



2020 G20 Riyadh Summit Final 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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“We reiterate our strong commitment to tackle all sources, techniques and channels of these threats.”

G20 Riyadh Leaders’ Declaration

Assessment

	No Compliance	Partial Compliance	Full Compliance
Argentina	-1		
Australia			+1
Brazil			+1
Canada			+1
China			+1
France			+1
Germany			+1
India		0	
Indonesia			+1
Italy		0	
Japan		0	
Korea			+1
Mexico		0	
Russia		0	
Saudi Arabia			+1
South Africa		0	
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.60 (80%)	

Background

Addressing money laundering and terrorism financing is a well-established goal of the G20 as it is a serious economic and societal concern. The International Monetary Fund (IMF) states that “these activities generate financial flows that involve the diversion of resources away from economically- and socially-productive uses—and these diversions can have negative impacts on the financial sector and external stability of member states.”²⁷⁴⁷ Therefore, it is essential to implement effective anti-money laundering and anti-terrorist financing regimes in order to alleviate the corruptive effects these activities have, and to promote and protect the stability and integrity of the financial markets.²⁷⁴⁸

At the 1989 G7 Paris Summit, the Financial Action Task Force (FATF) was founded to set a global standard for anti-money laundering and anti-terrorist financing.²⁷⁴⁹ It is a 33-member organization

²⁷⁴⁷ Anti-Money Laundering/Combating the Financing of Terrorism – Topics, International Monetary Fund (Washington) n.d. Access Date: 1 March 2021. <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm#financingterrorism>

²⁷⁴⁸ Anti-Money Laundering/Combating the Financing of Terrorism – Topics, International Monetary Fund (Washington) n.d. Access Date: 1 March 2021. <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm#financingterrorism>

²⁷⁴⁹ Anti-Money Laundering/Combating the Financing of Terrorism – Topics, International Monetary Fund (Washington) n.d. Access Date: 1 March 2021. <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm#financingterrorism>

and works closely with the IMF, the World Bank, the United Nations, and other key international organizations.²⁷⁵⁰

At the 2008 Washington Summit, G20 members reaffirmed their support for the continuation of the FATF in its efforts against money laundering and terrorist financing, along with their support of the World Bank-UN Asset Recovery (StAR) Initiative.²⁷⁵¹

At the 2009 Pittsburgh Summit, G20 leaders committed to maintain their momentum and results in combating money laundering and terrorist financing and continued their support for the efforts made by the FATF.²⁷⁵²

At the 2010 Toronto Summit, the G20 members reiterated their support for the FATF and encouraged the FATF to continue “monitoring and enhancing global compliance with the anti-money laundering and counter-terrorism financing international standards.”²⁷⁵³ Furthermore, G20 members encouraged FATF to keep states accountable through regularly updating a public list of jurisdictions that have strategic deficiencies in this area.²⁷⁵⁴

At the 2011 Cannes Summit, G20 members supported the efforts made by the FATF of identifying and engaging jurisdictions that have deficiencies with their Anti-Money Laundering/Counter-Financing of Terrorism (AML/CFT).²⁷⁵⁵ G20 urged all states that were lacking in sufficient progress or compliance to strengthen their AML/CFT systems in alignment with the FATF.²⁷⁵⁶ Furthermore, G20 members called for the implementation of the FATF standards for transparency in areas such as cross-border wires, beneficial ownership, customer due diligence, and due diligence.²⁷⁵⁷

At the 2012 Los Cabos Summit, G20 members affirmed their support for the renewal of the FATF mandate, and adopted the revised standards of the FATF.²⁷⁵⁸

At the 2013 St. Petersburg Summit, G20 members reiterated their commitment to the FATF’s efforts to fight money laundering and terrorist financing and stated that one of their priorities was to identify and monitor high risk jurisdictions that have deficiencies in their AML/CFT strategies, while recognizing states that have made positive progress towards the FATF’s standards.²⁷⁵⁹

²⁷⁵⁰ Anti-Money Laundering/Combating the Financing of Terrorism – Topics, International Monetary Fund (Washington) n.d. Access Date: 1 March 2021. <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm#financingterrorism>

²⁷⁵¹ Declaration of the Summit on Financial Markets and the World Economy, G20 Information Centre (Toronto) 15 November 2008. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2008/2008declaration1115.html>

²⁷⁵² G20 Leaders Statement: The Pittsburgh Summit, G20 Information Centre (Toronto) 25 June 2009. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2009/2009communique0925.html>

²⁷⁵³ The G20 Toronto Summit Declaration, G20 Information Centre (Toronto) 27 June 2010. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2010/to-communique.html>

²⁷⁵⁴ The G20 Toronto Summit Declaration, G20 Information Centre (Toronto) 27 June 2010. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2010/to-communique.html>

²⁷⁵⁵ Cannes Summit Final Declaration – Building Our Common Future: Renewed Collective Action for the Benefit of All, G20 Information Centre (Toronto) 4 November 2011. Access Date: 1 March 2021. [g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html](http://www.g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html)

