively strong, although some improvements are needed. Consolidation has left Spain's banking sector with fewer, but larger banks, mostly able to implement sophisticated, professional, and risk- based AML/CFT controls - although they have not fully completed the processes of integrating their systems following consolidation and bringing customer files into line with the current legal requirements. Additionally, most banks need to update their procedures to account for the new obligations such as domestic PEPs. There are variations in the effectiveness of group oversight at institutions with branches and operations outside Spain. Of the other financial institutions, the MVTS sector has strengthened its preventive measures in response to past criminal exploitation, in particular to mitigate the risk of bad agents by keeping a register of these agents. MVTS providers have been working with the authorities to enhance the AML/CFT measures, such as stronger CDD, lower limits on cash transactions and systematic reporting to the FIU of all transactions. The risk awareness of the MVTS sector is uneven: despite good awareness of the specific risks involved in MVTS operations, the MVTS sector believes its general risk level to be low relative to other sectors. The insurance and securities sectors have a basic but limited awareness of the risks, follow a rules-based approach to the implementation of preventive measures, and most rely on their associated banks and notaries as their principal AML/CFT safeguard. Of the DNFBPs, the strengthening of the preventive measures is most notable with the notaries sector. The notaries sector has made significant progress as a result of the establishment of the OCP (a centralized prevention unit), which has raised awareness and capacity throughout the sector. Also, the development of elaborate risk indicators and additional STR reporting through the OCP has promoted a good understanding of its ML/TF risks and level of compliance. There is though room to further strengthen the scrutiny notaries give to beneficial ownership and the overall structure of ownership and control. The effective implementation of preventive measures varies across the other DNFBPs. In general, the real estate sector, accountant and auditors and casinos seem to adequately apply the required measures, but do not have a risk-based or proactive approach. Lawyers seem to be an outlier, with limited awareness of their ML/TF risks and obligations, and little evidence that effective controls are in place. Similarly for TCSPs, as the authorities have not paid any attention to the supervision of TCSPs, their level of understanding of

		ML/TF risk and AML/CFT compliance will most likely be limited. The wide variety of understanding of the risks, and the resulting wide variations in how the risks are managed, suggests the obliged sectors exhibit, overall, an uneven range of effectiveness in the implementation of preventative measures. The understanding of the risks and the concomitant controls needed seem strongest in the banking sector, although some larger banks do not yet oversee their foreign operations to a group-wide standard. Notaries have a good understanding of the risks, and have taken adequate mitigating measures, although some CDD measures could be improved further. If assessed separately, both these sectors would be rated higher than all the obliged sectors as a whole. Of all the obliged sectors, the legal sector is at a low level of effectiveness. For all obliged sectors, there are some systemic issues relating to understanding and mitigating the risks relating to legal arrangements, trustees and lawyers. Measures on high risk countries and domestic PEPs cannot yet be evaluated. Wire transfers are not yet subject to rules compliant with FATF Standards. It therefore seems that overall there is still some way to go before the obliged sectors as a whole exhibit a substantial level of effectiveness. The assessment team considers the banking and notaries sectors material for the level of compliance of the whole Spanish financial and DNFBPs sectors. In the case of banks this is largely because of the structure of the financial sector where banks, insurance and securities companies are part of a group; and in the case of notaries, it is because they are legally required to be involved in a wide range of acts and transactions, including real estate transactions and the formation of legal persons. Nevertheless, also in these two sectors moderate improvements are still necessary. In all other financial and DNFBP sectors, major improvements with regards to understanding the ML/TF risk and the RBA are required, and with the lawyers and TCSPs even fundamental improvements are necessary.
NORUEGA	**M**	While significant enhancements were made to the preventive measures regime in 2009 to better align with the 2003 FATF Recommendations Norway has not taken the necessary steps to update the regime since then. As a result, a number of legislative deficiencies remain with respect to the preventive measures which have a negative impact on effectiveness. Basic AML/CFT obligations are generally well understood only in certain sectors, such as the banking, audit, accounting and real estate sectors. Significant compliance gaps have been identified by the Norwegian authorities across a number of sectors and the implementation of some key preventive measures has not been effective in the identification and mitigation of ML/TF risks. Financial institutions and DNFBPs do not have a well-developed understanding of risk or the scope and depth of measures required to mitigate varying ML/TF risks. Some sectors, such as banking, understand the criminal threats to which they are exposed, but the requirement for a ML/TF assessment is not clearly understood and is not widespread. Understanding

		of risk in other parts of the financial sector is weak, particularly for DNFBPs. Weaknesses exist over the necessary CDD measures required to understand beneficial owners, particularly where foreign ownership is involved, which undermines effectiveness. Concerns exist over the application of preventive measures in some key areas such as PEPs, wire transfers and correspondent banking. Ongoing monitoring and periodic review requirements have not been effectively implemented. Concerns exist over the quantity and quality of STRs.
BÉLGICA	**M**	Financial institutions seem to have a good understanding of the risks. It appears that not all DNFBPs understand the degree of risks to which they are exposed or the need to protect themselves against potential ML/TF-related abuse. AML/CFT obligations are generally well-understood by financial institutions, and AML/CFT measures implemented are proportionate and appropriate with regard to the corresponding risks. However, shortcomings were found among some payment institutions and bureaux de change, particularly inadequate understanding of the requirements relating to beneficial ownership and politically exposed persons (PEPs). The financial sector also appears to apply enhanced due diligence measures in situation recognised as 'high risk', but less so for correspondent banking and wire transfers within the EU. In recent years, many DNFBPs have made efforts to raise awareness and motivate professionals with regard to AML/CFT. These types of operations need to continue so that satisfactory implementation of the measures can be achieved. The enhanced measures applied by DNFBPs, for example, seems insufficient for situations requiring increased attention. When customer due diligence (CDD) requirements canno be met, DNFPBs indicate that they refuse to enter into a business relationship or perform the transaction, even if they do not issue an STR. Th implementation of AML/CFT measures by diamond dealers does not seem adequate to address the sector's high risks. As a general rule, the financial sector has adopted the practice of issuing STRs, but some bureaux de change and payment institutions operating via a network of agents also submit a significant share of automatic STRs, which do not provide additional information on the transactions of a customer who has already been reported. DNFBPs reporting transactions on the basis of thresholds / criteria prefer this type of 'objective' reporting and do not reflect the level of suspicion raised by the related transactions. Lawyers and diamond dealers submit almos no STRs. This approach can hinder the detection of ML and contribute to under-prosecution of certain offences. The competent authorities need to strengthen their AML/CFT controls in order to verify that the entities subject to the obligations are adequately applying them.
AUSTRÁLIA	**M**	Australia exhibits some characteristics of effective system for applying preventive measures in financial institutions and DNFBPs. In general, the major REs and other high risk REs subject to more regular supervisory

		engagement appear to have a reasonable understanding of ML/TF risks and preventive measures that comply with the Australian AML/CFT regime. REs have demonstrated that they are aware of their requirement to have AML/CTF programmes and reported having implemented the necessary internal AML/CTF controls. However, a number of aspects of the AML/CFT regime – including those that relate to internal controls, wire transfers, correspondent banking, etc. – do not meet FATF Recommendations. As a result, REs' implementation of AML/CFT measures will not meet the FATF standards if its internal controls are developed solely to meet the Australian requirements. In addition, while the requirements have been revised with respect to CDD and PEPs, none of the REs reported they were able to fully implement these requirements at the time of the onsite. As a result, at the time of the onsite visit REs were working to transition from the pre June 1 AML/CTF Rules, which were not in line with the FATF standards. At the same time, a lot of reliance is placed on the banking and financial sector as gatekeepers due to the absence of AML/CFT regulation and requirement on key high-risk DNFBPs such as lawyers, accountants, real estate agents and TCSPs. As a result of these factors, the effectiveness of the preventive measures in the financial system as a whole and DNFBPs is hence called into question to some extent
MALÁSIA	**M**	Malaysia is achieving the immediate outcome to some extent. The bulk of Malaysia's preventive measures and internal controls across essentially all FIs and DNFBPs meet the FATF standards. Many sectors are still transitioning from a rules-based to risk-based approach, despite Malaysia formally having a risk-based approach for a number of years. Supervisory findings demonstrate that RIs have a mixed understanding of risk and in some sectors do not always adequately implement CDD requirements, including on beneficial owners, on a risk sensitive basis, but rather in a prescriptive formal manner. There has been strong regulatory engagement across the FIs, the casino and offshore TCSPs, which reflects the higher risk areas to raise awareness of obligations and risk. Other DNFBPs have received less outreach and supervisory attention.
ITÁLIA	**M**	It is a strong point that there is generally a good level of understanding of the ML risks in the core financial sector, with the banks, which dominate the sector, being particularly attuned. The appreciation of TF risks is less developed. There is significantly less understanding of both ML and TF risks in the DNFBP sectors, where the general awareness of the risk-based approach is much more limited, with the exception of the PIE auditors and the notaries, who have received specific input from their regulators. This distinction between FIs and DNFBPs is carried forward into the relative robustness of the preventive measures employed within the different sectors. Evidence suggests that the large domestic banks and Banco Postal have taken measures to strengthen the core elements of their CDD, record-keeping and STR filing in recent years, but they are faced with an important challenge of how to mitigate the risk in relation to tax evasion by the clients, given the endemic nature of this problem in Italy. More generally, there are marked variations in the understanding among FIs and DNFBPs about what is required in terms of

		establishing ultimate beneficial ownership. This is a key area of concern to the assessors. The passporting arrangement under the EU Payment Services Directive has given rise to a large number of remittance agents in Italy, some of which the authorities have evidence to suggest are systematically failing to implement proper AML/CFT controls. While this issue can only be addressed at the EU level, it does have a material impact on the robustness of the AML/CFT framework in Italy. Among the DNFBPs, the approach to the preventive measures appears to be somewhat mechanical, with relatively little attempt made to identify high-risk situations and to take appropriate measures. Finally, it has to be noted that certain of the deficiencies as regards technical compliance with the FATF standards have an adverse impact on effectiveness, particularly those relating to CDD exemptions, correspondent banking, PEPs and wire transfers.
ÁUSTRIA	**M**	Banks have a good understanding of their ML/TF risks and AML/CFT obligations. The main risks that they face are associated with off-shore customers and business activities. It is a major concern that Austrian banks play a systemic role in CESEE countries, yet there is no requirement to have a business wide compliance function that would apply to their branches and subsidiaries there. The interpretation of Austrian bank secrecy provisions by banks seems to be an obstacle to sharing customer information across international banking groups. There does not appear to be a sufficient understanding of risks among investment service undertakings and investment firms. Passported MVTS providers and e-money institutions providing services via agents are formally required to apply Austrian AML/CFT rules, but the lack of direct supervision raises questions as to their awareness and effective application of such rules. Notaries, lawyers, and accountants play a key role within the economic system as they are often involved in high risk business like company formations and real estate transfers. There are concerns whether they fulfil their gatekeeper role effectively. Offices services (providing business address and secretariat for companies in a professional way) are a growing business in Austria, and there are concerns that this sector is not aware enough about ML/TF vulnerabilities and risks. Dealers in high-value goods are not aware of their ML/TF risks and do not have sufficient risk mitigating measures in place. The DNFBP sectors in particular are reluctant to file STRs, since these were frequently shared directly with the customer involved at the early stage of the FIU's investigation into the STR. Financial institutions also indicated that their STRs filed were shared with customers, and this has made some more reluctant to file
CANADÁ	**M**	Several, but not all REs listed in the standard are subject to Canada's AML/CFT framework: • AML/CFT requirements were found to breach the constitutional right to attorney-client privilege by the Supreme Court of Canada, and, as a

