



RANEP
THE RUSSIAN PRESIDENTIAL ACADEMY
OF NATIONAL ECONOMY
AND PUBLIC ADMINISTRATION



2021 G20 Rome Summit Interim Compliance Report

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Feedback, as always, is welcome and is kept anonymous.

We encourage readers to send comments to

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7. Crime and Corruption: Financial Action Task Force

“We will also provide competent authorities with adequate, accurate and up-to-date information by adopting legally appropriate measures to improve international and domestic beneficial ownership transparency of legal persons and arrangements and real estate, especially trans-national flows, in line with the Financial Action Task Force recommendations.”

G20 Rome Leaders’ Declaration

Assessment

| | No Compliance | Partial Compliance | Full Compliance |
|----------------|---------------|--------------------|-----------------|
| Argentina | | 0 | |
| Australia | -1 | | |
| Brazil | -1 | | |
| Canada | | 0 | |
| China | -1 | | |
| France | | 0 | |
| Germany | | 0 | |
| India | -1 | | |
| Indonesia | -1 | | |
| Italy | | | +1 |
| Japan | | 0 | |
| Korea | -1 | | |
| Mexico | | 0 | |
| Russia | | 0 | |
| Saudi Arabia | -1 | | |
| South Africa | -1 | | |
| Turkey | -1 | | |
| United Kingdom | | | +1 |
| United States | | 0 | |
| European Union | | 0 | |
| Average | | -0.35 (33%) | |

Background

According to the Financial Action Task Force (FATF), “corporate vehicles...have been misused for illicit purposes, including money laundering (ML), bribery and corruption, insider dealings, tax fraud, terrorist financing (TF), and other illegal activities.”⁷⁸⁷ However, “The misuse of corporate vehicles could be significantly reduced if information regarding both the legal owner and the beneficial owner, the source of the corporate vehicle’s assets, and its activities were readily available to the authorities,” so the FATF “has established standards on transparency, so as to deter and prevent the misuse of corporate vehicles.” In order to “promote financial regulations that reduce risks and prevent future financial crises,” the G20 has “[implemented] the FATF standards on beneficial ownership.”

At the 2008 Washington, D.C. Summit, the G20 members first emphasized the importance of promoting integrity in financial markets, calling on members to “implement national and international measures that protect the global financial system from uncooperative and non-transparent jurisdictions that pose risks of illicit

⁷⁸⁷ FATF Guidance on Transparency and Beneficial Ownership (Paris) 2014. Access Date: 8 December 2021. <https://www.fatf-gafi.org/media/fatf/documents/reports/Guidance-transparency-beneficial-ownership.pdf>

financial activity” and urging the Financial Action Task Force to “continue its important work against money laundering and terrorist financing.”⁷⁸⁸

At the 2009 Pittsburgh Summit, the G20 members reiterated their commitment “to maintain the momentum in dealing with tax havens, money laundering, proceeds of corruption, terrorist financing, and prudential standards,” welcomed “the progress made by the FATF in the fight against money laundering and terrorist financing,” and called upon “the FATF to issue a public list of high risk jurisdictions by February 2010.”⁷⁸⁹

At the 2010 Toronto Summit, the G20 members re-stated their goal of addressing “non-cooperative jurisdictions based on comprehensive, consistent, and transparent assessment with respect to tax havens, the fight against money laundering and terrorist financing and the adherence to prudential standards,” and reaffirmed their support for “the work of the FATF and FATF-Style Regional Bodies in their fight against money laundering and terrorist financing and regular updates of a public list on jurisdictions with strategic deficiencies,” encouraging “the FATF to continue monitoring and enhancing global compliance with the anti-money laundering and counter-terrorism financing international standards.”⁷⁹⁰

At the 2010 Seoul Summit, the G20 members “reiterated our commitment to preventing non-cooperative jurisdictions from posing risks to the global financial system and welcomed the ongoing efforts by the Financial Stability Board (FSB), Global Forum on Tax Transparency and Exchange of Information (Global Forum), and the FATF, based on comprehensive, consistent and transparent assessment.”⁷⁹¹

At the 2012 Los Cabos Summit, the G20 members declared their support for “the renewal of the FATF mandate, thereby sustaining global efforts to combat money laundering and the financing of terrorism and proliferation of weapons of mass destruction,” and welcomed “the adoption of the revised FATF standards” and “the progress made by FATF in identifying and monitoring high-risk jurisdictions with strategic Anti-Money Laundering/Counter-Terrorist Financing (AML/CFT) deficiencies, using AML/CFT tools in the fight against corruption, improving transparency of corporate vehicles and increasing cooperation against tax crimes, addressing the risks posed by tax havens, as well as in increasing the reach and the effectiveness of AML/CFT measures by also considering financial inclusion efforts.”⁷⁹²

At the 2013 St. Petersburg Summit, the G20 members renewed their “commitment to FATF’s work in fighting money laundering and terrorism financing and its key contribution into tackling other crimes such as tax crimes, corruption, terrorism, and drug trafficking,” encouraging “all countries to tackle the risks raised by opacity of legal persons and legal arrangements” and committing “to take measures to ensure that we meet the FATF standards regarding the identification of the beneficial owners of companies and other legal arrangements such as trusts that are also relevant for tax purposes,” ensuring “this information is available in a timely fashion to law enforcement, tax collection agencies and other relevant authorities in accordance with the confidentiality legal requirements, for example through central registries or other appropriate mechanisms.”⁷⁹³

⁷⁸⁸ Declaration of the Summit on Financial Markets and the World Economy, G20 Information Centre (Washington) 15 November 2008. Access Date: 8 December 2021. <http://www.g20.utoronto.ca/2008/2008declaration1115.html>

⁷⁸⁹ G20 Leaders Statement: The Pittsburgh Summit, G20 Information Centre (Pittsburgh) 25 September 2009. Access Date: 8 December 2021. <http://www.g20.utoronto.ca/2009/2009communique0925.html>

⁷⁹⁰ G20 Toronto Summit Declaration, G20 Information Centre (Toronto) 27 June 2010. Access Date: 8 December 2021. <http://www.g20.utoronto.ca/2010/to-communique.html>

⁷⁹¹ G20 Seoul Summit, G20 Information Centre (Seoul) 12 November 2010. Access Date: 8 December 2021. <http://www.g20.utoronto.ca/summits/2010seoul.html>

⁷⁹² G20 Leaders Declaration, G20 Information Centre (Los Cabos) 19 June 2012. Access Date: 8 December 2021. <http://www.g20.utoronto.ca/2012/2012-0619-loscabos.html>

⁷⁹³ G20 Leaders’ Declaration, G20 Information Centre (St. Petersburg) 6 September 2013. Access Date: 8 December 2021. <http://www.g20.utoronto.ca/2013/2013-0906-declaration.html>

At the 2015 Antalya Summit, the G20 members continued their engagement by calling on “the FATF to report back to our Finance Ministers and Central Bank Governors by their first meeting in 2016 on the steps countries are taking to address the weaknesses identified to cut off terrorism-related financial flows.”⁷⁹⁴

At the 2016 Hangzhou Summit, the G20 members acknowledged that “Financial transparency and effective implementation of the standards on transparency by all, in particular with regard to the beneficial ownership of legal persons and legal arrangements, is vital to protecting the integrity of the international financial system, and to preventing misuse of these entities and arrangements for corruption, tax evasion, terrorist financing and money laundering,” urging “the FATF and the Global Forum to make initial proposals by the Finance Ministers and Central Bank Governors Meeting in October on ways to improve the implementation of the international standards on transparency, including on the availability of beneficial ownership information of legal persons and legal arrangements, and its international exchange.”⁷⁹⁵