²⁷⁵⁶ Cannes Summit Final Declaration – Building Our Common Future: Renewed Collective Action for the Benefit of All, G20 Information Centre (Toronto) 4 November 2011. Access Date: 1 March 2021. [g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html](http://www.g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html)

²⁷⁵⁷ Cannes Summit Final Declaration – Building Our Common Future: Renewed Collective Action for the Benefit of All, G20 Information Centre (Toronto) 4 November 2011. Access Date: 1 March 2021. [g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html](http://www.g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html)

²⁷⁵⁸ G20 Leaders Declaration Los Cabos, G20 Information Centre (Toronto) 19 June 2012. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2012/2012-0619-loscabos.html>

²⁷⁵⁹ G20 Leaders’ Declaration, G20 Information Centre (Toronto) 6 September 2013. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2013/2013-0906-declaration.html#aml>

The 2016 Hangzhou Summit called upon G20 members, the IMF, and the World Bank Group to “intensify their support for domestic capacity building to help countries improve their compliance with global anti-money laundering and countering the financing of terrorism and prudential standards.”²⁷⁶⁰

At the 2017 Hamburg Summit, G20 members committed to advance the effective implementation of the global standards of transparency and beneficial ownership of legal persons and arrangements in order to continue combating money laundering and terrorism financing.²⁷⁶¹

At the 2018 Buenos Aires Summit, G20 members committed to regulate crypto-assets for anti-money laundering and countering terrorist financing in a way that is aligned with the FATF’s standards.²⁷⁶²

At the 2019 Osaka Summit, G20 members reaffirmed their commitment of the full, effective, and swift implementation of the amended FATF standards to virtual assets, such as crypto-assets, as well as related providers for anti-money laundering and combating terrorist financing.²⁷⁶³

At the 2020 Riyadh Summit, G20 members affirmed their support of the AML/CFT policy that was outlined in the FATF’s report on COVID-19.²⁷⁶⁴ G20 members reaffirmed their support for the FATF and the global standard it has set out to prevent and combat money laundering, terrorist financing and proliferation financing.²⁷⁶⁵ G20 members also reaffirmed their commitment to strengthen “the FATF’s Global Network of regional bodies, including by supporting their expertise in mutual evaluations, and call for the full, effective and swift implementation of the FATF standards worldwide” alongside their strong commitment “to tackle all sources, techniques and channels of these threats.”²⁷⁶⁶

Commitment Features

This commitment requires G20 members to take into account all three areas involved in money-laundering and terrorist financing crimes, which are the sources, techniques, and the channels of these threats. In order for G20 members to fully comply, strong action must be taken to address all three areas for both money-laundering as well as terrorist financing.

To “reiterate” is understood as “commitments that have been established in the past. It should not be considered a new initiative; however, new efforts in the area should be made.”²⁷⁶⁷ In the context of this commitment, it entails that the G20 members will make further efforts and improvements to the previously established commitments from past summits, including their work with the FATF.

²⁷⁶⁰ G20 Leaders' Communiqué: Hangzhou Summit, G20 Information Centre (Toronto) 5 September 2016. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2016/160905-communication.html>

²⁷⁶¹ G20 Leaders' Declaration: Shaping an Interconnected World, G20 Information Centre (Toronto) 8 July 2017. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2017/2017-G20-leaders-declaration.html>

²⁷⁶² G20 Leaders' Declaration: Building Consensus for Fair and Sustainable Development, G20 Information Centre (Toronto) 1 December 2018. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2018/2018-leaders-declaration.html>

²⁷⁶³ G20 Osaka Leaders' Declaration, G20 Information Centre (Toronto) 29 June 2019. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2019/2019-g20-osaka-leaders-declaration.html>

²⁷⁶⁴ Leaders' Declaration, G20 Information Centre (Toronto) 21 November 2020. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2020/2020-g20-leaders-declaration-1121.html>

²⁷⁶⁵ Leaders' Declaration, G20 Information Centre (Toronto) 21 November 2020. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2020/2020-g20-leaders-declaration-1121.html>

²⁷⁶⁶ Leaders' Declaration, G20 Information Centre (Toronto) 21 November 2020. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2020/2020-g20-leaders-declaration-1121.html>

²⁷⁶⁷ Compliance Coding Manual for International Institutional Commitments, G7 and G20 Research Groups (Toronto) 12 November 2020. Access Date: 1 March 2021. http://www.g7.utoronto.ca/compliance/Compliance_Coding_Manual_2020.pdf

“Strong commitment” is understood as “effective or efficient especially in a specified direction.”²⁷⁶⁸ In the context of this commitment, it entails that the G20 members will take concrete actions to address crime and corruption.

“Tackle” is understood as “to seize, take hold of, or grapple with especially with the intention of stopping or subduing.”²⁷⁶⁹ For this commitment, it refers to “preventing and combating money laundering, terrorist financing and proliferation financing.”²⁷⁷⁰

“All” is understood as “the whole amount, quantity, or extent of.”²⁷⁷¹ For this commitment, it entails comprehensive action to address sources, techniques and channels of money laundering and terrorist financing.