		result, are inoperative with respect to legal counsels, legal firms, and Quebec notaries. The exclusion of these professions is not line with the standard and raises serious concerns (e.g. in light of these professionals' key gatekeeper role in high-risk activities such as real-estate transactions and formation of corporations and trusts). • TCSPs (other than trust companies), non FI providers of open loop pre-paid card, factoring companies, leasing and financing companies, check cashing business and unregulated mortgage lenders, online gambling, and virtual currencies do not fall under the AML/CFT regime, but legislative steps have been taken with respect to online gambling, open-loop pre- paid cards and virtual currencies. FIs including the D-SIBs have a good understanding of the ML/TF risks and of their AML/CFT obligations. While a number of FIs have gone beyond existing requirements (e.g. in correspondent banking), technical deficiencies in some of the CDD requirements (e.g. related to PEPs) undermine the effective detection of some very high-risk threats, such as corruption. Requirements—on FIs only—pertaining to beneficial ownership were strengthened in 2014 but there is an undue reliance on customers' self-declaration for the purpose of confirming beneficial ownership. Although REs have gradually increased the number of STRs and threshold-based reports filed, the number of STRs filed by DNFBPs other than casinos remains very low. With the exception of casinos and BC notaries, DNFBPs—and real estate agents in particular—are not adequately aware of their AML/CFT obligations.
SUIÇA	**M**	Overall, the larger financial intermediaries understand their ML/TF risks. The ability of financial intermediaries in the para-banking and non-banking sectors to identify their ML/TF risks varies. Fiduciaries in particular, especially smaller ones, do not seem to understand fully the nature or level of their risks. Financial intermediaries put their customers into risk categories in order to apply appropriate measures. However, for some major players in private banking, a high-risk area, the categorisation appears inadequate. Moreover, the members of some non-specialist OARs use the criteria laid down by LBA regulations without adapting them to reflect the specific nature of their customers and their activities. In general, financial intermediaries meet their obligations as regards record-keeping and customer due diligence. They apply enhanced measures in higher risk situations, particularly those involving politically exposed persons (PEPs). Financial intermediaries have also defined measures for implementing the requirements introduced by the 2014 FATF Law, including to ensure that new customers are in compliance with their tax obligations. The process of reviewing existing customers in the banking sector is unsatisfactory overall. The failure to bring all bank customer portfolios into compliance with current due diligence requirements weakens financial intermediaries' risk-based approach. The agents of MVTS providers are only allowed to make money or value

		transfers for one financial intermediary that is authorised by FINMA or a member of an OAR. This measure strengthens the AML/CFT system against the higher risk associated with cross-border money or value transfers. The number of STRs has tended to increase. However, reporting by financial intermediaries is limited, occurring mainly when there are grounded suspicions of ML/TF. Financial intermediaries are not putting into practice the broader interpretation of the reporting requirement promoted by Swiss authorities. Financial intermediaries have their own internal control structures which ensure their AML/CFT systems are reviewed by an independent unit, except in the case of smaller intermediaries, particularly fiduciaries with locations abroad. Financial groups have AML/CFT policies that apply to all entities within the group.
EUA	**M**	The financial sector in the U.S. is huge and complex with a large number of institutions. Covered institutions, particularly banks, securities sectors, and MSBs have an evolved understanding of ML/TF vulnerabilities and obligations and have put in place systems and procedures (some quite sophisticated) to understand, assess and mitigate these vulnerabilities. Investment advisers (IAs) are not directly covered by BSA obligations. Some IAs, however, are indirectly covered through affiliations with banks, bank holding companies and broker-dealers, when they implement group wide AML rules or in case of outsourcing arrangements. Non-coverage of the remainder of the sector is a significant vulnerability identified by the U.S. authorities. Life insurance companies appear to understand the vulnerabilities associated with the products covered by the AML regulations. There are TC gaps, specifically exemptions and thresholds, which are not in line with the risks especially in the context of the U.S. as one of the world's largest financial systems. Although the NMLRA notes structuring as a risk, the SAR reporting thresholds do create opportunities for structuring which, while the U.S. argues they exist by design, were originally not subject to a ML/TF risk assessment but put in place on the basis of relief from regulatory burden. Overall, the TC gaps, exemptions and thresholds in the BSA regime collectively soften the deterrent value of preventive measures. This is compensated, to an extent, by the LEAs' ability to access SAR and other FIU data directly, which is a strong feature of the system. In the DNFBP sector, casinos have developed a good understanding of risks and obligations and apply preventive measures. There is increased focus from the authorities on the sector due to identified vulnerabilities. However, apart from casinos (and to some extent, dealers in precious metals and stones), no other DNFBP sector is comprehensively covered under the AML/CFT framework. All nonfinancial trades and businesses in the U.S have the Form 8300 large cash transaction reporting obligation, allowing voluntary reporting of suspicious transactions, are subjected to targeted financial sanctions and can be subject to a GTO. However, the understanding of risks in the DNFBP sector, other than casinos, is uneven. Addressing the regulatory gaps of certain minimally covered DNFBP sector would improve availability of financial intelligence and strengthen the deterrence factor of U.S. preventive measures.

		The SAR reporting thresholds make it optional for smaller value suspicious transactions to be reported to FinCEN, and this gap is only somewhat mitigated by the obligation to report some transactions immediately to LEAs and file a SAR. Further, the 60/30 day period for eporting suspicious activity cannot be said to be promptly; however, in practice the median time taken by reporting entities to file SARs is 17 days; within the 30 day window. Lack of BO obligations remains a significant gap in the regulatory framework, though FIs, such as banks and broker-dealers seem to be taking steps to identify BOs as part of their risk management efforts. Information exchange is happening actively and is facilitated by the USA PATRIOT Act between authorities and the financial sector, and among FIs. This is an important feature of the U.S. system.

RI 5: Pessoas Coletivas e Entidades sem personalidade jurídica

País	Rating	Fatores Subjacentes ao Rating
ESPANHA	**S**	In terms of ensuring access to basic and beneficial ownership information on legal persons, Spain's system is generally effective. Law enforcement authorities have shown that they can successfully investigate money laundering cases which make extensive use of legal persons, and can identify and prosecute the beneficial owners in such cases. Beneficial ownership information on Spanish companies is easily and rapidly available to competent authorities via the notary profession's Single Computerised Index. Spain's measures for managing and enabling access to information are an example of good practice for other countries. Some weaknesses remain in the implementation of preventive measures against the misuse of legal persons and arrangements, but, overall, appear relatively minor compared to the positive features of the Spanish system. They include: the limited information on beneficial owners of foreign legal arrangements (which is not a frequent occurrence); the limited transparency of transfer of shares on SAs that are not listed in the stock exchange (which is a limited number); the ability of not-yet-registered companies to make financial transactions for up to two months (a problem which is mitigated by the availability of information in the notaries' Single Computerised Index as well as in financial institutions and DNFBPs customer files); and limitations of the extent to which notaries verify the identity of the beneficial owner and the chain of ownership (which is also mitigated by the Single Computerised Index and by the fact that, in most instances, at least one risk indicator is met and triggers the obligation to verify the identity of the beneficial owner). In addition, guidance on conducting CDD of legal arrangements is non-existent, CDD measures in respect of trusts and trustees only took effect during the on-site, and it is too early to assess how the new obligations are implemented in practice. Spain's system will be strengthened by recent changes to Spain's laws and regulations (in particular corporate criminal liability, and by additional practical measures under development (in particular the financial ownership file and reporting entities' access to the beneficial ownership database). These will, over time, make it significantly more difficult for criminals to misuse Spanish legal persons.
NORUEGA	**M**	The NRA notes but does not analyse the vulnerabilities that exist regarding the potential for misuse of legal persons in Norway, and does not consider the risks from trusts. Norway has an extensive system of readily accessible registers on legal ownership and control information, with information publicly available. Where ownership/control is entirely Norwegian, basic information (control information in national registers and ownership information held by companies) is readily available to competent authorities in a large majority of cases. Beneficial ownership information of Norwegian legal persons is not readily

		available where there are foreign legal persons or arrangements involved in the ownership/control structure. The company registry system is passive and reactive, with little active monitoring and limited sanctions. Trusts cannot be created under Norwegian law (thus likely reducing the ML/TF risks they pose in Norway given the fewer number), but trustees and/or beneficiaries of foreign trusts do exist. Neither competent authorities nor reporting entities have timely access to beneficial ownership information on foreign trusts operating in Norway.
BÉLGICA	**M**	Authorities' understanding of the vulnerabilities with regard to legal persons remains sectorbased, and is not drawn from an overall, up-to-date and continuing assessment. The criminal prosecution authorities specialised in counter-terrorism are aware of the risks of legal persons being misused for TF purposes. Depending on the case, the authorities monitor these risks on a continuing basis although they have not done a recent assessment of such risks. Competent authorities have identified concrete ML/TF risks and vulnerabilities in the framework for legal persons. Several initiatives have been taken to address these; however, the recent implementation of certain of these measures at the time of the on-site visit, and the need for more time to fully appreciate their impact, mean that they cannot yet be considered fully effective. The authorities are aware that additional measures need to be taken. Basic information and information on beneficial ownership for the large majority of legal persons are publicly available through the information maintained in the companies register – BanqueCarrefour des Entreprises (BCE) – although there are shortcomings, in particular regarding the reliability and updating of the data. However, the fact that notaries authenticate the majority of instruments relating to the creation and existence of legal persons increases the reliability of the information. Information available essentially includes the legal ownership of the legal person, which may coincide with the beneficial ownership. Other means exist which aid in establishing beneficial ownership, in particular information obtained by financial institutions and DNFBPs, or any publicly available information on publicly and non-publicly traded Belgian companies. The effectiveness of ML/TF investigations involving legal persons or in which beneficial ownership information had been sought and used could not be established on the basis of the qualitative information provided by criminal prosecution authorities. The sanctions imposed on persons who do not comply with obligations to provide transparent information on legal persons are not effective or dissuasive. Belgium has expanded its arsenal of sanctions in order to compensate for the ineffectiveness of administrative and criminal penalties, and the initial results are promising.

		The development of legal arrangements in Belgium is limited. For this reason, the authorities have not at present identified or evaluated the vulnerabilities of such structures in relation to ML in Belgium. However, a risk analysis of fraud using foreign legal arrangements by natural persons subject to tax in Belgium has led to the tightening of reporting obligations to fiscal authorities on links to legal arrangements, including foreign ones. Professional trustees are as a general rule subject to AML/CFT obligations. International co-operation with regard to the identification and exchange of information on legal persons and legal arrangements is generally positive in both directions (incoming and outgoing).
AUSTRÁLIA	**M**	Legal persons and legal arrangements were identified as presenting medium to high risks for ML in the NTA of 2011 and the use of complex corporate structures in ML schemes was frequently cited by law enforcement spoken to by the assessment team. There is good information on the creation and types of legal persons in the country available publicly, but less information about legal arrangements. The ATO has made some improvements to the ABR that involve collecting information on associates and trustees for new registrations from December 2013. The authorities seem to appreciate the extent to which legal persons can be, or are being misused for ML and had some awareness in relation to TF. They could do more to identify, assess and understand the vulnerabilities of both for ML and TF, as past assessment efforts seem to have focused more on underlying predicate crime. While Australia has implemented some measures to address the specific risk identified in the 2011 NTA to legal persons and legal arrangements, other measures need to be taken, including imposing AML/CFT obligations on those who create and register them to strengthen the collection and availability of beneficial ownership information. Concerning beneficial owners of legal persons and legal arrangements, the existing measures and mechanisms are not sufficient to ensure that accurate and up-do-date information on beneficial owners is available in a timely manner. It is not clear that information held on legal persons and legal arrangements is accurate and up-to-date. The authorities did not provide evidence that they apply effective sanctions applied against persons who do not comply with their information requirements. Overall, legal persons and arrangements remain very attractive for criminals to misuse for ML and TF.
MALÁSIA	**M**	Malaysia is achieving the immediate outcome to some extent. Malaysia has assessed elements of ML/TF risk and vulnerabilities involving legal persons to some degree and trusts to a lesser extent. Malaysia has a system of registering the ownership of legal persons. While there are some gaps with timeliness and accuracy of returns, it is clear that its significance is diminishing due to increasingly active monitoring. Malaysia relies on obligations on RIs, including TCSPs, to identify the beneficial owners of legal persons and parties to a trust. The quality of implementation of the obligations on TCSPs is mixed and the greatest challenge for RIs is that beneficial ownership information may not be available at the company level