At the 2017 Hamburg Summit, the G20 members agreed “advance the effective implementation of the international standards on transparency and beneficial ownership of legal persons and legal arrangements, including the availability of information in the domestic and cross-border context, welcoming “the work by the FATF.”⁷⁹⁶

At the 2019 Osaka Summit, the G20 members reaffirmed their “commitment to applying the recently amended FATF Standards to virtual assets and related providers for anti-money laundering and countering the financing of terrorism,” and called “for the full, effective and swift implementation of the FATF Standards.”⁷⁹⁷

At the 2020 Riyadh Summit, the G20 members expressed their support for “the FATF, as the global standard-setting body for preventing and combating money laundering, terrorist financing and proliferation financing,” and reiterated their “call for the full, effective and swift implementation of the FATF standards worldwide.”⁷⁹⁸

At the 2021 Rome Summit, the G20 members reasserted their “full support for the FATF and the Global Network,” noting “the relevance of the risk-based approach of the FATF recommendations with the aim to ensure legitimate cross-border payments and to promote financial inclusion” and encouraged the “strengthening the FATF recommendations to improve beneficial ownership transparency.”⁷⁹⁹

Commitment Features

The G20 commitment is: “We will also provide competent authorities with adequate, accurate and up-to-date information by adopting legally appropriate measures to improve international and domestic beneficial ownership transparency of legal persons and arrangements and real estate, especially trans-national flows, in line with the Financial Action Task Force recommendations.”

To “provide” is understood as “to supply or make available.”⁸⁰⁰ In this context, to “provide” competent authorities with information means to supply them with it or to make it available to them. Measures that provide

⁷⁹⁴ G20 Leaders’ Communiqué, G20 Information Centre (Antalya) 16 November 2015. Access Date: 8 December 2021.

<http://www.g20.utoronto.ca/2015/151116-communication.html>

⁷⁹⁵ G20 Leaders’ Communiqué: Hangzhou Summit, G20 Information Centre (Hangzhou) 5 September 2016. Access Date: 8 December 2021. <http://www.g20.utoronto.ca/2016/160905-communication.html>

⁷⁹⁶ G20 Leaders’ Declaration: Shaping an Interconnected World, G20 Information Centre (Hamburg) 8 July 2017. Access Date: 8 December 2021. <http://www.g20.utoronto.ca/2017/2017-G20-leaders-declaration.html>

⁷⁹⁷ G20 Osaka Leaders’ Declaration, G20 Information Centre (Osaka) 29 June 2019. Access Date: 8 December 2021. <http://www.g20.utoronto.ca/2019/2019-g20-osaka-leaders-declaration.html>

⁷⁹⁸ Leaders’ Declaration, G20 Information Centre (Riyadh) 21 November 2020. Access Date: 8 December 2021. <http://www.g20.utoronto.ca/2020/2020-g20-leaders-declaration-1121.html>

⁷⁹⁹ G20 Rome Leaders’ Declaration, G20 Information Centre (Rome) 31 October 2021. Access Date: 8 December 2021. <http://www.g20.utoronto.ca/2021/211031-declaration.html>

⁸⁰⁰ Provide, Merriam-Webster (Springfield) n.d. Access Date: 8 December 2021. <https://www.merriam-webster.com/dictionary/provide>

competent authorities with information within the meaning of this commitment make relevant data available to them.

“Competent authorities” is understood as “all public authorities with designated responsibilities for combating money laundering and/or terrorist financing.”⁸⁰¹ In this context, “competent authorities” includes “the [Financial Intelligence Unit] (FIU); the authorities that have the function of investigating and/or prosecuting money laundering, associated predicate offences and terrorist financing, and seizing/freezing and confiscating criminal assets; authorities receiving reports on cross-border transportation of currency and [Bearer Negotiable Instruments] (BNIs); and authorities that have AML/CFT supervisory or monitoring responsibilities aimed at ensuring compliance by financial institutions and [Designated Non-Financial Businesses and Professions] (DNFBPs) with AML/CFT requirements” and excludes “[Self-Regulatory Bodies] SRBs.” Measures that provide information to competent authorities within the meaning of this commitment transmit such data to an authority within a class enumerated herein.

“Adequate” is understood as “sufficient for a specific need or requirement.”⁸⁰² In this context, “adequate” information refers to information which is enough to fulfil its purpose. Measures that provide adequate information within the meaning of this commitment deliver information on transnational corruption that is sufficient to serve its prescribed purpose.

“Accurate” is understood as “free from mistakes or errors.”⁸⁰³ In this context, “accurate” information refers to “information that has been verified for accuracy.”⁸⁰⁴ Measures that provide accurate information within the meaning of this commitment deliver information that has been verified as correct and devoid of errors.

“Up-to-date” is understood as “kept accurate, and as current as possible.”⁸⁰⁵ In this context, “up-to-date” information refers to that which is updated promptly when changes to it occur. Measures that provide up-to-date information within the meaning of this commitment deliver information that is updated in a timely manner to reflect its current accuracy.

“Information” is understood as details concerning the beneficial ownership of concerned legal entities.⁸⁰⁶ In this context, such “information” refers to “the identity of the natural persons who ultimately have a controlling ownership interest in a legal person” and/or “the identity of the natural persons (if any) exercising control of the legal person through other means.”⁸⁰⁷ Measures that provide information within the meaning of this commitment deliver details on the identities of the natural persons owning and/or controlling concerned legal entities.

To “adopt” is understood as “to accept formally and put into effect.”⁸⁰⁸ In this context, “adopting” legally appropriate measures refers to pronouncing and implementing them. Measures that adopt legally appropriate

⁸⁰¹ General Glossary from The FATF Recommendations (Paris) 2012. Access Date: 8 December 2021. <https://www.fatf-gafi.org/publications/fatfrecommendations/documents/fatf-recommendations.html>

⁸⁰² Adequate, Merriam-Webster (Springfield). Access Date: 8 December 2021. <https://www.merriam-webster.com/dictionary/adequate>

⁸⁰³ Accurate, Merriam-Webster (Springfield). Access Date: 8 December 2021. <https://www.merriam-webster.com/dictionary/accurate>

⁸⁰⁴ General Glossary from The FATF Recommendations (Paris) 2012. Access Date: 8 December 2021. <https://www.fatf-gafi.org/publications/fatfrecommendations/documents/fatf-recommendations.html>

⁸⁰⁵ FATF Guidance on Transparency and Beneficial Ownership (Paris) 2014. Access Date: 8 December 2021. <https://www.fatf-gafi.org/media/fatf/documents/reports/Guidance-transparency-beneficial-ownership.pdf>

⁸⁰⁶ FATF Guidance on Transparency and Beneficial Ownership (Paris) 2014. Access Date: 8 December 2021. <https://www.fatf-gafi.org/media/fatf/documents/reports/Guidance-transparency-beneficial-ownership.pdf>

⁸⁰⁷ FATF Guidance on Transparency and Beneficial Ownership (Paris) 2014. Access Date: 8 December 2021. <https://www.fatf-gafi.org/media/fatf/documents/reports/Guidance-transparency-beneficial-ownership.pdf>

⁸⁰⁸ Adopt, Merriam-Webster (Springfield). Access Date: 8 December 2021. <https://www.merriam-webster.com/dictionary/adopt>

measures within the context of this commitment have them accepted and implemented by the competent authorities.

“Legally appropriate” is understood as suitable in consideration of countries’ “diverse legal, administrative and operational frameworks and different financial systems.”⁸⁰⁹ In this context, “legally appropriate” measures are those which implement a prescribed international standard in a given country “through measures adapted to their particular circumstances.” Measures that are legally appropriate within the meaning of this commitment fulfil the FATF recommendations in accordance with the applicable domestic legal framework.