		to support the RIs CDD obligations. Trustees which are not RIs have very few obligations. The extent of implementation of obligations on all trustees operating bank account to declare their trustee status to the bank has been generally supervised, but does not extend beyond banks.
ITÁLIA	**S**	As reflected in the NRA the risk of Italian legal persons, especially companies, being misused for ML purposes is high, in particular in light of the real infiltration of domestic companies by organized crime. Foreign legal arrangements also play an increasing role in ML schemes although their presence in Italy is far more limited. The risk in other contexts (TF; other legal persons, and domestic legal arrangements) appears to be much lower. The authorities' understanding of the risk of misuse of domestic legal persons is comprehensive in the context of organized crime groups and tax evasion, but is less developed in other contexts. While the NRA's focus on organized crime was appropriate, a better understanding of the misuse in instances unrelated to organized crime would prove useful, in particular in the context of corruption. In addition, although they represent a small percentage of the total number of legal persons incorporated in Italy, companies with foreign ownership may not be entirely immaterial considering their significant turnover, and would deserve further analysis in the context of the next risk assessment. Basic information on legal persons incorporated in Italy is readily accessible, accurate and up-to-date. Beneficial ownership information is slightly more difficult to acquire and less reliable until it is verified by LEAs. In practice, the Italian authorities, in particular the GdF and DNA, have been successful in a number of instances in identifying the beneficial owners of companies misused by criminals, especially mafia-type organized crime groups, through a combination of measures, including consultation of the information collected by reporting entities (mainly notaries and banks) and of various databases, as well as international cooperation. The timeliness of the authorities' access to beneficial ownership information varied between a few minutes to a few days depending on the complexity of the case and of the corporate vehicle involved, and is generally deemed adequate. The MOLECOLA platform used by the GdF and DNA, in particular, has proven very useful in facilitating and accelerating the consultation of a range of sources of information, thus cutting down the amount of time needed to identify the real beneficial owner. While overall satisfactory, Italy's mechanism could be strengthened further: The reliability of the information obtained from reporting entities varies, which entails a requirement for cross-checks in all instances. Notaries, in particular, are a logical first port of call for the authorities; they exercise a public function in Italy and play a central role throughout the life cycle of companies. In these circumstances, the fact that they did not, until recently, seem to pay sufficient attention to the identification of the real beneficial owner is cause for some unease. Recent progress in this respect is therefore particularly welcome and should be encouraged further. As highlighted under IO.7, despite the successes obtained, a greater focus, by LEAs, on companies would also prove useful. In addition, effective sanctions do not appear to be applied to persons who do not comply with their information requirements. Greater attention to legal

		persons with foreign ownership to establish their materiality in terms of risk in light of their turnover could be useful. Finally, stronger enforcement actions of the registration requirements would be a useful deterrent. These measures are recommended to address what appears to be relatively minor shortcomings rather than real impediments to access to information; moderate improvements are needed to ensure that Italian companies (and other legal persons) are prevented from misuse for ML and TF purposes.
ÁUSTRIA	**M**	Although there has been no formal risk assessment, the competent authorities' understanding of risks and vulnerabilities of legal persons and arrangements appears to be adequate. The authorities have taken important measures to prevent the misuse of legal persons. The company registry functions effectively and has a number of safeguards in place. On the other hand, the measures to prevent the misuse of Treuhand arrangements are limited. There is no central place where information on beneficial owners of Austrian legal persons and arrangements is kept. Beneficial ownership information is obtained and maintained individually by financial institutions and DNFBPs in the course of their CDD obligations. However, timely access to this information by the competent authorities is hindered by legal provisions and other professional secrecy restrictions. The sanctions provided for the violation of the information and disclosure requirements are generally effective
CANADÁ	**L**	Canadian legal entities and arrangements are at a high risk of misuse for ML/TF and mitigating measures are insufficient both in terms of scope and effectiveness. Some basic information on legal persons is publicly available. However, nominee shareholder arrangements and, in limited circumstances bearer shares, pose challenges in ensuring accurate, basic shareholder information. Most TCSPs, including those operated by lawyers, are outside the scope of the AML/CFT obligations and DNFBPs are not required to collect beneficial ownership information. These pose significant loopholes in the regime (both in terms of prevention and access by the authorities to information). FIs do not verify beneficial ownership information in a consistent manner. The authorities rely mostly on LEAs' extensive powers to access information collected by REs. However, there are still many legal entities in Canada for which beneficial ownership information is not collected and is therefore not accessible to the authorities. Access to beneficial ownership is not timely in all cases and beneficial ownership information is not sufficiently used. For the majority of trusts in Canada, beneficial ownership information is not collected. LEAs do not pay adequate attention to the potential misuse of legal entities or trusts, in particular in cases of complex structures.
SUIÇA	**M**	Domiciliary companies were identified some time ago by the Swiss authorities as a factor that increased ML/TF risks. The NRA however does not propose any in-depth analysis of the mechanisms by which the use of domestic domiciliary companies or legal persons created in Switzerland in general may be abused and used fraudulently for ML/TF purposes. The respective roles of

		private management banks, their foreign affiliates and lawyers/ fiduciaries linked to the creation of domiciliary companies abroad also does not appear to be sufficiently assessed by the authorities. Swiss legal persons comply with general obligations of transparency which constitute a basic protection against their use for ML/TF purposes. The measures applicable to small associations, for which the ML risk cannot be excluded from the outset, appear to be insufficient. Switzerland has adopted measures during recent years intended to reinforce the transparency of legal persons: companies must maintain a register of their shareholders/ partners and their beneficial owners, including for companies with bearer shares. The impact of the measures with regard to bearer shares has already been observed in the records of the registry of commerce. In general, the records of the registry of commerce appear to be accurate and reliable and they constitute the basic reference used by the financial intermediaries. In addition, the responsible persons with the registries of commerce demonstrate due diligence and take the necessary steps to ensure that the records remain up to date. The range of sanctions available for failings regarding reporting obligations appear to have a sufficiently severe character to be dissuasive for legal persons, which may particularly explain the limited number of sanctions actually made. However, the dissuasive character of the applicable sanctions appears to be insufficient, since there are no sanctions of a criminal or administrative nature in the case of shortcomings regarding the reporting obligations. Information concerning the beneficial owners of legal persons created in Switzerland is accessible to the competent authorities, provided that such information is available. With regard to legal arrangements, competent authorities have access to information concerning the beneficial owners, including by means of international co-operation. The assessors were not able to assess the effectiveness of the new provisions on the transparency of legal persons that were introduced by the Act of 12 December 2014 and entered into force only on 1 July 2015
EUA	**L**	The NMLRA highlights instances of complex structures, shell or shelf corporations, trusts, foundations and other forms of legal entities being used to obfuscate the source, ownership, and control of illegal proceeds. The vulnerability of legal persons to ML/TF is understood to different degrees by the competent authorities: the Treasury, LEAs and prosecutors have a higher level of understanding than State authorities who create and supervise them. It is estimated that more than 30 million legal persons exist in the U.S. with about two million new legal persons created every year in the 56 incorporating jurisdictions. There is no information on how many legal arrangements subject to State law may be in place as these do not require State action to create. Information on how to create legal persons and arrangements in the U.S. is widely available publicly, and legal entity use is

attractive as illustrated by the large number of incorporations each year. The relative ease with which U.S. corporations can be established, their opaqueness and their perceived global credibility makes them attractive to abuse for ML/TF, domestically as well as internationally.

Measures to prevent or deter the misuse of legal persons and legal arrangements are generally inadequate. The U.S. primarily relies on the investigatory powers of LEAs and certain regulators to compel the disclosure of ownership information. These powers are generally sound and widely used. However, the system is only as good as the information that is available to be acquired. The BO information available within the U.S. is often minimal or cannot be obtained in a timely manner for companies not offering securities to the public or not listing their securities on a U.S. stock exchange. There are no mechanisms in place to capture BO information on legal entities at the formation stage, and there are currently no measures in place to systematically collect BO information (as defined by the FATF) in all cases through CDD measures in the FI/DNFBP sectors. No mechanism is realistically available to authorities to collect BO information on legal arrangements from the trustee or other parties, other than through trust companies, and the extent to which these act for all trusts is unknown.

The ability of the U.S. to use the States' formation processes as a means of LEA timely access to accurate and adequate BO information is significantly impeded, because the States do not verify the information they collect on legal persons. The States consider their role in company formation to be administrative in nature without any control function. In keeping with the States' views on ML/TF risk generally, States do not consider that they have a significant AML/CFT role during the company formation/registration process. Federal legislative efforts to facilitate collection of adequate, accurate and current beneficial ownership (BO) information on legal persons have not been successful to date, through the company formation process, through requirements imposed on legal entities themselves or through CDD measures applied in the financial and casino sectors.

Trustees (except for trust companies) are not subject to comprehensive AML/CFT obligations, but there are no obstacles to accessing BO information where held by trustees, provided that the LEAs know the status of trustee. LEAs demonstrated that they can and do access BO information but this involves substantial investigative resources which negatively impacts timeliness of access.

Some relevant information is collected as part of the requirement (where applicable) for legal entities in the U.S to obtain an Employer Identification Number (EIN) from the IRS. The authorities provided examples of LEAs' ability to obtain adequate and accurate information about the BO of legal persons created in the U.S. using the wide range of financial investigation tools at their disposal. However, because adequate and accurate BO information is not systematically collected and therefore readily available, it is not clear this was accomplished on a timely basis. The State authorities can only provide limited assistance since no State collects BO data at the time of incorporation or subsequently, nor do they impose this obligation on legal persons. There are no meaningful sanctions imposed on legal persons for non-compliance with

		the present informational requirements. For trusts, sanctions would involve bringing civil actions by the beneficiaries against the trustee. The U.S. Federal authorities experience difficulties in collecting statistics from the State authorities on company formation: notably the lack of statistics on: the numbers and types of legal entities formed in each State; whether such formations were triggered through a person representing the new company or through a company formation agent; and requests to States by LEAs about specific entities.

RI 6: Informação Financeira

País	Rating	Fatores Subjacentes ao Rating
ESPANHA	**H**	Spain's use of financial intelligence and other information for ML and TF investigations demonstrates the characteristics of an effective system, and only minor improvements are needed. The competent authorities collect and use a wide variety of financial intelligence and other relevant information (much of which can be accessed directly and in real time by both the FIU and the LEAs) to investigate ML, TF and associated predicate offences. Particularly rich sources of information are to be found in the notaries' Single Computerised Index (described in Box 6), and in the Tax Agency database. This information is generally reliable, accurate, and up-to-date. The competent authorities have the resources and expertise to use this information effectively to conduct analysis and financial investigations, identify and trace assets, and develop operational and strategic analysis. The assessment team weighed the following factors heavily: the numerous case examples and statistics demonstrating how the vast majority of SEPBLAC's analysis is actionable (either initiate investigations or support existing ones); the numerous case examples demonstrating the ability of the LEAs to develop evidence and trace criminal proceeds, based on their own investigations or by using the financial intelligence reports from SEPBLAC; the ability of SEPBLAC to access tax information without prior judicial authorisation; the ability of the LEAs to access, in real time, the notaries' Single Computerised Index which contains verified legal and beneficial ownership information; and SEPBLAC's ability to leverage, in its role as the FIU, information obtained through exercising its supervisory functions (and vice-versa).
NORUEGA	**M**	The FIU undertakes good quality operational analysis based on a range of information sources. However, the FIU's analytical capability is further limited by the rather low quantity and quality of the STRs received. The FIU and PST work closely together to develop financial intelligence on TF. The FIU has not undertaken any strategic analysis since 2011 which undermines the ability of authorities to identify emerging threats. ØKOKRIM and the PST extensively use financial intelligence in their investigations, including the use of FIU intelligence products, albeit mostly for investigations of predicate offences. However, the use of this product in the police districts and by other law enforcement bodies such as KRIPOS is limited, and mostly aimed at predicates.
BÉLGICA	**S**	Within the Belgian legal system, competent authorities have at their disposal a wide range of measures for obtaining financial information and any other information pertaining to ML/TF investigations, both for obtaining evidence of offences and searching for and locating the related assets. The CTIF collects information on ML and TF on a broad scale, and the processes used to gather the information are of high quality. The CTIF uses a large number of databases and maintains co-operation with all national and international authorities that can contribute or provide added value. The CTIF

		also carries out vulnerability analyses on the sectors subject to the obligations and shares the results with all relevant parties and authorities. Its reports are well-received and useful to the criminal prosecution authorities. While criminal prosecution authorities use and gather information both for investigations and for prosecution, they do not do so in an optimal manner. Limited human resources do not allow criminal prosecution authorities to exploit all of the information received correctly or to build on it to reveal ML cases, in particular significant international cases.
AUSTRÁLIA	**S**	Australia's use of financial intelligence and other information for ML/TF and associated predicate offence investigations demonstrates to a large extent characteristics of an effective system. AUSTRAC and partner agencies collect and use a wide variety of financial intelligence and other information in close cooperation. This information is generally reliable, accurate, and up-to-date. Partner agencies have the expertise to use this information effectively to conduct analysis and financial investigations, identify and trace assets, and develop operational and strategic analysis. This is demonstrated particularly well in joint investigate task forces, and when tracing and seizing assets. A large part of AUSTRAC analysis use relates to predicate crime and not to ML/TF, thus resulting in a relatively low number of ML cases. Although AUSTRAC information is said to be checked in most AFP predicate crime investigations, that is not the case for the majority of predicate crime investigations which are conducted at the State/Territory level. Both AUSTRAC and law enforcement authorities could raise their focus on ML cases to focus on ML cases to achieve a larger number of criminal cases in this area. There are also some concerns with regard to the relative low number of money laundering and terrorist financing investigations outside the framework of the task forces related to the abuse of tax or secrecy havens, use of alternative remittance/informal value transfer systems and asset seizure. A large part of AUSTRAC analysis use relates to predicate crime and not to ML/TF, thus resulting in a relatively low number of ML cases. Although AUSTRAC information is said to be checked in most AFP predicate crime investigations, that is not the case for the majority of predicate crime investigations which are conducted at the State/Territory level. Both AUSTRAC and law enforcement authorities could raise their focus on ML cases to achieve a larger number of criminal cases in this area. Although AUSTRAC information is regularly referred to as a catalyst for ML/TF and related predicate investigations, the ability for law enforcement to maintain details of outcomes that are attributed to financial intelligence could be improved
MALÁSIA	**S**	Malaysia is achieving the immediate outcome to a large extent. The very well-functioning FIU (FIED) produces a wide range of high quality strategic and operational intelligence products that directly support and lead LEA's response to priority and emerging risk areas. FIED's integrated role as FIU, LEA and supervisor and its focus on international cooperation with foreign FIUs gives it the broadest perspectives to develop well-targeted financial intelligence

		reflecting both domestic and international risks. Its strategic products are helping to drive AML/CFT policy development, assessment of risk and inter-agency coordination, for example on the issue of threats from 'mule' accounts. Moderate improvements are needed to ensure that the FIU receives an increased quality and quantity of TF-related STRs and cross border reports to support financial intelligence development. The uptake of financial intelligence is mixed amongst Malaysia's nine LEAs. MACC and IRB show the most regular and highest use o FIU intelligence products. The AGC-led Special Taskforce on tax fraud is the best example of joint-agency intelligence-led targeting for financial investigations. RMP and RMC demonstrate a shift towards greater use of FIU data and developing other financial intelligence in support of its predicate investigations, but ML is not being targeted and improvements are needed. There are increasing disclosures to the Special Branch and RMP AMLA Unit in support of TF and CT investigations. FIU data is being utilised as part of the ongoing TF and CT investigations.
ITÁLIA	**S**	In general, the UIF and LEAs collect and use a wide variety of intelligence and other relevant information to investigate ML, associated predicate offenses, and TF. The competent authorities, more specifically the UIF, the GdF, and DIA have the necessary resources and skills to use the information to conduct their analysis and financial investigations, to identify and trace the assets, and to develop operational analysis. The UIF is a well-functioning financial intelligence unit. It produces good operational and high quality strategic analyses that add value to the STRs. Its technical notes serve the GdF-NSPV and DIA in launching ML, associated predicate crimes, and TF investigations.
ÁUSTRIA	**L**	Police routinely use the information that the A-FIU provides to investigate predicate offences and, to some extent, to trace criminal proceeds. Prosecutors, however, do not see STRs and the results of their analysis by the A-FIU as a valuable source of information as it does not give them sufficient evidence of a predicate offence and/or origin of funds. A-FIU functions well as a predicate offence and associated ML investigation unit, rather than as a financial intelligence unit. The approach of the FIU with regard to STR analysis is primarily investigative (as opposed to intelligence approach) as it seeks to identify predicate offenses that could trigger a criminal case. Financial intelligence and other relevant information are rarely used in investigations to develop ML evidence. Due to the limitations in the analytical capabilities (both IT and human resources) of the FIU, and legal constraints ("competence check") the FIU conducts only very basic operational analysis and does not conduct any strategic analysis to support the operational needs of competent authorities. The A-FIU's "protocol" system (rather than a database) does not enable the A-FIU to cross-match STRs or conduct data-mining to find trends and patterns across STRs. The A-FIU does not conduct any analysis of TF-related STRs after the initial competence check.

		With regard to TF, the BVT (central police agency in the field of terrorism and TF within the Ministry of Interior) receives all TF-related STRs from the FIU (without any analysis) and then makes good use of this information, conducting its own analysis. The A-FIU and other competent authorities cooperate and exchange information and financial intelligence well, but the competent authorities do not protect the confidentiality of STRs after dissemination by the FIU. Once the FIU confirms a firm suspicion of ML or a predicate offence in an STR, a formal criminal investigation must be opened. At this (early) stage, the STR becomes evidence. There have been a number of instances (across different types of reporting entities) where customers became aware that an STR was filed in their respect and raised complaints directly against the reporting entity (and in some cases, the person who filed). This is mainly due to protections for the accused and their rights to see evidence against them. This issue puts the whole reporting system at risk and raises serious concerns with regard to its effectiveness.
CANADÁ	**M**	Financial intelligence and other relevant information are accessed by FINTRAC to some extent, and by LEAs to a greater extent but through a much lengthier process. They are then used by LEAs to some extent to investigate predicate crimes and TF, and, to a more limited extent, to investigate ML and trace assets. FINTRAC receives a wide range of information, which it uses adequately to produce intelligence. This intelligence is mainly prepared in response to Voluntary Information Records (VIRs; i.e. LEAs' requests) and used to enrich ongoing investigations into the predicate offenses. FINTRAC also makes proactive disclosures to LEAs, some of which have prompted new investigations. Several factors significantly curtail the scope of the FIU's analysis—and consequently the intelligence disclosed to LEAs—in particular: the impossibility for FINTRAC to request from any RE additional information related to suspicions of ML/TF or predicate offense, the absence of reports from some key gatekeepers (i.e. legal counsels, legal firms, and Quebec notaries), and the inability for FINTRAC to access to information detained by the tax administration. This is compensated by LEAs in their investigations to some extent only due to challenges in the identification of the person or entity who may hold relevant information. FINTRAC also produces a significant quantity of strategic reports that usefully advise LEAs, intelligence agencies, policy makers, REs, international partners, and the public, on new ML/TF trends and typologies. FINTRAC and the LEAs cooperate effectively and exchange information and financial intelligence in a secure way.
SUIÇA	**S**	MROS uses all the powers at its disposal to analyse STRs. More specifically, it relies on a large number of databases, administrative legal assistance at the national level, co-operation with its counterparts in other countries, and

		additional information from financial intermediaries, including those that did not file an STR. MROS's analysis makes a useful, timely contribution to ongoing investigations and has also helped detect new cases of ML and TF. The Office of the Attorney General of Switzerland (MPC) and certain cantonal prosecution authorities have specialised units that assist in using financial intelligence in complex cases. However, feedback from law enforcement authorities to MROS and the departments responsible for controls of cross-border cash transportation (Federal Customs Administration) is not complete. MROS does not make full use of the computer resources available, in particular with regard to database management and dissemination to the cantonal authorities. Another problem from the point of view of confidentiality is the indication of the origin of STRs when cases are forwarded to the law enforcement authorities. MROS co-operation with other national authorities is generally good. However, the authorities responsible for controls of cross-border cash transportation and the supervisory authorities (Financial Market Supervisory Authority, FINMA and OARs) appear to be contributing little to the collection of information and financial intelligence.
EUA	**S**	Financial intelligence is regularly and extensively used by a wide range of competent authorities to support investigations of ML/TF and related predicate offenses, trace assets, develop operational and strategic analysis, and identify risks. Direct access to the FinCEN database significantly enhances LEAs' ability to use financial intelligence in a timely manner, in line with their own operational needs and without waiting for disseminations from the FinCEN. A strong feature of the system is how financial intelligence is used within the task force environment through Suspicious Activity Report (SAR) Review Teams (149 nationally), Financial Crimes Task Forces, and Fusion Centers comprised of Federal, State and local authorities. FinCEN also actively and increasingly supports operational needs by responding to specific LEA requests for information and analysis; providing information to identify unknown targets and new activities related to specific investigations; detecting new trends and producing strategic and tactical intelligence products; and initiating new cases through spontaneous disseminations. FinCEN's approach to dissemination relating to TF is very proactive. In recent years, it has increasingly applied a similar approach to ML. Gaps in the legal framework somewhat limit the extent and timeliness of information available impacting U.S. authorities' ability to collect and share accurate and timely intelligence. These gaps are partly mitigated, particularly in the TF context, by the obligation to report immediately suspicious activities that require immediate attention regardless of threshold and through FinCEN's extensive outreach programs, guidance, advisories, other information and engagement with the private sector.

RI 7: Investigação e Condenação de Branqueamento de Capitais

País	Rating	Fatores Subjacentes ao Rating
ESPANHA	**S**	Spain demonstrates many of the characteristics of an effective system, particularly in relation to its ability and success in investigating and prosecuting ML at all levels, especially cases involving major proceeds generating offences. The authorities regularly pursue ML as a standalone offence or in conjunction with the predicate offence, third party ML (including by lawyers who are professional money launderers), selflaundering, and the laundering of both domestic and foreign predicates. It is standard procedure to undertake a parallel financial investigation, including in cases where the associated predicate offences occurred outside of Spain. The authorities provided many cases which demonstrate their ability to work large and complex ML cases successfully through to conviction, and the front end of the system (investigations and prosecutions) demonstrates a high level of effectiveness. These factors were weighted very heavily, particularly since the types of cases being pursued through to conviction are in line with the ML risks in Spain and its national priorities. The only weakness of the system comes at the conclusion of the criminal justice process (sanctions). In particular, there is concern about the level of sanctions (terms of imprisonment and periods of disbarment) actually being imposed in practice in serious ML cases, and their dissuasiveness and proportionality. Criminal fines appear to be the most utilised type of sanction and are often in the millions of euros. On their face, the fines appear to be sufficiently dissuasive; however, it is not known to what extent they are recovered in practice. Although the dissuasiveness and proportionality of sanctions are always important factors, Spain was also able to provide concrete statistics and information demonstrating that its systems for investigating and prosecuting ML are resulting in the disruption and dismantling of organised criminal groups in Spain. These sorts of results would be expected of a well- performing AML/CFT system and, therefore, mitigate the weight given to the factor.
NORUEGA	**M**	Norway has well developed financial investigative and prosecutorial capacities, however ML cases have not been prioritised and the number of ML investigations and prosecutions is low. The shortage of reliable and comprehensive statistics about ML investigations, prosecutions and confiscations makes it difficult to get a complete picture of the situation. ML is investigated and prosecuted to a limited extent, and prosecutors and investigators concentrate on predicate offences. This is mostly because, in line with the drafting of the legislation, the prosecutors and investigators view ML as an offence which is ancillary to the predicate offence. The police districts rarely handle ML cases, which is to some extent due to many districts not having the capacity and resources to deal with them. It is not clear that the sanctions applied by the courts for ML are dissuasive.
BÉLGICA	**M**	The Belgian authorities possess a strong culture of fighting ML. They also have the necessary investigative techniques at their disposal. As a result, the number of prosecutions for ML is significant in Belgium. It is not uncommon