“Measures” is understood as “a step planned or taken as a means to an end.”⁸¹⁰ In this context, “measures” refers to steps taken to improve beneficial ownership transparency. Measures within the meaning of this commitment include both those set out in law and those which are not legally enforceable, provided they advance the stated objective in improving beneficial ownership transparency.⁸¹¹

To “improve” is understood as to “make or become better.”⁸¹² In this context, to “improve” refers to improving beneficial ownership transparency. Measures that improve beneficial ownership transparency within the meaning of this commitment increase or enhance it by aiding disclosure to the competent authorities of the beneficial owners of concerned legal entities.

A “beneficial owner” is understood as “the natural person(s) who ultimately owns or controls a customer and/or the natural person on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control over a legal person or arrangement (through a chain of ownership or by means of control other than direct control).”⁸¹³ Measures that improve beneficial ownership transparency within the meaning of this commitment do so in relation to natural persons who possess ultimate ownership or exercise ultimate control over a concerned legal entity.

“Transparency” is understood as “characterized by visibility or accessibility of information especially concerning business practices.”⁸¹⁴ In this context, beneficial ownership transparency refers to the “obtaining and recording of basic and beneficial ownership information.”⁸¹⁵ Measures that improve beneficial ownership transparency within the meaning of this commitment enhance the visibility or accessibility of information concerning the beneficial ownership of concerned legal entities.

“Legal persons” is understood as “any entities other than natural persons that can establish a permanent customer relationship with a financial institution or otherwise own property. This can include companies, bodies corporate, foundations, *anstalt*, partnerships, or associations and other relevantly similar entities.”⁸¹⁶ In this context, “property” refers to “assets of every kind, whether corporeal or incorporeal, moveable or

⁸⁰⁹ General Glossary from The FATF Recommendations (Paris) 2012. Access Date: 8 December 2021. <https://www.fatf-gafi.org/publications/fatfrecommendations/documents/fatf-recommendations.html>

⁸¹⁰ Measure, Merriam-Webster (Springfield). Access Date: 8 December 2021. <https://www.merriam-webster.com/dictionary/measure>

⁸¹¹ Methodology for Assessing Technical Compliance with the FATF Recommendations and the Effectiveness of AML/CFT Systems (Paris) 2013. Access Date: 8 December 2021. <https://www.fatf-gafi.org/media/fatf/documents/methodology/FATF%20Methodology%2022%20Feb%202013.pdf>

⁸¹² Compliance Coding Manual for International Institutional Commitments, Global Governance Program (Toronto) 12 November 2020. Access Date: 8 December 2021. http://www.g7.utoronto.ca/compliance/Compliance_Coding_Manual_2020.pdf

⁸¹³ General Glossary from The FATF Recommendations (Paris) 2012. Access Date: 8 December 2021. <https://www.fatf-gafi.org/publications/fatfrecommendations/documents/fatf-recommendations.html>

⁸¹⁴ Transparent, Merriam-Webster (Springfield). Access Date: 8 December 2021. <https://www.merriam-webster.com/dictionary/transparent>

⁸¹⁵ Methodology for Assessing Technical Compliance with the FATF Recommendations and the Effectiveness of AML/CFT Systems (Paris) 2013. Access Date: 8 December 2021. <https://www.fatf-gafi.org/media/fatf/documents/methodology/FATF%20Methodology%2022%20Feb%202013.pdf>

⁸¹⁶ General Glossary from The FATF Recommendations (Paris) 2012. Access Date: 8 December 2021. <https://www.fatf-gafi.org/publications/fatfrecommendations/documents/fatf-recommendations.html>

immoveable, tangible or intangible, and legal documents or instruments evidencing title to, or interest in such assets.” Measures that improve beneficial ownership transparency of legal persons within the meaning of this commitment aid disclosure to the competent authorities of the identities of beneficial owners of companies and other non-natural person actual or potential property owners.

“Legal arrangements” is understood as “express trusts or other similar legal arrangements.”⁸¹⁷ In this context, an express trust “refers to a trust clearly created by the settlor, usually in the form of a document e.g. a written deed of trust. They are to be contrasted with trusts which come into being through the operation of the law and which do not result from the clear intent or decision of a settlor to create a trust or similar legal arrangements (e.g. constructive trust).” Measures that improve beneficial ownership transparency of legal arrangements within the meaning of this commitment aid disclosure to the competent authorities of the identities of beneficial owners of settlor-created trusts.

“Real estate” is understood as “property in buildings and land.”⁸¹⁸ In this context, the beneficial ownership transparency of real estate concerns the transparency of the beneficial ownership of such property. Measures that improve beneficial ownership transparency of real estate within the meaning of this commitment aid disclosure to the competent authorities of the identities of beneficial owners of property in buildings and land.

A “flow” is understood as “a smooth uninterrupted movement or progress.”⁸¹⁹ In this context, a transnational flow refers to a movement of beneficial ownership across national boundaries. Measures that improve beneficial ownership transparency of transnational flows aid the disclosure of the identities of beneficial owners of legal persons and arrangements and real estate across jurisdictions.

The “Financial Action Task Force recommendations” refers to those published by the FATF in 2012 entitled “International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation” and last updated in October 2021.⁸²⁰ The FATF recommendations “set out a comprehensive and consistent framework of measures which countries should implement in order to combat money laundering and terrorist financing.” Measures that are “in line with” the FATF recommendations advance the implementation of a compliant national anti-money laundering/combating the financing of terrorism regime.

To achieve full compliance (+1), a G20 member must adopt legally appropriate measures to improve the international and domestic beneficial ownership transparency in all three areas of legal persons, legal arrangements and real estate. Furthermore, these measures must take into consideration trans-national flows. If a G20 member adopts legal measures in both international and domestic beneficial ownership in all three areas without including trans-national flows, it would be considered partial compliance. If a G20 member adopts legally appropriate measures to improve either international or domestic beneficial ownership transparency of legal persons, legal arrangements and/or real estate, it would only be considered partial compliance. If a G20 member does not draft or pass new laws, or sign or ratify international agreements on improving beneficial ownership transparency, it would be considered non-compliance.

The measures which a G20 member takes can be either of strong or partial depth. Without strong actions, a G20 member cannot receive a score of +1. Strong action could include passing laws on improving beneficial ownership transparency or ratifying international agreements to do the same. Partial action could include simply drafting laws or signing international agreements.

⁸¹⁷ General Glossary from The FATF Recommendations (Paris) 2012. Access Date: 8 December 2021. <https://www.fatf-gafi.org/publications/fatfrecommendations/documents/fatf-recommendations.html>

⁸¹⁸ Real Estate, Merriam-Webster (Springfield). Access Date: 8 December 2021. <https://www.merriam-webster.com/dictionary/real%20estate>

⁸¹⁹ Flow, Merriam-Webster (Springfield). Access Date: 8 December 2021. <https://www.merriam-webster.com/dictionary/flow>

⁸²⁰ The FATF Recommendations (Paris) 2012. Access Date: 8 December 2021. <https://www.fatf-gafi.org/publications/fatfrecommendations/documents/fatf-recommendations.html>

Scoring Guidelines

| | |
|----|---|
| -1 | A G20 member does NOT take action to adopt legally appropriate measures to improve international OR domestic beneficial ownership transparency of legal persons OR arrangements NOR real estate. |
| 0 | A G20 member somewhat takes action to adopt legally appropriate measures to improve international OR domestic beneficial ownership transparency of legal persons OR arrangements OR real estate. |
| +1 | A G20 member takes strong action to adopt legally appropriate measures to improve international AND domestic beneficial ownership transparency of legal persons AND arrangements AND real estate, including trans-national flows. |

Compliance director: Omar Kassam

Argentina: 0

Argentina has partially complied with its commitment to adopt legally appropriate measures to improve beneficial ownership transparency in line with the Financial Action Task Force (FATF) recommendations..