		for convictions to be obtained without a proven predicate offence due to the shared burden of proof in certain ML cases. However, The offences prosecuted are most often focussed on the predicate offences with a related ML charge against the same person. The number of cases of structured ML schemes involving third parties who facilitate the laundering of proceeds from offences committed by criminals is rare. Some offences, e.g. for the cross-border movement of cash, precious metals or diamonds, are under-prosecuted with respect to the level of risk indicated by Belgium. The scope of AML actions is limited by the absence at the national level of an overall strategy for combatting ML and lack of co- ordination between judges handling ML cases. A lack of resources, material means, training and co-ordination within the criminal prosecution agencies impairs their effectiveness. Too many cases are dismissed at the court's discretion, bringing down the rate of penal response. Furthermore, the length of certain ML procedures has the consequence that offences are not prosecuted within the statute of limitations, or the sanctions are reduced. However, in preparing for and taking part in the assessment, the Belgian authorities identified shortcomings and demonstrated commitment to strengthening the prosecution of laundering as a priority, and produced examples of progress in this direction.
AUSTRÁLIA	**M**	Overall, Australia demonstrates some characteristics of an effective system for investigating, prosecuting, and sanctioning ML offenses and activities. The focus remains on predicate offences, recovery of proceeds of crime, and disruption of criminal activity rather than the pursuit of convictions for ML offences or disruption of ML networks both at the Commonwealth and State/territory levels. However, in the areas of identified risk, Australia is achieving reasonable results and the increase in the number of ML convictions over recent years is heartening. This demonstrates an increased focus on ML compared to the previous FATF/APG assessment. It should be relatively easy to achieve a substantial or even high level of effectiveness by expanding the existing ML approach to other (foreign) predicate offences including corruption, by focussing more on ML within taskforces, by being able to demonstrate the extent to which potential ML cases are identified and investigated, by addressing investigative challenges associated with dealing with complex ML cases, including those using corporate structures, by pursuing ML charges against legal entities, and by ensuring that all States and Territories focus on substantive type ML.
MALÁSIA	**M**	Malaysia is achieving the immediate outcome to some extent. Malaysia's legal and institutional frameworks are generally sound,but are not yet producing substantial outputs for ML. While investigations are increasing, the overall number of ML prosecutions and convictions is low and, other than for fraud, Malaysia is not adequately targeting high risk offences. In particular, there have been no ML prosecutions relating to drugs or tax offences, and only nine ML prosecutions relating to corruption and goods smuggling since 2009. Other than a small number of high value cases, most cases are low-medium level fraud cases; not higher levels of offending. Malaysia has not prosecuted ML in relation to a foreign predicate offence and could take a more proactive approach to pursuing such cases.

		Strengthened AGC capabilities, and improved cooperation, coordination and capacity within the RMP are needed to ensure effective targeting, investigation and prosecution of ML. The sanctions imposed for ML have been low in absolute terms and it is not clear that they have been effective. Authorities have adopted alternative measures, such as confiscation and pursuing predicate offences, with good results, however in many cases these have diminished the importance of, and been a substitute for, ML investigations and prosecutions. Malaysia has recently increased the penalties for ML and demonstrated an increased commitment to prosecuting ML, which holds promise for enhanced effectiveness in the future.
ITÁLIA	**S**	Italy demonstrates many of the characteristics of an effective system for investigating and prosecuting ML offenses. ML cases, including large, complex cases, are investigated through specialised teams, using sophisticated and well-developed IT tools, as well as a range of investigative techniques. The anti-mafia toolbox, in particular, has proven particularly useful in practice including in cases unrelated to organised crime. These important features of Italy's law enforcement efforts as well as the quality and expertise of police officers and prosecutors have led to a good number of ML activities being investigated and prosecuted and offenders sanctioned. Nevertheless, in light of the high risk of ML in Italy, some moderate improvements are necessary to further enhance the prospect of detection, conviction and punishment is dissuasive against potential criminals when carrying out proceeds generating crimes and ML.
ÁUSTRIA	**L**	Austria's ML offence is generally comprehensive and in line with the Vienna and Palermo Conventions. But Austria does not pursue ML as a priority and in line with its profile as an international financial centre. The need in practice to prove a predicate offence beyond a reasonable doubt in order to demonstrate the illegal origin of funds limits the ability to detect, prosecute, and convict for different types of ML (in particular relating to foreign predicates and stand-alone ML). Sanctions applied by the courts for ML are not dissuasive, as penalties actually applied are very low (normally probation for a first time offense). As a result of these issues, prosecutors generally do not lay ML charges and instead focus on pursuing the predicate offence. There are mixed understandings of the real threats and risks, partly due to deficiencies in the NRA but mainly on a shortage of detailed, reliable and comprehensive statistics about the different types of ML investigations and prosecutions that are being pursued. Austria has reasonably well developed investigative and prosecutorial capacities as well as a good legal foundation and sound institutional structures to that end. Authorities can reasonably detect clear-cut ML cases, but A-FIU's lack of operative analysis tools hinders the detection of more complicated cases
CANADÁ	**M**	Canada identifies and investigates ML to some extent only. While a number of PPOC cases are pursued, overall, the results obtained so far are not commensurate with Canada's ML risks.

		LEAs have the necessary tools to obtain information, including beneficial ownership information, but the process is lengthy. In some provinces, such as Quebec, federal, provincial, and municipal authorities are relatively more effective in pursuing ML. Nevertheless, overall, as a result of inadequate alignment of current law enforcement priorities with the findings of the NRA and of resource constraints, LEAs' efforts are aimed mainly at drug offenses and fraud, with insufficient focus on the other main ML risks (corruption, tobacco smuggling, standalone ML, third-party ML, ML of foreign predicate offenses). In addition, investigations generally do not focus on legal entities and trusts (despite the high risk of misuse), especially when more complex corporate structures are involved. There is a high percentage of withdrawals and stays of proceedings in prosecution. Sanctions imposed in ML cases are not sufficiently dissuasive.
SUIÇA	**S**	Swiss authorities demonstrate a clear commitment to prosecute ML and have set up two specialised units within the MPC for that purpose: a unit that centralises the processing of MROS reports ("ZAG") and a department that provides prosecutors with economic and financial expertise. Complex, large-scale investigations have been conducted at both federal and cantonal levels, including cases involving predicate offences committed outside Switzerland. A large number of ML convictions have been obtained in recent years, including all of the types of laundering listed by the FATF, though it is not possible to fully determine the extent to which ML cases prosecuted at cantonal level are actually consistent with the country's risk profile. Law enforcement authorities provided examples of highly complex cases, including successful cases of identifying and dismantling sophisticated ML networks. Given the difficulty of obtaining a ML conviction in certain cases in which the perpetrator is abroad, Switzerland resorts to a number of alternative measures, such as spontaneous sharing of information, delegating prosecution to a foreign country, opening criminal administrative proceedings or carrying out an ancillary or independent confiscation. The authorities described a number of cases in which relatively heavy sentences had been handed down, but they also provided examples in which the ML sentences were purely monetary or in which the custodial sentences were relatively short. The data provided, though more complete at federal level, did not provide an overview of the length of sentences or whether they were proportionate and dissuasive.
EUA	**S**	The U.S. authorities actively pursue a "follow-the-money" approach at the Federal level, and have demonstrated their ability to successfully pursue sophisticated, large, complex, global and high-value ML cases. A wide variety of ML activity is pursued, and examples were provided of successful prosecutions of standalone ML, third party ML, and of the laundering of proceeds of foreign predicates. Criminals committing predicate crimes outside the U.S. have been detected and prosecuted when laundering proceeds in the U.S.

		The U.S. achieves over 1200 ML convictions per year on average at the Federal level, which encompasses prosecutions in all 50 States and U.S. territories. Federal authorities prioritize large value, high impact cases, which often occur in the largest States such as California, Florida, New York, and Texas. Money laundering is investigated and prosecuted by Federal authorities. In addition, thirty-six States criminalize ML. Some State-level statistics are available but are not federally reported. Where provided, the information indicates that States do not generally prioritise ML. At the Federal level, the sanctions which are being applied for ML are effective, proportionate and dissuasive. The U.S. has national strategies aimed at pursuing ML related to fraud, drug offenses and transnational organized crime which is in line with the main risks identified through the risk assessment process. In 2015, the FBI made pursuing ML one of its top priorities. Several other agencies have a strong focus on the financial component of key criminal activity though there is scope for them to pursue ML more regularly as a discrete offense type.

RI 8: Perda de Bens

País	Rating	Fatores Subjacentes ao Rating
ESPANHA	**S**	Spain's system of provisional measures and confiscation demonstrates many characteristics of an effective system, and only minor improvements are needed. Spain's focus on provisional measures and confiscation reflects its national AML/CFT policies, and particularly its priorities on tackling organised crime, including ML by foreign criminals through the real estate sector, the laundering of proceeds through tax crimes, and bulk cash smuggling. Statistics show that organised criminal groups are being dismantled and deprived of their proceeds. This is all in line with the overall ML/TF risks facing Spain, and was an important factor in this assessment. International cooperation is being both requested and provided by Spain in connection with tracing assets, and taking provisional measures and confiscation. This is particularly important in the Spanish context, given the risk of foreign criminals resident in Spain and having assets both in the country and abroad. Spain is pursuing high-value assets such as properties and companies which is also a key factor, given that many of the large, complex ML cases involve criminals investing in the Spanish real estate market through complex networks of companies. Other important elements are that provisional measures are pursued in a timely manner. There is a need to enhance mechanisms for asset sharing and repatriation with other countries (something that works relatively well with other EU countries, but is more challenging with non-EU countries). This issue is mitigated and given less weight in the Spanish context because it actively and regularly pursues ML investigations and prosecutions involving the proceeds of foreign predicate offences (rather than deferring to the more passive approach of responding to international cooperation requests from other countries). The assessment team gave less weight in this area to statistics of the value of assets confiscated and frozen/seized. More emphasis was placed on statistics of the number and type of assets involved, and qualitative information such as case examples. The reason is that valuations of assets frozen/seized, rarely corresponds with the final value realised by the authorities because the assets depreciate while under management by the authorities. This is a particularly relevant issue in Spain because many of the assets confiscated are properties (Spain suffered a collapse of its property market), and companies and businesses (which are difficult to manage in such a way that there full value is retained, particularly given the timetable to bring complex cases to final conclusion). This is not inconsistent with the main objective of Immediate Outcome 8 which is to deprive criminals of the proceeds of their crimes—a result which is achieved, provided that provisional measures are taken in a timely manner (preventing the criminal from hiding or dissipating the assets) and regardless of whether the government ultimately realises their full value at the time of confiscation (although this is obviously desirable). This is also in line with paragraph 52 and 53 of the Methodology which cautions that the "assessment of effectiveness is not a statistical exercise", and such data should be interpreted "critically, in the context of the country's

		circumstances".
NORUEGA	**M**	The shortage of reliable and comprehensive statistics about proceeds of crime, assets seized or frozen, the number and amount of confiscation orders and amounts recovered makes it difficult to get a complete picture of the situation to determine why the system is not as effective as it could be. LEAs and prosecutors have not effectively used confiscation and related measures. Even though the confiscation of criminal proceeds is a policy priority, results with respect to confiscation are inadequate. The amounts confiscated by the police have declined, and significant improvements are necessary. The level of confiscation varies considerably between LEAs and is relatively low. It is a concern that the number and value of confiscation orders made by KRIPOS/NAST, responsible for serious drugs and organized crime cases, are negligible. The system for cross border cash and BNI declarations has only produced limited outputs relative to the risks in this area.
BÉLGICA	**M**	The information provided by the Belgian authorities shows that seizure, confiscation and corresponding value confiscation are implemented in ML cases. However, while the authorities want to prioritise prosecutions giving rise to confiscation, they do not always fully succeed in this. The criminal prosecution authorities affirmed that there is an emphasis on confiscation, but the information provided did not show that goals consistent with this approach had been set. There is furthermore no evidence that financial investigations systematically include looking into assets that could be confiscated; it is available and easily identifiable proceeds that are regularly confiscated. The ineffectiveness in the criminal prosecution system (drawn-out procedures, statutes of limitation, etc.) also hampers confiscation. The Belgian authorities do not have clear, relevant and centralised statistics on a. assets seized and confiscated in Belgium and abroad, b. asset sharing, c. the offences giving rise to these measures (ML and predicate offences), d. confiscation in cases of false disclosure or false declarations at the border, and e. the sums returned to victims. This makes it difficult to assess the results of the investigations undertaken and performance in these areas.
AUSTRÁLIA	**M**	Overall, Australia demonstrates some characteristics of an effective system for confiscating the proceeds and instrumentalities of crime. The framework for police powers and provisional and confiscation measures is comprehensive and is being put to good use by the CACT which is showing early signs of promise as the lead agency to pursue confiscation of criminal proceeds as a policy objective in Australia. At the State/Territory level, the focus has remained primarily on recovery of proceeds of drugs offences. Relatively modest amounts are being confiscated resulting in criminals retaining most of their profits.
MALÁSIA	**M**	Malaysia is achieving the immediate outcome to some extent. Malaysia has a largely compliant, broad and flexible legal regime and a strong focus on recovery of property which is generating some successes, particularly through administrative recovery.

		Tax and goods smuggling confiscations through the Special Taskforce are achieving excellent results and reducing these types of offending, as demonstrated by increased voluntary compliance with tax laws. However results in remaining high risk areas (drugs, fraud and corruption) are low, particularly in drugs and fraud, and there has been a substantial decline in AMLA forfeitures. Malaysia has confiscated property from immediate targets but not the profit-taking levels of crime; LEAs have difficulties linking property to offences and targeting more complex cases. The scope of confiscation cases has been limited: Malaysia has not confiscated property of corresponding value or property in terrorism and TF matters; Malaysia has not prioritised targeting foreign predicate offences or following the proceeds of Malaysian offences moved offshore; and IRB does not target all property types; only bank accounts and land titles in the name of the taxpayer. The implementation of the cross border regime has not produced substantial outcomes to date and results are declining, which is significant in light of the risks Malaysia faces regarding cash smuggling at the border. More coordination and information sharing is needed, especially between RMC, RMP and BNM and RMC need to ensure the regime is being effectively used in practice.
ITÁLIA	**S**	Italy's system demonstrates many characteristics of an effective system. The authorities focus strongly on provisional and confiscation measures, at domestic and international levels, applying a "follow the money" approach in order to tackle crime. They target organized crime as a matter of priority, and have made significant efforts to recover the proceeds of other crimes as well, including corruption and tax crimes. The case studies and statistics provided indicate that they make good use of available tools, in particular the Anti-Mafia Code's preventive measures, to confiscate a range of assets linked to crime. These efforts are particularly effective with respect to assets located in Italy; due to loopholes in the statistical data, the authorities could not be established tha they target assets abroad quite as systematically and as aggressively as assets located in Italy, but the cases provided nevertheless demonstrated that they have successfully sought international cooperation to trace and repatriate abroad. As a result of the authorities' actions, criminals have been deprived of large amounts of proceeds, including in the higher risk regions of the country. The total amount of assets confiscated in Italy varies between some 12.3 percent to 1.7 percent of the estimated total amount of proceeds (which, as mentioned above, ranges between 27 and 194 billion). These results are encouraging and should be maintained: Despite these efforts, organized crime remains a significant concern in Italy, carrying out varied criminal activities (not only in the South but on the entire national territory as well as abroad), generating enormous amounts of proceeds to be laundered. Similarly, corruption and tax crimes remain significant problems. This seems, however, to be due to the shortcomings identified under IO.7 rather than to any significant shortcoming in the implementation of the confiscation framework.
ÁUSTRIA	**M**	Austria has a generally comprehensive framework for police powers and provisional and confiscation measures; however only limited confiscation results have been achieved. The framework involves appropriate steps and measures to identify, seize, and confiscate assets after a conviction. The ARO-office is well functioning in its capacity as coordinator, provider of training and in tracing assets abroad using different channels. Even though a positive trend on confiscation has been demonstrated, Austria does not pursue confiscation in line with its risk profile.

		The methodical use of repatriation of assets could not be demonstrated as statistics on such measures are not kept. A key deficiency is in the step ("sequestration") required to freeze bank accounts which can only be obtained if the prosecutor can prove to the court that there is a specific risk that the assets will disperse without such an order. This proves to be too high a legal burden to achieve, particularly in the Vienna region. As a result of this and the need to focus on the predicate offence, prosecutors show a restraint to apply to seize such assets.
CANADÁ	**M**	Canada has made some progress since its last evaluation in terms of asset recovery, but the fact that assets of equivalent value cannot be recovered hampers Canada's recovery of POC. Confiscation results do not adequately reflect Canada's main ML risks, neither by nature nor by scale. Results are unequal, with some provinces, such as Quebec, being significantly more effective, and achieving good results with adequately coordinated action (both at the provincial level and with the RCMP) and units specialized in asset recovery. Administrative efforts to recover evaded taxes appear more effective. Sanctions are not dissuasive in instances of failure to properly declare cross-border movements of currency and bearer negotiable instruments.
SUIÇA	**S**	Swiss authorities make wide use of the seizure mechanism to temporarily and in a timely manner deprive criminals of the proceeds and instrument of the offences. Swiss authorities make confiscation a priority, including when a conviction for ML cannot be obtained. This policy results in the confiscation of large sums and in restitution and sharing procedures at international level. For instance, Switzerland seized and confiscated large sums in cases involving large-scale corruption by potentates. From the data provided, however, it is not possible to tell whether, at cantonal level, confiscation involves all of the predicate offences identified as high risk in the NRA. Moreover, it was not clear whether the confiscation of cross-border currency transfers was used as a dissuasive penalty in the event of false declarations at the border.
EUA	**H**	The U.S. is successful in confiscating a considerable value of assets (e.g. over USD 4.4 billion was recovered by Federal authorities in 2014). The U.S. is able to pursue administrative forfeiture, non-conviction based forfeiture and criminal confiscation and uses these tools appropriately. Most asset recovery cases proceed as civil forfeiture and most civil forfeitures take place administratively. Confiscation achievements by agencies, specific task forces or initiatives suggest that authorities achieve confiscation in high risk areas, in line with national and agencies' AML/CFT priorities. Additionally, the authorities' focus on targeting high value cases also ensures that high risk areas are addressed. The U.S. Federal authorities aggressively pursue high-value confiscation and provided numerous cases which demonstrate their ability to obtain high value confiscation in large and complex cases, in respect of assets located both domestically and abroad. There is little official information in respect of criminal confiscation, or civil forfeiture, at a State and local levels, but it is apparent that State and local asset

		forfeiture activity is undertaken by joint task forces targeting priority offending and the remainder is likely to arise from State drug trafficking legislation. Asset sharing arrangements are regularly agreed with both domestic and foreign counterparts, which encourage inter-agency and inter-jurisdictional cooperation. Some gaps in the legal framework impact on effectiveness including the lack of general power to obtain an order to seize/freeze property of corresponding/equivalent value which may become subject to a value-based forfeiture order (such authorities exist in only one judicial circuit covering several States). The result is that such assets are unlikely to still be available by the time a final forfeiture order is made. Likewise, not all predicate offenses include the power to forfeit instrumentalities. Nevertheless, the U.S. is successful in confiscating a significant value of assets.

RI 9: Investigação e Condenação de Financiamento do Terrorismo

País	Rating	Fatores Subjacentes ao Rating
ESPANHA	**S**	Spain demonstrates many of the characteristics of an effective system, and only moderate improvements are needed. Factors that weighed heavily in this conclusion were Spain's proven success in investigating and prosecuting TF-related activity (both by domestic terrorist groups such as ETA, and others such as Islamist terrorists), giving specific attention to attacking economic, financial and terrorist support networks. This is entirely consistent with Spain's national counter-terrorist strategy. The authorities provided many case examples that demonstrate their significant experience combating terrorism and its financing, based both domestically and overseas, and the support networks associated with terrorist groups. This was supported by statistics, including those demonstrating that Spain is one of the leading countries in Europe in this area, with the highest numbers of individuals in court proceedings for terrorism and TF offences. The operation which successfully dismantled the economic arm of ETA was particularly persuasive, and demonstrated strong use of financial investigations in counter-terrorism operations, and good coordination between the relevant authorities. Another important factor were the cases which showed that Spain is very proactive both in providing and requesting international cooperation on TF cases, and has undertaken successful investigations with their foreign counterparts on such cases. Another important feature, particularly given the high TF risks faced by Spain, is that other criminal justice measures to disrupt TF activity are actively pursued where it is not practicable to secure a TF conviction. The main reason for lowering the rating is that the terms of imprisonment being applied in practice appear to be low. Sanctions are always an important issue. However, there are some mitigating factors. For example, the types of cases currently before the courts may be of the type that would ordinarily attract sentences in the lower range, in line with ordinary judicial policy. Another mitigating factor is that Spain has been able to impose sanctions (including fines) on terrorist financiers some of which, on their face, would appear to be very dissuasive. Also of concern is that there have been cases where inmates were able to receive funding and continue to operate while in prison. The Spanish authorities have assured the assessment team that strict controls are in place to identify this activity, and leverage it for intelligence purposes when it takes place. Another reason for lowering the rating is that the effectiveness of the new stand-alone TF offence (article 576bis) is not yet established. This factor was not weighted very heavily because its impact is mitigated by the following factors. First, Spain was able to provide numerous examples of convictions for TF activity under article 576 (collaborating with a terrorist organisation or group), or as "membership of a terrorist organisation"—the offences which were used before article 576bis came into force. Second, on its face, the offence is clear and would appear easy to use. Given the experience and focus of the authorities in this area, there is no apparent reason why future implementation of article 576bis will not be effective. Third, Spain has already begun using the offence, and statistics were provided showing that a number of cases are currently in process.
NORUEGA	**S**	Investigative resources and international cooperation efforts are focussed on conducting a small number of terrorism and TF investigations, based on their understanding of TF risks. The use of financial intelligence is integrated into all of the PST's investigations. Norway has had one TF prosecution which did not lead to a conviction; however this appears to be generally in line with TF risks.