On 28 December 2021, the Financial Intelligence Unit (FIU) hosted the first of a series of working sessions with government institutions and private-sector participants to coordinate adherence to the FATF standard on anti-money laundering (AML) and counter-terrorist financing (CTF).⁸²¹ Alongside the FIU, officials from the Ministry of Justice and Human Rights, the Ministry of Economy (Public Income Administration), the Central Bank of Argentina, and the Argentine Chamber of Fintech joined the meeting. This public-private cooperative initiative by advancing the practical implementation of information-sharing regarding beneficial ownership, pursuant to Argentine law and in accordance with the FATF recommendations.

On 14 February 2022, the president of Argentina's FIU, Juan Carlos Otero, met with the Federal Council of Real Estate Registries of the Argentina Republic to discuss the operation and adoption of AML and CTF measures in the real estate sector, including the applicable disclosures of beneficial ownership.⁸²² The meeting advanced Argentina's FATF commitment to the provision of beneficial ownership information in the area of real estate.

On 3 March 2022, the FIU signed a Memorandum of Understanding with its Mexican FIU counterpart to facilitate regular information-sharing, including of beneficial ownership information, to combat money-laundering and terrorist financing.⁸²³ The agreement advances Argentina's fulfilment of its FATF commitment by promoting international beneficial ownership transparency of legal persons and arrangements, including trans-national flows.

On 31 May 2022, the government presented a legislative proposal to the National Congress to create a centralized state registry of beneficial owners of legal persons and arrangements hosted by the Federal Administration of Public Revenues.⁸²⁴ The proposed measure seeks to improve the provision of beneficial ownership information to the competent authorities by consolidating existing agency-specific beneficial ownership data, allowing for easier information-sharing and advancing Argentina's FATF commitment for domestic beneficial ownership transparency.

⁸²¹ The FIU promotes coordinated work with the private sector, Financial Information Unit (Buenos Aires) 28 December 2021. Translation provided by Google Translate. Access Date: 3 June 2022. <https://www.argentina.gob.ar/noticias/la-uif-promueve-un-trabajo-coordinado-junto-al-sector-privado>

⁸²² Security and transparency in the real estate sector, Financial Information Unit (Buenos Aires) 14 February 2022. Translation provided by Google Translate. Access Date: 3 June 2022. <https://www.argentina.gob.ar/noticias/seguridad-y-transparencia-en-el-sector-inmobiliario>

⁸²³ Signing of a memorandum of understanding with the FIU of Mexico, Financial Information Unit (Buenos Aires) 03 March 2022. Translation provided by Google Translate. Access Date: 3 June 2022. <https://www.argentina.gob.ar/noticias/firma-de-memorando-de-entendimiento-con-la-uif-de-mexico>

⁸²⁴ After eleven years, a substantial reform of the AML/CTF system is proposed in Argentina, Financial Information Unit (Buenos Aires) 31 May 2022. Translation provided by Google Translate. Access Date: 3 June 2022. <https://www.argentina.gob.ar/noticias/despues-de-once-anos-se-propone-en-argentina-una-reforma-sustancial-del-sistema-placft>

Argentina has partially complied with its commitment to provide competent authorities with adequate, accurate and up-to-date information by pursuing the adoption of legally appropriate measures to improve international and domestic beneficial ownership transparency of legal persons and arrangements and real estate, including trans-national flows, in line with the Financial Action Task Force recommendations. However, certain proposed legal measures have yet to be formally adopted, meaning sufficient strong action is currently absent.

Thus, Argentina receives a score of 0.

Analyst: Tara Parsons

Australia: -1

Australia has failed to comply with its commitment to adopt legally appropriate measures to improve beneficial ownership transparency in line with the Financial Action Task Force recommendations..

Australia has not taken any actions to fulfill this commitment during the compliance monitoring period.

Thus, Australia receives score of -1.⁸²⁵

Analyst: Ahmed Tarbay

Brazil: -1

Brazil has failed to comply with its commitment to to adopt legally appropriate measures to improve beneficial ownership transparency in line with the Financial Action Task Force recommendations.

Brazil has not taken any actions to fulfill this commitment during the compliance monitoring period.

Thus, Brazil receives score of -1.⁸²⁶

Analyst: Shiri Yeung

Canada: 0

Canada has partially complied with its commitment to adopt legally appropriate measures to improve beneficial ownership transparency in line with the Financial Action Task Force (FATF) recommendations.

On 16 November 2021, the province of Newfoundland and Labrador amended its Corporations Act to require the disclosure of beneficial ownership of certain legal persons and arrangements, which entered into force on 1 April 2022.⁸²⁷ This legislation advances Canada's FATF commitment in the realm of domestic beneficial ownership transparency of legal persons and arrangements at the provincial level.

On 9 December 2021, the province of Ontario amended its Business Corporations Act to require the disclosure of beneficial ownership of certain legal persons and arrangements, to enter into full effect on 1 January 2023.⁸²⁸ This legislation advances Canada's FATF commitment in the realm of domestic beneficial ownership transparency of legal persons and arrangements at the provincial level.

⁸²⁵ This score of non-compliance was determined after searching the following websites: <http://www.treasury.gov.au>, <http://www.austrac.gov.au>, <https://www.ogpau.pmc.gov.au>, <https://www.fatf-gafi.org/countries/#Australia>, <https://www.bbc.com>, and <https://www.theguardian.com>.

⁸²⁶ This score of non-compliance was determined after searching the following websites: <http://www.gov.br/coaf>, <http://www.gov.br/cgu>, <https://www.bcb.gov.br>, <https://www.fatf-gafi.org/countries/#Brazil>, <https://www.bbc.com>, and <https://www.theguardian.com>.

⁸²⁷ Bill 24: An Act to Amend the Corporations Act, Newfoundland and Labrador House of Assembly (St. John's) 16 November 2021. Access Date: 1 June 2022. <https://www.assembly.nl.ca/HouseBusiness/Bills/ga50session1/bill2124.htm>

⁸²⁸ Bill 43, Build Ontario Act (Budget Measures), 2021, Legislative Assembly of Ontario (Toronto) 9 December 2021. Access Date: 1 June 2022. <https://www.ola.org/en/legislative-business/bills/parliament-42/session-2/bill-43#BK4>

On 7 April 2022, Deputy Prime Minister and Minister of Finance Chrystia Freeland presented the 2022 federal budget, which allocated CAD89.8 million over five years to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), Canada's Financial Intelligence Unit.⁸²⁹ This funding commitment will accelerate the completion of a previously announced federal publicly accessible beneficial ownership registry in 2023, advancing Canada's FATF commitment to information-sharing.

On 18-19 May 2022, G7 Development Ministers committed to supporting African partners in terms of beneficial ownership registers: "Therefore, we as the G7 will support African partners in setting up 15 additional beneficial ownership transparency registers, and reiterate the commitments made by Finance Ministers in June 2021 to provide additional expertise and funding support to the Financial Action Task Force-style regional bodies (FSRBs), including those in Africa, as well as capacity development for the FSRBs in Africa."⁸³⁰

On 10 June 2022, the province of New Brunswick amended its Business Corporations Act to require the disclosure of beneficial ownership of certain legal persons and arrangements.⁸³¹ This legislation advances Canada's FATF commitment in the realm of domestic beneficial ownership transparency of legal persons and arrangements at the provincial level.