		The PST has taken some other criminal justice measures to disrupt TF activities where it is not practicable to secure a TF conviction.
BÉLGICA	**S**	The tactics and methods used by the Belgian authorities are not solely focused on the financial aspects of the global terrorist threat, but nothing in the actions they have undertaken, or the judicial rulings handed down, suggested to the assessors that these authorities are neglecting CFT. Based on the information the assessors received and interviews with the relevant specialists, it appears that the response of the Belgian authorities corresponds to the reality of the situations and threats, effectively detecting related offences and playing an active role in CFT. Persons have been convicted for TF within the scope of broader terrorism cases.
AUSTRÁLIA	**S**	Australia exhibits most characteristics of an effective system for investigating, prosecuting, and sanctioning those involved in terrorist financing. It is positive to note that Australia has undertaken several TF investigations and prosecutions, and also secured three convictions for the TF offence. Australia also successfully uses other criminal justice and administrative measures to disrupt terrorist and TF activities when a prosecution for TF is not practicable. Australia had successfully disrupted two domestic terrorist plots (Pendennis and Neath) at the time of the on-site visit.1 Australia also uses these other measures to address the most relevant emerging TF risk – individuals travelling to conflict zones to participate in or advocate terrorist activity. Australian authorities identify and investigate different types of TF offences in each counter-terrorism investigation, and counter- terrorism strategies have successfully enabled Australia to identify and designate terrorists, terrorist organisations and terrorist support networks. Australian authorities have not prosecuted all the different types of TF offences, such as the collection of funds for FT, or the financing of terrorist acts or individual terrorists, and the dissuasiveness of sanctions applied has not been clearly demonstrated.
MALÁSIA	**M**	Malaysia is achieving the immediate outcome to some extent. Malaysia faces significant TF risks, which are judged to be well understood by LEAs. There have been no prosecutions for TF in Malaysia, although 40 TF investigations have been opened since 2010 and 22 of these are ongoing. The reasons for an absence of TF prosecutions appear to be the characteristics of TF cases (self- funding, small scale, use of cash etc), which has dissuaded prosecutors. A further reason is Malaysia's focus on terror groups and acts and a security intelligence approach to prevention, rather than prosecuting financiers for TF. TF investigations have been used to support security intelligence and preventive interventions. Outputs from financial investigations of terrorism and TF have contributed to proposals to the UN for designations under 1267 and domestic designations under 1373. Given the context of terrorism risks in Malaysia and the security and LEA roles of the RMP Special Branch, a number of the objectives of IO 9 are being achieved, in part, by employing other security and criminal justice measures to disrupt TF activities where it is not practicable to lay TF charges and secure a TF conviction.
ITÁLIA	**S**	Italy exhibits many characteristics of an effective system for investigating and prosecuting those involved in terrorist actions. Thelegal framework for the investigation and prosecution of TF is generally sound. Every counter-terrorism investigation includes an investigation into potential TF. While some convictions on terrorist activities have been secured, no TF convictions were produced due to the characteristics of the people cases (small self-financed terrorist cells). Italy also uses other measures to address the most relevant emerging terrorist

		activities.
ÁUSTRIA	**S**	The authorities have a good understanding of the TF risks, and Austria exhibits many characteristics of an effective system for investigating and prosecuting those involved in terrorist actions. The legal framework for the investigation and prosecution of terrorist and TF is generally sound and there are specialised authorities for investigation, intelligence and prosecution in these fields. Every counter-terrorism investigation includes an investigation into potential TF. Some convictions on terrorist activities and TF were obtained. Most of the investigations initiated do not result in prosecutions due to the lack of sufficient evidence to formally initiate an accusation by the Public Prosecutor Office and, additionally, the terms of imprisonment being applied in the convictions obtained so far are very low and do not seem to be dissuasive.
CANADÁ	**S**	The authorities display a good understanding of TF risks and close cooperation in CFT efforts. The intelligence services, LEAs and FINTRAC regularly exchange information, which notably contributes to support prioritization of TF investigations. Canada accords priority to pursuing terrorism and TF, with TF investigation being one of the key components of its counter-terrorism strategy. The RCMP duly investigates the financial components of all terrorism-related incidents, considers prosecution in all cases and the prosecution services proceed with charges when there is sufficient evidence and it serves the public interest. Two TF convictions were secured since 2009. Sanctions imposed were proportionate and dissuasive. Canada also makes frequent use of other measures to disrupt TF.
SUIÇA	**S**	The Counterterrorism Strategy for Switzerland of September 2015 recognises the importance of countering terrorist financing. As a result of recent events in neighbouring countries, federal resources devoted to countering terrorism and TF have been increased (including within MROS). These resources are in addition to existing co-ordination mechanisms at federal level and within the cantons, which allow the effective and sustained exchange of information between the competent authorities about counterterrorism and, in this context, TF. The Office of the Attorney General of Switzerland (MPC) takes the necessary steps to understand the financial aspects of terrorism-related investigations. To date, there has been one conviction for terrorist financing. However, there have been convictions for other types of support, and a number of proceedings are in progress for participation in and/or support for terrorism.
EUA	**H**	Disrupting and preventing terrorist attacks before they occur is the top U.S. national security priority. The U.S. effectively approaches the threat of terrorism and its financing from both a global and domestic perspective. Whenever LEAs pursue a terrorism-related investigation against individuals or entities, a parallel investigation is undertaken to identify potential sources of financial support. The U.S. is able to identify different methods of TF and the role played by financing networks, and to successfully investigate and prosecute such activity. The conviction rates are high and penalties applied in TF cases are effective, proportionate and dissuasive. The CFT system is very well integrated into U.S. counter-terrorism structures, which facilitates inter-agency cooperation and coordination, including among

		Federal, State and local authorities. It also facilitates information-sharing and coordination between intelligence officers and LEAs on issues related to terrorism and TF.

RI 10: Medidas Preventivas e Sanções Financeiras de Financiamento do Terrorismo

País	Rating	Fatores Subjacentes ao Rating
ESPANHA	**M**	Spain demonstrates many of the characteristics of an effective system in this area. However, one major improvement is needed—effective implementation of targeted financial sanctions. The Methodology deems a system to have a moderate level of effectiveness where major improvements are needed. However, this is somewhat at odds with the Spanish context, given that the system is meeting the fundamental objective of Immediate Outcome 10 which is that TF flows have been reduced which would prevent terrorist attacks. The following factors are very important and were weighed heavily in coming to this conclusion. Most significant is that Spain has successfully dismantled the economic and financial support network of ETA. This has reduced TF flows and addressed one of the key terrorism risks facing the country. Spain has also had success in identifying and reducing TF flows to other types of terrorist groups, as is demonstrated by case examples. Another positive factor is that Spain has a solid framework of preventive measures which applies to those NPOs which account for a significant portion of the financial resources under control of the sector, and a substantial share of the sector's international activities. Because it is new, the effectiveness of the supervisory framework for NPOs could not be established. However, the impact of this is somewhat mitigated, given that most of these measures were already being implemented in practice before the new Royal Decree came into force, Spain's close work with the high risk parts of the sector on broader terrorism issues, and its demonstrated ability to detect, investigate and prosecute TF activity in the NPO sector. Although the fragmented nature of the NPO registry system creates some challenges for the investigation of NPOs of concern, the authorities have found ways around that problem. The Spanish authorities consider the use of intelligence, criminal investigation and prosecution to be their strongest tools in preventing terrorist from raising, moving and using funds, and from abusing the NPO sector. This strategy has worked, particularly against ETA whose financing structure has been effectively shut down. Spain has also had some success in shutting down outbound financing destined for Islamist terrorist groups in the Maghreb. The major improvement needed is Spain's implementation of targeted financial sanctions (TFS). Spain's use of TFS as a tool to combat TF is limited. Spain has never proposed a designation to the UN under resolution 1267 or made its own designations pursuant to resolution 1373. Spanish authorities indicate that they use criminal justice measures instead of designations. Admittedly, TFS may not have been useful in the context of tackling a home-grown separatist terrorist group such as ETA, particularly given Spain's strong international cooperation on this issue with other nearby affected countries (such as France). However, TFS would be a useful approach to take against persons who could not be prosecuted in Spain and were expelled from the country, or against persons serving time in prison who might still be directing terrorist activities. Indeed, TFS are an important global issue, with weaknesses in one country negatively impacting global efforts to prevent the flow of funds to terrorist groups. This is why the obligation to implement TFS is an international obligation at the UN level. In the context of this particular evaluation, the challenge for determining how much this shortcoming should impact the rating is that Spain has met the objective of reducing TF flows through other means.

NORUEGA	**M**	Banks understand their obligations relating to targeted financial sanctions for TF. However, implementation outside the banking sector is varied and limited. Across all sectors the effectiveness of screening is undermined by limited implementation by reporting entities regarding verification of beneficial ownership and related CDD measures. Norway is unable to use all aspects of targeted financial sanctions as an effective tool to combat TF, beyond the UN Taliban/Al Qaida sanctions, due to the serious technical deficiencies in the mechanism which is intended to implement targeted financial sanctions pursuant to UNSCR 1373 as required by Recommendation 6. Norway has taken action using asset confiscation and charging provisions in a few cases to secure terrorist funds during investigations and for confiscation. Norway has recognized the TF risk profile for NPOs and has taken steps to effectively implement a targeted approach to the part of the sector responsible for the bulk of overseas NPO activity.
BÉLGICA	**M**	Belgium has a legal system allowing for the use of targeted financial sanctions in TF matters. However, the technical deficiencies found (notably the time it takes to implement new sanctions) raise doubts as to the system's effectiveness. In practice, the amount of assets that have been frozen is small, but this in itself is not an indication of ineffectiveness, especially because it has not been established that the assets concerned by the sanctions were on Belgian territory. In terms of the risks of using NPOs for terrorist or TF purposes, there are shortcomings in the areas of administrative supervision regarding obligations on the transparency of NPOs, raising awareness, and targeted actions. However, the Belgian authorities have identified the NPOs that are at risk and set up ongoing monitoring of their activities and transactions.
AUSTRÁLIA	**M**	Australia demonstrates some characteristics of an effective system in this area. Terrorists and terrorist organizations are being identified in an effort to deprive them of the resources and means to finance terrorist activities. A strong area of technical compliance is in the legal framework for TFS against persons and entities designated by the UNSC (UNSCR 1267) and under Australia's sanctions law (for UNSCR 1373). Australia has co-sponsored designation proposals to the UNSCR 1267/1989 Committee and adopted very effective measures to ensure the proper implementation UN designations without delay. Australia has also domestically listed individuals and entities pursuant to UNSCR 1373 (including most recently two Australians fighting overseas for terrorist entities) and received, considered and given effect to third party requests. Australia actively works to publicly identify terrorists and terrorist organizations. Furthermore, the TFS regime is administered robustly. Australia has procedures for: (i) identifying targets for listing, (ii) a regular review of listings, and (iii) the consideration of de-listing requests and sanctions permits. The authorities make a concerted effort to sensitize the public to Australian sanctions laws and to assist potential asset holders in the implementation of their obligations. However, the private sector is not supervised for compliance with TFS requirements and was unable to demonstrate that the legal framework is effectively implemented. Effective implementation is difficult to confirm in the absence of freezing statistics, financial supervision, supervisory experience and feedback on practical implementation by the private sector. Designating

		Australians previously convicted for terrorism or terrorist financing, who openly join designated terrorist organizations could improve the system's effectiveness. NPOs are an area for improved efforts and specific action. According to the NRA, charities and NPOs are a key channel used to raise funds for TF in or from Australia. However, the lack of a targeted TF review and subsequent targeted TF-related outreach and TF- related monitoring of NPOs leaves NPOs and Australia vulnerable to misuse by terrorist organizations. Since 2010 there has also been no effort directed at NPOs to sensitize them to the potential risk of misuse for TF. While the ACNC actively works to improve transparency, it has no specific TF mandate and it has not conducted outreach to the NPO sector regarding TF risks.
MALÁSIA	**S**	Malaysia has a compliant legal framework and good institutional arrangements for implementing targeted financial sanctions against terrorism. Malaysia has taken action to designate domestic and foreign terrorists under 1373 at its own instigation. These measures are resulting in increasing success with asset freezing in keeping with the risk profile. Malaysian financial institutions are aware of the freezing obligations and implement screening. Very recently more freezing actions have occurred outside the banking sector, including insurance companies, pilgrims' fund, securities firms and the seizure of motor vehicles; though further improvements are required in the non-bank sectors. Implementation of NPO preventive measures, oversight and outreach to the NPO sector has improved significantly in recent years to largely reflect the risk profile. Outputs, including coordinated efforts by RoS and other NPOs regulators with the RMP reflect targeted approaches to TF risk mitigation.
ITÁLIA	**M**	Italy demonstrates some characteristics of an effective system in this area. While the authorities have augmented the EU framework for TFS with national measures, some of these national measures have not been tested in practice and some deficiencies remain with respect to implementing freezing without delay, in particular the prohibition related to ongoing financial services. Italy has passive system of notification to the FIs and DNFBPs for new listings, and the authorities have not conducted outreach to obligors or published guidance recently. NPOs are an area for improved efforts and specific action. There has been a lack of a targeted TF-related outreach and TF-related monitoring of NPOs, thus leaving NPOs potentially vulnerable to misuse by terrorist organizations. Although there are parallel financial investigations for terrorism cases, Italy has taken few provisional measures due to its context and risks.
ÁUSTRIA	**M**	Austria has a legal system in place to apply targeted financial sanctions regarding terrorist financing, but implementation has technical and practical deficiencies due to the procedures set at the EU level that impose delays on the transposition of designated entities into sanctions lists. The exception is the framework for Iran, where targeted financial sanctions are implemented without delay. No specific sanctions have been imposed for non-compliance with the TFS obligations. Some DNFBP sectors, such as lawyers and notaries, showed a good understanding of TFS obligations, while others such as the real estate sector and dealers in high-value goods did not. It is also not clear whether business consultants (i.e. company service providers) have an adequate understanding of their obligations and risks. Austria has not undertaken a domestic review and comprehensively looked at potential risks within the NPO sector to identify which subset of NPOs that might be of particular risk of being misused for TF. However police authorities have