Canada has partially complied with its commitment to improve beneficial ownership transparency in line with the FATF recommendations. However, Canada has not taken action specifically in relation to international beneficial ownership transparency, real estate, or trans-national flows.

Thus, Canada receives a score of 0.

Analyst: Armaan Ahmad

China: -1

China has failed to comply with its commitment to adopt legally appropriate measures to improve beneficial ownership transparency in line with the Financial Action Task Force recommendations.

China has not taken any actions to fulfill this commitment during the compliance monitoring period.

Thus, China receives score of -1.⁸³²

Analyst: Evelyn Baek

France: 0

France has partially complied with its commitment to adopt legally appropriate measures to improve beneficial ownership transparency in line with the Financial Action Task Force (FATF) recommendations.

⁸²⁹ Government of Canada welcomes final report of the Commission of Inquiry into Money Laundering in British Columbia, Department of Finance Canada (Ottawa) 15 June 2022. Access Date: 19 June 2022. <https://www.canada.ca/en/department-finance/news/2022/06/government-of-canada-welcomes-final-report-of-the-commission-of-inquiry-into-money-laundering-in-british-columbia.html>

⁸³⁰ Achieving the Sustainable Development Goals in Times of Multiple Crises: G7 Development Ministers' Meeting Communiqué, G7 Information Centre (Toronto) 19 May 2022. Access Date: 29 August 2022. <http://www.g7.utoronto.ca/dev/220519-communication.html>

⁸³¹ An Act to Amend the Business Corporations Act, Legislative Assembly of New Brunswick (Fredericton) 10 June 2022. Access Date: 19 June 2022. <https://legnb.ca/en/legislation/bills/60/1/95/an-act-to-amend-the-business-corporations-act>

⁸³² This score of non-compliance was determined after searching the following websites: <http://www.mof.gov.cn>, <http://www.gov.cn/xinwen>, <https://www.en.moj.gov.cn>, <https://www.fatf-gafi.org/countries/#China>, <https://www.bbc.com>, and <https://www.theguardian.com>.

On 30 November 2021, the Ministry of Justice and the Ministry of Economy and Finance released a press dossier on financial crime and fraud control.⁸³³ This dossier established the foundation of further inter-ministerial cooperation on the combatting of financial crime, as well as an announcement of continued active responses to financial crime on a judicial, administrative, regulatory and legislative layer in pushing to create further levels of beneficial ownership transparency.

On 21 January 2022, the Ministry of Economy and Finance hosted a European conference and negotiations on protecting Europeans from financial crime and terrorist financing as part of its presidency of the European Council.⁸³⁴ France provided support to the implementation of measures outlined in the European Commission's anti-money laundering legislative package, regulating private sector action, increasing state scrutiny supervision and the creation of a new European Union agency to better combat money laundering efforts, as well as cryptocurrency security and the promotion of beneficial ownership transparency. France's support to the FATF as standard authority on financial crime, money laundering and the fight against terrorist financing was further enforced.

On 18-19 May 2022, G7 Development Ministers committed to supporting African partners in terms of beneficial ownership registers: "Therefore, we as the G7 will support African partners in setting up 15 additional beneficial ownership transparency registers, and reiterate the commitments made by Finance Ministers in June 2021 to provide additional expertise and funding support to the Financial Action Task Force-style regional bodies (FSRBs), including those in Africa, as well as capacity development for the FSRBs in Africa."⁸³⁵

France has partially complied with its commitment to adopt measures to improve beneficial ownership transparency in line with the FATF recommendations. However, France has not taken actions specifically in relation to real estate or trans-national flows.

Thus, France receives a score of 0.

Analyst: Paul Meyer

Germany: 0

Germany has partially complied with its commitment to adopt legally appropriate measures to improve beneficial ownership transparency in line with the Financial Action Task Force (FATF) recommendations.

On 1 December 2021, the Federal Cartel Office began the implementation of its competition register as part of its anti-corruption efforts.⁸³⁶ The register increases transparency on financial arrangements and legal persons, allowing public officials to access data on a company's legal financial history as well as a program to induce corporations to increase efforts to combat internal financial crime.

⁸³³ Fighting fraud together, Ministry of Justice (Bercy) 30 November 2021. Translation provided by Paul Meyer. Access Date: 5 February 2022. <http://www.presse.justice.gouv.fr/dossiers-de-presse-10097/archives-des-dossiers-de-presse-de-2021-13007/lutter-ensemble-contre-les-fraudes-34197.html>

⁸³⁴ Protecting Europeans against financial crime and terrorist financing, Ministry of Economy and Finance (Paris) 21 January 2022. Translation provided by Paul Meyer. Access Date: 05 February 2022. <https://www.economie.gouv.fr/protoger-europeens-contre-criminalite-financiere-financement-terrorisme#>

⁸³⁵ Achieving the Sustainable Development Goals in Times of Multiple Crises: G7 Development Ministers' Meeting Communiqué, G7 Information Centre (Toronto) 19 May 2022. Access Date: 29 August 2022. <http://www.g7.utoronto.ca/dev/220519-communique.html>

⁸³⁶ Start of the competition register at the Federal Cartel Office: Germany sets an important example for the fight against corruption, Federal Ministry of Economic Affairs and Climate Protection (Berlin) 27 January 2022. Translation Provided by Paul Meyer. Access Date: 05 February 2022. <https://www.bmwi.de/Redaktion/DE/Pressemitteilungen/2021/12/20211201-start-des-wettbewerbsregisters-beim-bundeskartellamt-deutschland-setzt-wichtiges-zeichen-fur-korruptionsbekampfung.html>

On 28 January 2022, the Federal Ministry of Finance released its monthly report, in which it outlined upcoming legislation on taxation and the fighting of financial crime.⁸³⁷ Germany hereby commits to cooperation with the FATF under German Presidency, on key issues including the digital fighting of financial crime as well as increased transparency in the relationships between financial arrangements.

On 21 April 2022, the Federal Ministry of Finance and the Ministers of the Financial Action Task Force released a joint statement reaffirming the role of FATF as standard-setter for efforts to combat financial crime and money laundering.⁸³⁸ The Ministers affirmed to more frequent cooperation within the FATF to combat financial crime as well as to the stronger and more acute implementation of FATF standards and recommendations and the United Nations Convention against Corruption, including those pertaining to beneficial ownership transparency. Further commitments to cooperation with international bodies and the strengthening of the FATF Global Network and the FATF system of mutual evaluations were made.

On 2 May 2022, Federal Chancellor Olaf Scholz and the Prime Minister of India released a statement on the 6th German-Indian government consultations, featuring commitments on beneficial ownership transparency.⁸³⁹ Germany hereby committed to establishing and developing international standards regarding the combatting of money laundering and terrorist financing, as determined by the FATF.

On 10 May 2022, the Federal Cabinet passed the “First Sanctions Enforcement Act,” expanding governmental authority to combat financial crimes and increase transparency on beneficial ownership.⁸⁴⁰ The Act hereby gives the Federal Government and its agencies the right to investigate financial deposits and legal arrangements of sanctioned individuals, whilst requiring these to submit declarations as to wealth and possessions to the Bundesbank and/or the Federal Office for Economic Affairs and Export Control.

On 18-19 May 2022, G7 Development Ministers committed to supporting African partners in terms of beneficial ownership registers: “Therefore, we as the G7 will support African partners in setting up 15 additional beneficial ownership transparency registers, and reiterate the commitments made by Finance Ministers in June 2021 to provide additional expertise and funding support to the Financial Action Task Force-style regional bodies (FSRBs), including those in Africa, as well as capacity development for the FSRBs in Africa.”⁸⁴¹

Germany has partially complied with its commitment to adopt measures to improve beneficial ownership transparency in line with the FATF recommendations. However, Germany has not taken specific actions to improve beneficial ownership transparency and applicable information-sharing in relation to real estate.

Thus, Germany receives a score of 0.

Analyst: Paul Meyer

⁸³⁷ BMF Monthly Report January 2022, Federal Ministry of Finance (Berlin) 28 January 2022. Translation Provided by Paul Meyer. Access Date: 05 February 2022. https://www.bundesfinanzministerium.de/Content/DE/Downloads/Broschueren_Bestellservice/monatsbericht-januar-2022.pdf

⁸³⁸ Declaration of the Ministers of the Financial Action Task Force, Financial Action Task Force (Washington, D.C.) 21 April 2022. Access Date: 15 May 2022. <https://www.fatf-gafi.org/publications/fatfgeneral/documents/ministerial-statement-2022.html>

⁸³⁹ Joint Declaration of the Sixth Indo-German Intergovernmental Consultations, Press and Information Office of the Federal Government (Berlin) 2 May 2022. Translation Provided by Paul Meyer. Access Date: 15 May 2022. <https://www.bundesregierung.de/resource/blob/992814/2029822/0018fcdd6704f985ba71f63495fed94b/2022-05-02-gemeinsame-erklaerung-d-ind-data.pdf?download=1>

⁸⁴⁰ Sanctions Enforcement Act, Federal Ministry of Finance (Berlin) 10 May 2022. Translation Provided by Paul Meyer. Access Date: 15 May 2022. <https://www.bundesfinanzministerium.de/Content/DE/Pressemitteilungen/Finanzpolitik/2022/05/2022-05-10-sanktionsdurchsetzungsgesetz.html>

⁸⁴¹ Achieving the Sustainable Development Goals in Times of Multiple Crises: G7 Development Ministers’ Meeting Communiqué, G7 Information Centre (Toronto) 19 May 2022. Access Date: 29 August 2022. <http://www.g7.utoronto.ca/dev/220519-communicue.html>

India: -1

India has failed to comply with its commitment to adopt legally appropriate measures to improve beneficial ownership transparency in line with the Financial Action Task Force recommendations.

India has not taken any actions to fulfill this commitment during the compliance monitoring period.

Thus, India receives score of -1.⁸⁴²

Analyst: Evelyn Baek

Indonesia: -1

Indonesia has failed to comply with its commitment to to adopt legally appropriate measures to improve beneficial ownership transparency in line with the Financial Action Task Force recommendations.

Indonesia has not taken any actions to fulfill this commitment during the compliance monitoring period.

Thus, Indonesia receives score of -1.⁸⁴³

Analyst: Amelia Marlow

Italy: +1

Italy has fully complied with its commitment to adopt legally appropriate measures to improve beneficial ownership transparency in line with the Financial Action Task Force (FATF) recommendations.

On 11 March 2022, the Ministry of Economy and Finance, together with the Ministry of Economic Development, enacted a decree establishing a corporate beneficial ownership registry, which was formally realized on 9 June 2022.⁸⁴⁴ The registry includes directors of certain corporations and societies, as well as those of foundations, associations, and trustees of applicable trusts. The creation of a beneficial ownership registry advances Italy's FATF commitment to providing relevant beneficial ownership information to competent authorities.

On 18-19 May 2022, G7 Development Ministers committed to supporting African partners in terms of beneficial ownership registers: "Therefore, we as the G7 will support African partners in setting up 15 additional beneficial ownership transparency registers, and reiterate the commitments made by Finance Ministers in June 2021 to provide additional expertise and funding support to the Financial Action Task Force-style regional bodies (FSRBs), including those in Africa, as well as capacity development for the FSRBs in Africa."⁸⁴⁵

⁸⁴² This score of non-compliance was determined after searching the following websites: <http://www.dor.gov.in>, <http://www.mca.gov.in>, <https://www.india.gov.in>, <https://www.fatf-gafi.org/countries/#India>, <https://www.bbc.com>, and <https://www.theguardian.com>.

⁸⁴³ This score of non-compliance was determined after searching the following websites: <http://www.ppatk.go.id>, <http://www.kemlu.go.id>, <https://www.peraturan.bpk.go.id>, <https://www.fatf-gafi.org/countries/#Indonesia>, <https://www.bbc.com>, and <https://www.theguardian.com>.

⁸⁴⁴ DECREE 11 March 2022, n. 55, Ministry of Economy and Finance (Rome) 25 May 2022. Access Date: 19 June 2022. https://www.gazzettaufficiale.it/atto/serie_generale/caricaDettaglioAtto/originario?atto.dataPubblicazioneGazzetta=2022-05-25&atto.codiceRedazionale=22G00060&elenco30giorni=false

⁸⁴⁵ Achieving the Sustainable Development Goals in Times of Multiple Crises: G7 Development Ministers' Meeting Communiqué, G7 Information Centre (Toronto) 19 May 2022. Access Date: 29 August 2022. <http://www.g7.utoronto.ca/dev/220519-communicue.html>

On 14 June 2022, Italy published new guidance on the register of information on the beneficial owners of trusts.⁸⁴⁶ The register is not yet implemented, but the guidance gives trustees the information to collect.

Italy has fully complied with its commitment to adopt measures to improve beneficial ownership transparency in line with the FATF recommendations.

Thus, Italy receives a score of +1.

Analyst: Amelia Marlow

Japan: 0

Japan has partially complied with its commitment to adopt legally appropriate measures to improve beneficial ownership transparency in line with the Financial Action Task Force (FATF) recommendations.

On 21 November 2021, the Financial Services Agency published a revised Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism.⁸⁴⁷ This revision of guidelines was initiated in light of the FATF's Fourth Round Mutual Evaluation Report of Japan that was published on 30 August 2021. The guideline outlined general concepts on anti-money laundering and combating the financing of terrorism in Japan as well as specific practices for private-sector compliance, including the verification of the identities of beneficial owners and the cross-referencing of sanctions lists.⁸⁴⁸ The revised Guidelines so further Japan's satisfaction of its FATF commitment to domestic beneficial ownership transparency of legal persons and arrangements by improving practical information collection and reporting.

On 31 January 2022, Japan implemented a new requirement for companies to submit in writing the names, addresses, and shareholding ratio of those who have a direct or indirect stake of more than 25 percent, based on voting rights.⁸⁴⁹ This decision was taken after FATF placed Japan in the 'enhanced follow-up' category in its August 2021 Mutual Evaluation Report, pointing out that certain sectors lacked a high level of understanding of the risks related to money laundering and terrorism financing. The new disclosure requirement applies to both public and private companies and may be accessed both by companies and the regulatory authority upon request. The requirement so advances Japan's FATF commitment to promoting beneficial ownership transparency by extending mandatory disclosure to new entities.