		identified and investigated some NPOs exposed to terrorist and TF risks and also conducted numerous targeted TF-related outreach to associations in the last years. There is insufficient monitoring and supervision of administrative requirements of the large majority of NPOs, thus leaving associations potentially vulnerable to be misused for TF and other criminal purposes.
CANADÁ	**S**	Implementation of TF-related targeted financial sanctions (TFS) is quite effective for FIs but not for DNFBPs. Canada takes a RBA to mitigate the misuse of NPOs (i.e. charities). A specialized division within CRA- Charities focuses specifically on concerns of misuse of organizations identified as being at greatest risk. In addition, CRA-Charities has developed an enhanced outreach plan, which reflects the best practices put forward by the FATF. In practice, few assets have been frozen in connection with TF-related TFS.
SUIÇA	**S**	Large sums of money have been frozen in application of sanctions based on United Nations Security Council (UNSC) Resolutions 1267 and 1373. Additionally, the Federal Council ordinance of 4 March 2016 on the automatic adoption of UNSC sanctions lists introduced an effective system for giving immediate effect to designations declared by the competent UN committee on the basis of Resolution 1267. The tax authorities and the authorities responsible for supervising foundations monitor the activity of certain NPOs and the use of their funds. However, the authorities have not adopted a targeted approach to TF risks and are not conducting any outreach in the sector. The NPOs' self- regulatory initiatives only partially fill the gaps in understanding and managing TF risks in the sector.
EUA	**H**	The U.S. has frozen a substantial volume of assets and other funds pursuant to its targeted financial sanctions (TFS) programs and appears also to have kept terrorist funds out of its financial system to a large extent. Terrorism and its financing have the highest level of priority. The application of TF-related TFS is specifically mandated in the February 2015 National Security Strategy and the U.S takes a leading role promoting their effective global implementation. The U.S. proactively and comprehensively implements TF-related TFS and follows up all designations with a co-ordinated, cross-agency response to thoroughly identify and investigate the individuals/entities concerned. The U.S. has not implemented TFS against all individuals/entities designated by the UN pursuant to UNSCR 1267/1989 and 1988 and not every UN designation is implemented 'without delay' - although the great majority are. In practice, the impact of the missing designations has been minor. There is extensive outreach and guidance to reporting entities and FIs in particular generally demonstrate a good knowledge of TF risk. Risks arising from the lack of beneficial ownership (BO) requirements are significantly mitigated by the inter-agency approach to detection and investigation of TF. Measures applied to non-profit organization (NPOs) are risk-based, and focused on targeted outreach and engagement with NPOs most at risk for abuse by terrorists and the 2015 NTFRA found that concerted action has improved the resilience of the charitable sector to abuse by TF facilitators

RI 11: Sanções Financeiras de Financiamento da Proliferação

País	Rating	Fatores Subjacentes ao Rating
ESPANHA	**M**	Spain demonstrates some of the characteristics of an effective system in this area. Persons and entities designated under the relevant UN resolutions have been identified through implementation of TFS, and their assets have been frozen. FIs and DNFBPs are monitored for compliance with their obligation to implement TFS, and generally appear to be complying with these obligations. However, there is generally a low level of knowledge of the proliferation risks, and insufficient guidance and awareness directed to the private sector on those risks, particularly where transactions might involve DPRK, or on the risks of evasion. Proliferation-related sanctions evasion activity has also been identified by SEPBLAC through its own financial analysis, and these cases have been passed on to the relevant authorities for further investigation and prosecution. However, there is inadequate cooperation and coordination between the relevant authorities to prevent sanctions from being evaded including, for example, export control authorities undertaking licensing activities, and other competent authorities such as SEPBLAC who can add value in this area. This seriously diminishes Spain's ability to identify and prevent proliferation-related sanctions evasion.
NORUEGA	**M**	Norway has taken significant measures to implement targeted financial sanctions for PF and there have been a number of cases of asset freezing related to Iran sanctions which demonstrates their effectiveness. The banking and insurance sectors generally understand their obligations relating to targeted financial sanctions for PF and have frozen bank accounts of designated persons. However, implementation outside these sectors is varied and limited. The lack of supervision for all reporting entities is a concern, as the FSA has not considered the adequacy of the systems used by reporting entities. There is strong coordination and cooperation between competent authorities on PF, although this does not include engagement with the FSA. The delays in transposing designations into Norwegian law undermine Norway's ability to use targeted financial sanctions as a tool to combat PF. However, the delays are mitigated to some extent by financial institutions which monitor UN lists (as encouraged to do so by the FSA's guidance) and have frozen funds prior to transposition into Norwegian law. Norway also implements EU sanctions, which means that it has already implemented targeted financial sanctions for new UN designations which have been previously on EU lists. Across all sectors the effectiveness of screening is undermined by poor implementation by reporting entities regarding verification of beneficial ownership and related CDD measures.
BÉLGICA	**M**	The Belgian legal system, coupled with that of the European Union, serves as the basis for implementation of the resolutions of the United Nations Security Council on targeted financial sanctions to counter the financing of proliferation. However, the time it takes to transpose such measures impairs the system's effectiveness. Even before they are transposed into European and therefore Belgian law, the information needs to be quickly communicated beyond the major financial institutions, and training and supervision measures are needed for all sectors subject to the obligations. The actions undertaken to thwart

		attempts to evade sanctions indicate that the various competent authorities all have high and appropriate levels of expertise and knowledge, although it is regrettable that more emphasis has not been placed on the financial component of proliferation.
AUSTRÁLIA	**S**	Australia demonstrates to a large extent the characteristics of an effective system in this area. The issues listed under IO10 and that relate to UNSCR 1267 also apply to IO11. Even though IO11 suffers from the same issues as IO10, IO10 has additional shortcomings in relation to NPOs that do not apply to IO11. In addition, the overall domestic cooperation in relation to country sanction programmes for Iran and DPRK seems sound, which may have a positive effect on the targeted financial sanctions implementation that are related to these country programmes. This domestic cooperation benefit does not apply in the case of IO10 / UNSCR 1267, which is not a country programme.
MALÁSIA	**M**	Malaysia is achieving the immediate outcome to some extent. Malaysia has recognised the threats and vulnerabilities it faces for proliferation financing and has expanded its strong AML/CFT coordination mechanisms to include PF. Malaysia has used the coordination mechanisms to take steps to implement a legal framework for TFS against proliferation of WMD, but a significant technical gap relates to the inbuilt delays for transposing new UN designations into Malaysian law, which undermine effectiveness. Malaysian financial institutions are aware of the freezing obligations and TFS implement screening and freezing actions for PF. Supervision of PF sanctions screening is conducted by the relevant supervisors. Malaysia has had a number of successes freezing property for a designated entity in the case of a Labuan domiciled Iran bank, however major improvements are required to make the process more effective. RIs generally need to focus further on detecting and freezing assets of person and entities acting on behalf or at the direction of a designated person or entity.
ITÁLIA	**S**	Italy demonstrates many characteristics of an effective system in this area. The issues listed under IO.10 and that relate to UN sanctions implementation also apply to IO.11. Even though IO.11 shares certain deficiencies with IO.10, IO.10 has additional shortcomings vis-à-vis the NPO sector that do not apply to IO.11. Italy has frozen a substantial volume of assets and other funds pursuant to the PF sanctions programs. Italy's FIs demonstrate knowledge of PF risk and are filing STRs related to potential PF. The authorities appear to have established adequate domestic cooperation mechanisms in relation to sanctions evasion with regards to the PF country sanctions programs for Iran and North Korea. While the BoI on-site examinations do include PF among the issues assessed, the Italian authorities do not conduct frequent on-site inspections of FIs outside the BoI's purview (such as insurance companies) nor of DNFBPs. Considering, however, that the main potential risk is linked to the banking sector, this deficiency does not appear to have a material impact in the context of this assessment.
ÁUSTRIA	**S**	Austria has a legal system in place to apply targeted financial sanctions regarding terrorist financing, but implementation has technical and practical deficiencies due to the procedures set at the EU level that impose delays on the transposition of designated entities into sanctions lists. The exception is the framework for Iran, where targeted financial sanctions are implemented without delay. No specific sanctions have been imposed for non-compliance with the TFS obligations.

		Some DNFBP sectors, such as lawyers and notaries, showed a good understanding of TFS obligations, while others such as the real estate sector and dealers in high-value goods did not. It is also not clear whether business consultants (i.e. company service providers) have an adequate understanding of their obligations and risks. Austria has not undertaken a domestic review and comprehensively looked at potential risks within the NPO sector to identify which subset of NPOs that might be of particular risk of being misused for TF. However police authorities have identified and investigated some NPOs exposed to terrorist and TF risks and also conducted numerous targeted TF-related outreach to associations in the last years. There is insufficient monitoring and supervision of administrative requirements of the large majority of NPOs, thus leaving associations potentially vulnerable to be misused for TF and other criminal purposes.
CANADÁ	**M**	Canada's Iran and DPRK sanction regimes are very comprehensive and in some respects go beyond the UN designations. Cooperation between relevant agencies is effective and some success has been achieved in identifying and freezing the funds and other assets belonging to designated individuals. Large FIs have a good understanding of their TFS obligations and implement adequate screening measures but some limit their screening to customers only. DNFBPs, however, are not sufficiently aware of their obligations and have not implemented TFS. There is no formal monitoring mechanism in place; while some monitoring does occur in practice, it is limited to FRFIs and is not accompanied by sanctioning powers in cases of non-compliance.
SUIÇA	**S**	The ordinance of 4 March 2016 gives immediate effect to the UNSC's lists concerning the financing of proliferation. In addition to the control and authorisation of products subject to the licensing scheme or the reporting requirement, the State Secretariat for Economic Affairs (SECO) offers support to financial intermediaries and other sectors (industry, transport services, etc.) to raise their awareness to the threat of proliferation, and to facilitate the implementation of international sanctions. CHF 12 million [USD 12.2 million/ EUR 11 million] have been frozen in Switzerland on the basis of sanctions against Iran. However, the checks performed by the financial intermediaries' supervisors on the implementation of financial sanctions concerning proliferation are limited.
EUA	**H**	Like TF, proliferation financing (PF) has the highest level of priority. The application of proliferation-related TFS is specifically mandated in the February 2015 National Security Strategy and the U.S. takes a leading role promoting their effective global implementation. The U.S. implements TFS with the same proactive approach to developing proposals for designation as it does in the TF context. The U.S. follows up all designations with a co- ordinated, cross-agency response to thoroughly identify and investigate the individuals/entities concerned, and implements proliferation-related TFS comprehensively and without delay. The U.S. has frozen a substantial volume of assets and other funds pursuant to its PF sanctions programs. There is extensive outreach and guidance to reporting entities and FIs in particular generally demonstrate a good knowledge

		of PF risk and are filing SARs related to potential PF. Risks arising from the lack of BO requirements are significantly mitigated by the inter-agency approach to detection and investigation of PF. National coordination and cooperation among the U.S. authorities, at both the policy and operational levels, is a particularly strong feature of the system and mechanisms strongly support and reinforce the application of PF-related TFS by facilitating the identification of new potential targets for designation. However, the U.S. has not implemented TFS in relation to 2 of the 32 individuals/entities designated pursuant to UNSCR 1718, and 29 of the 122 individuals/entities designated pursuant to UNSCR 1737 on the basis that there is insufficient information in relation to these names on which to base the U.S. process. In practice, the impact of these missing designations has been minor.