On 18-19 May 2022, G7 Development Ministers committed to supporting African partners in terms of beneficial ownership registers: "Therefore, we as the G7 will support African partners in setting up 15 additional beneficial ownership transparency registers, and reiterate the commitments made by Finance Ministers in June 2021 to provide additional expertise and funding support to the Financial Action Task Force-style regional bodies (FSRBs), including those in Africa, as well as capacity development for the FSRBs in Africa."⁸⁵⁰

Japan has partially complied with its commitment to adopt measures to improve beneficial ownership transparency in line with the FATF recommendations. However, Japan has not taken specific actions to

⁸⁴⁶ Italy: Italy Issues Regulations on New Register for Beneficial Owners of Trusts, Mondaq (London) 14 June 2022. Access Date: 29 August 2022. <https://www.mondaq.com/italy/trusts/1201610/italy-issues-regulations-on-new-register-for-beneficial-owners-of-trusts>

⁸⁴⁷ Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism. (Tokyo) 22 November 2021. Access Date: 6 February 2022. https://www.fsa.go.jp/common/law/amlcft/211122_en_amlcft_guidelines.pdf

⁸⁴⁸ JFSA's initiatives in AML/CFT/CPF in response to FATF Fourth Round Mutual Evaluation Report (MER), Financial Services Agency. (Tokyo) 21 December 2021. Access Date: 11 February 2022. <https://www.fsa.go.jp/en/news/2021/20211221/20211221.html>

⁸⁴⁹ Japan to urge companies to share information on big shareholders, Nikkei Asia (Tokyo) 27 October 2021. Access Date: 11 February 2022. <https://asia.nikkei.com/Business/Companies/Japan-to-urge-companies-to-share-information-on-big-shareholders>

⁸⁵⁰ Achieving the Sustainable Development Goals in Times of Multiple Crises: G7 Development Ministers' Meeting Communiqué, G7 Information Centre (Toronto) 19 May 2022. Access Date: 29 August 2022. <http://www.g7.utoronto.ca/dev/220519-communicue.html>

improve international beneficial ownership transparency, or those specifically pertaining to the beneficial ownership transparency of real estate or trans-national flows.

Thus, Japan receives a score of 0.

Analyst: Jaerin Kim

Korea: -1

Korea has failed to comply with its commitment to adopt legally appropriate measures to improve beneficial ownership transparency in line with the Financial Action Task Force recommendations.

Korea has not taken any actions to fulfill this commitment during the compliance monitoring period.

Thus, Korea receives score of -1.⁸⁵¹

Analyst: Jaerin Kim

Mexico: 0

Mexico has partially complied with its commitment to adopt legally appropriate measures to improve beneficial ownership transparency in line with the Financial Action Task Force (FATF) recommendations.

On 1 January 2022, Mexico implemented changes to the Federal Tax Code concerning the disclosure of beneficial ownership.⁸⁵² The revisions prescribe that trusts, corporations, and other legal entities incorporated in Mexico provide upon request to the Tax Administration Service information regarding their beneficial owners. Failure to comply with the disclosure requirements will incur a fine of MXN2 million per beneficial owner. The new disclosure requirements advance Mexico's FATF commitment to domestic beneficial ownership transparency of legal persons and arrangements, facilitating the provision of relevant information to the competent authorities.

Mexico has partially complied with its commitment to adopt measures to improve beneficial ownership transparency in line with the FATF recommendations. However, Mexico has not taken specific actions to improve international beneficial ownership transparency, or those specifically pertaining to the beneficial ownership transparency of real estate or trans-national flows.

Thus, Mexico receives a score of 0.

Analyst: Tara Parsons

Russia: 0

Russia has partially complied with its commitment to adopt legally appropriate measures to improve beneficial ownership transparency in line with the Financial Action Task Force recommendations.

⁸⁵¹ This score of non-compliance was determined after searching the following websites: <http://www.kofiu.go.kr>, <http://www.mofa.go.kr>, <http://www.fsc.go.kr/eng>, <http://www.apgml.org/news/>, <https://www.fatf-gafi.org/countries/#Korea>, <https://www.bbc.com>, and <https://www.theguardian.com>.

⁸⁵² Mexico's 2022 Tax Reform, Bloomberg Tax (Arlington) 6 January 2022. Access Date: 4 June 2022. <https://news.bloombergtax.com/daily-tax-report-international/mexicos-2022-tax-reform>

On 20 May 2022, the Russian Financial Monitoring amended the requirements for identifying beneficial owners. In particular, the amendments contain an expanded list of entities obliged to provide detailed information of potential beneficiaries – trustees (managers) of a foreign structure that do not forming a legal entity.⁸⁵³

Thus, Russia receives score of 0.

Analyst: Shiri Yeung

Saudi Arabia: -1

Saudi Arabia has failed to comply with its commitment to adopt legally appropriate measures to improve beneficial ownership transparency in line with the Financial Action Task Force recommendations.

Saudi Arabia has not taken any actions to fulfill this commitment during the compliance monitoring period.

Thus, Saudi Arabia receives score of -1.⁸⁵⁴

Analyst: Jad El Ghali

South Africa: -1

South Africa has failed to comply with its commitment to adopt legally appropriate measures to improve beneficial ownership transparency in line with the Financial Action Task Force recommendations.

South Africa has not taken any actions to fulfill this commitment during the compliance monitoring period.

Thus, South Africa receives score of -1.⁸⁵⁵

Analyst: Zainab Syed

Turkey: -1

Turkey has failed to comply with its commitment to adopt legally appropriate measures to improve beneficial ownership transparency in line with the Financial Action Task Force recommendations.

Turkey has not taken any actions to fulfill this commitment during the compliance monitoring period.

Thus, Turkey receives score of -1.⁸⁵⁶

Analyst: Jad El Ghali

United Kingdom: +1

The United Kingdom has fully complied with its commitment to adopt legally appropriate measures to improve beneficial ownership transparency in line with the Financial Action Task Force (FATF) recommendations.

⁸⁵³ Order of the Federal Financial Monitoring Service of May 20, 2022 N 100 "On approval of requirements for the identification of clients, client representatives, beneficiaries and beneficial owners, including taking into account the degree (level) of the risk of suspicious transactions", Garant Plus (Moscow) 20 May 2022. Translation provided by the analyst. Access Date: 12 July 2022. <https://base.garant.ru/404856727/>

⁸⁵⁴ This score of non-compliance was determined after searching the following websites: <http://www.my.gov.sa>, <http://www.sama.gov.sa>, <https://www.menafatf.org>, <https://www.fatf-gafi.org/countries/#Saudi%20Arabia>, <https://www.bbc.com>, and <https://www.theguardian.com>.

⁸⁵⁵ This score of non-compliance was determined after searching the following websites: <http://www.fic.gov.za>, <http://www.sars.gov.za>, https://www.esaamlg.org/index.php/Countries/readmore_members/South%20Africa, <https://www.fatf-gafi.org/countries/#South%20Africa>, <https://www.bbc.com>, and <https://www.theguardian.com>.

⁸⁵⁶ This score of non-compliance was determined after searching the following websites: <http://www.masak.hmb.gov.tr>, <http://www.en.hmb.gov.tr>, <https://www.turkiye.gov.tr>, <https://www.fatf-gafi.org/countries/#Turkey>, <https://www.bbc.com>, and <https://www.theguardian.com>.

On 28 February 2022, the United Kingdom Department for Business, Energy and Industrial Strategy released a white paper on Corporate Transparency and Register Reform.⁸⁵⁷ The white paper outlined 53 proposed reforms to the corporate oversight regime, including those to bolster beneficial ownership transparency. The Department's white paper contributes to the United Kingdom's satisfaction of its FATF commitment by advancing domestic beneficial ownership transparency of legal persons and arrangements.

On 15 March 2022, Parliament enacted the Economic Crime (Transparency and Enforcement) Act 2022, which established a registry of beneficial ownership for overseas entities that own property in the United Kingdom.⁸⁵⁸ Owners with a 25 per cent or larger stake or other significant control in an overseas entity that seeks to purchase property in the United Kingdom are included in the registry. The establishment of the registry advances the United Kingdom's FATF commitment to improve international beneficial ownership transparency of legal persons and arrangements and real estate, including trans-national flows.

On 16 March 2022, the United Kingdom Central Digital and Data Office updated the Beneficial Ownership Data Standard on the collection, use and exchange of beneficial ownership information.⁸⁵⁹ The revised standard sets out requirements to ensure beneficial ownership data is accessible to the competent authorities, both domestically and internationally, to meet compliance and enforcement objectives. The publication of the standard thus advances the United Kingdom's FATF commitment to the provision of adequate, accurate and up-to-date beneficial ownership information.

On 18-19 May 2022, G7 Development Ministers committed to supporting African partners in terms of beneficial ownership registers: "Therefore, we as the G7 will support African partners in setting up 15 additional beneficial ownership transparency registers, and reiterate the commitments made by Finance Ministers in June 2021 to provide additional expertise and funding support to the Financial Action Task Force-style regional bodies (FSRBs), including those in Africa, as well as capacity development for the FSRBs in Africa."⁸⁶⁰

The United Kingdom has fully complied with its commitment to adopt measures to improve beneficial ownership transparency in line with the FATF recommendations.

Thus, the United Kingdom receives a score of +1.

Analyst: Zainab Syed

United States: 0

The United States has partially complied with its commitment to adopt legally appropriate measures to improve beneficial ownership transparency in line with the Financial Action Task Force (FATF) recommendations.

On 6 December 2021, the United States Financial Crimes Enforcement Network (FinCEN) announced a new proposed rule to address vulnerabilities to money-laundering and illicit finance in the real estate sector.⁸⁶¹ The rule seeks to extend reporting requirements, including those involving beneficial ownership disclosure, to all-cash real estate transactions that have previously been excluded. The proposed rule will further the United

⁸⁵⁷ Research Briefing: Registers of beneficial ownership, House of Commons Library (London) 6 April 2022. Access Date: 20 June 2022. <https://researchbriefings.files.parliament.uk/documents/CBP-8259/CBP-8259.pdf>

⁸⁵⁸ Research Briefing: Economic Crime (Transparency and Enforcement) Act 2022, House of Commons Library (London) 23 March 2022. Access Date: 20 June 2022. <https://commonslibrary.parliament.uk/research-briefings/cbp-9486/>

⁸⁵⁹ Guidance: Collect, use and exchange beneficial ownership information, Central Digital & Data Office (London) 16 March 2022. Access Date: 20 June 2022. <https://www.gov.uk/government/publications/open-standards-for-government/collect-use-and-exchange-beneficial-ownership-information>

⁸⁶⁰ Achieving the Sustainable Development Goals in Times of Multiple Crises: G7 Development Ministers' Meeting Communiqué, G7 Information Centre (Toronto) 19 May 2022. Access Date: 29 August 2022. <http://www.g7.utoronto.ca/dev/220519-communication.html>

⁸⁶¹ FinCEN Launches Regulatory Process for New Real Estate Sector Reporting Requirements to Curb Illicit Finance, Financial Crimes Enforcement Network (Vienna) 6 December 2021. Access Date: 8 June 2022. <https://www.fincen.gov/news/news-releases/fincen-launches-regulatory-process-new-real-estate-sector-reporting-requirements>

States' satisfaction of its FATF commitment to domestic beneficial ownership transparency of legal persons and arrangements, particularly those involved in real estate.

On 7 December 2021, FinCEN announced a new proposed rule under the Corporate Transparency Act to increase beneficial ownership disclosure for shell corporations.⁸⁶² The rule would unmask the beneficial owners of shell companies that invest in the United States and apply to those with ownership stakes of 25 per cent or greater and to others exercising significant control of an applicable enterprise. The proposed rule will advance the United States' FATF commitment to domestic beneficial ownership transparency of legal persons and arrangements.

On 30 April 2022, FinCEN renewed and expanded Geographic Targeting Orders that require the disclosure of the identities of the beneficial owners of shell companies which purchase residential real estate in cash transactions.⁸⁶³ The new Orders, which apply to portions of metropolitan areas spanning 12 states and the District of Columbia, will remain in force until 26 October 2022. The Orders advance the United States' FATF commitment by enhancing beneficial ownership transparency in the realm of real estate.

On 18-19 May 2022, G7 Development Ministers committed to supporting African partners in terms of beneficial ownership registers: "Therefore, we as the G7 will support African partners in setting up 15 additional beneficial ownership transparency registers, and reiterate the commitments made by Finance Ministers in June 2021 to provide additional expertise and funding support to the Financial Action Task Force-style regional bodies (FSRBs), including those in Africa, as well as capacity development for the FSRBs in Africa."⁸⁶⁴

The United States has partially complied with its commitment to adopt measures to improve beneficial ownership transparency in line with the FATF recommendations. However, the United States has not taken specific actions to improve international beneficial ownership transparency, nor those specifically pertaining to trans-national flows.

Thus, the United States receives a score of 0.

Analyst: Ahmed Tarbay

European Union: 0

The European Union has partially complied with its commitment to adopt legally appropriate measures to improve beneficial ownership transparency in line with the Financial Action Task Force (FATF) recommendations.

On 14 March 2022, the European Council made Czechia's receipt of further instalments under its National Recovery and Resilience Plan conditional on the implementation of 31 milestones and 6 targets, including those pertaining to beneficial ownership transparency.⁸⁶⁵ In order to receive EUR1.1 billion, Czechia must align its national definition of a beneficial owner with that prescribed in EU legislation and take necessary steps to implement the regulatory framework by June 2022. The EU's conditioning of National Recovery and Resilience Plan funds on Czechia's compliance with anti-money laundering and counter-terrorist financing requirements

⁸⁶² FinCEN Issues Proposed Rule for Beneficial Ownership Reporting to Counter Illicit Finance and Increase Transparency, Financial Crimes Enforcement Network (Vienna) 7 December 2021. Access Date: 8 June 2022.

<https://www.fincen.gov/news/news-releases/fincen-issues-proposed-rule-beneficial-ownership-reporting-counter-illicit>

⁸⁶³ FinCEN Renews and Expands Real Estate Geographic Targeting Orders, Financial Crimes Enforcement Network (Vienna) 29 April 2022. Access Date: 5 April 2022. <https://www.fincen.gov/news/news-releases/fincen-renews-and-expands-real-estate-geographic-targeting-orders>

⁸⁶⁴ Achieving the Sustainable Development Goals in Times of Multiple Crises: G7 Development Ministers' Meeting Communiqué, G7 Information Centre (Toronto) 19 May 2022. Access Date: 29 August 2022. <http://www.g7.utoronto.ca/dev/220519-communication.html>

⁸⁶⁵ Czechia's National Recovery and Resilience Plan: Latest state of play, European Parliament (Strasbourg) 14 March 2022. Access Date: 6 June 2022. [https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI\(2022\)729311](https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI(2022)729311)

advances its FATF commitment to domestic and international beneficial ownership transparency of legal persons and arrangements.

On 18-19 May 2022, G7 Development Ministers committed to supporting African partners in terms of beneficial ownership registers: “Therefore, we as the G7 will support African partners in setting up 15 additional beneficial ownership transparency registers, and reiterate the commitments made by Finance Ministers in June 2021 to provide additional expertise and funding support to the Financial Action Task Force-style regional bodies (FSRBs), including those in Africa, as well as capacity development for the FSRBs in Africa.”⁸⁶⁶

The European Union has partially complied with its commitment to adopt measures to improve beneficial ownership transparency in line with the FATF recommendations. However, the European Union has not taken actions specifically in relation to beneficial ownership transparency of real estate or trans-national flows.

Thus, the European Union receives a score of 0.

Analyst: Armaan Ahmad

⁸⁶⁶ Achieving the Sustainable Development Goals in Times of Multiple Crises: G7 Development Ministers’ Meeting Communiqué, G7 Information Centre (Toronto) 19 May 2022. Access Date: 29 August 2022. <http://www.g7.utoronto.ca/dev/220519-communicue.html>