“Sources” is understood as “the place something comes from or starts at, or the cause of something.”²⁷⁷² In the context of this commitment, it refers to identifying “a point of origin or procurement” of the money that is involved in money-laundering or terrorist financing.²⁷⁷³ Sources of money laundering include, but are not limited to “white collar crimes...and drug related crimes...internet-based frauds and other use of internet technologies in fraudulent predicate activities...smuggling of goods and contraband.”²⁷⁷⁴ Sources of terrorist financing include, but are not limited to “legitimate sources, including through abuse of charitable entities or legitimate businesses and self-financing, criminal activity, state sponsors and activities in failed states and other safe havens” as well as, “small cash-intensive businesses.”²⁷⁷⁵

“Techniques” is understood as “a method of accomplishing a desired aim.”²⁷⁷⁶ In the context of this commitment, it refers to preventing and combating methods of money-laundering and terrorist financing. Methods of money laundering include but are not limited to, “the use of the international trade regime, cash couriers, alternative remittance systems and complex corporate structures.”²⁷⁷⁷ Methods of terrorist financing are similar to those of money laundering, including, but not limited to, “the use of the financial system...the physical movement of money...[as well as] through the international trade system.”²⁷⁷⁸

²⁷⁶⁸ Strong, Merriam Webster Dictionary (Springfield) n.d. Access Date: 1 March 2021. <https://www.merriam-webster.com/dictionary/strong>

²⁷⁶⁹ Tackle, Merriam Webster Dictionary (Springfield) n.d. Access Date: 1 March 2021. <https://www.merriam-webster.com/dictionary/tackle>

²⁷⁷⁰ Leaders' Declaration, G20 Information Centre (Toronto) 21 November 2020. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2020/2020-g20-leaders-declaration-1121.html>

²⁷⁷¹ All, Merriam Webster Dictionary (Springfield) n.d. Access Date: 1 March 2021. <https://www.merriam-webster.com/dictionary/all>

²⁷⁷² Source, Cambridge Dictionary (Cambridge) n.d. Access Date: 1 March 2021. <https://dictionary.cambridge.org/dictionary/english/source>

²⁷⁷³ Source, Merriam Webster Dictionary (Springfield) n.d. Access Date: 1 March 2021. <https://www.merriam-webster.com/dictionary/source>

²⁷⁷⁴ Global Money Laundering & Terrorist Financing Threat Assessment, Financial Action Task Force (Paris) July 2010. Access Date: 1 March 2021. <https://www.fatf-gafi.org/media/fatf/documents/reports/Global%20Threat%20Assessment.pdf>

²⁷⁷⁵ Global Money Laundering & Terrorist Financing Threat Assessment, Financial Action Task Force (Paris) July 2010. Access Date: 1 March 2021. <https://www.fatf-gafi.org/media/fatf/documents/reports/Global%20Threat%20Assessment.pdf>

²⁷⁷⁶ Technique, Merriam Webster Dictionary (Springfield) n.d. Access Date: 1 March 2021. <https://www.merriam-webster.com/dictionary/technique>

²⁷⁷⁷ Money Laundering, The United Nations Office on Drugs and Crime (Vienna) n.d. Access Date: 1 March 2021. <https://www.unodc.org/westandcentralafrica/en/newrosenwebsite/anti-corruption/money-laundering.html>

²⁷⁷⁸ Financial Action Task Force: Terrorist Financing (Paris) 29 February 2008. Access Date: 1 March 2021. p. 21. <https://www.fatf-gafi.org/media/fatf/documents/reports/FATF%20Terrorist%20Financing%20Typologies%20Report.pdf>

“Channel” is understood as “a way of communicating with people or getting something done.”²⁷⁷⁹ In the context of this commitment, it refers to the avenues groups and organizations involved in money-laundering or terrorist financing crimes go through for communication or action. Channels of money-laundering or terrorist financing include, but are not limited to, the financial and trade systems, corporate structures, as well as technological and digital mechanisms.^{2780,2781,2782}

“Threat” is understood as “the possibility that something unwanted will happen, or a person or thing that is likely to cause something unwanted to happen.”²⁷⁸³ In the context of this commitment, it refers to global “money laundering, terrorist financing and proliferation financing.”²⁷⁸⁴

Money laundering refers to the act of concealing the illicit origin of large amounts of illegally acquired profits through crimes.²⁷⁸⁵ Terrorist financing “involves the solicitation, collection or provision of funds with the intention that they may be used to support terrorist acts or organizations.”²⁷⁸⁶ These funds may come from both legal and illegal sources.²⁷⁸⁷ It should be noted that “the primary goal of individuals or entities involved in the financing of terrorism is therefore not necessarily to conceal the sources of the money but to conceal both the financing and the nature of the financed activity.”²⁷⁸⁸

Since the methods used in money laundering and the financing of terrorism are in many cases identical, “[a]n effective anti-money laundering/counter financing of terrorism framework must therefore address both risk issues: it must prevent, detect and punish illegal funds entering the financial system and the funding of terrorist individuals, organizations and/or activities.”²⁷⁸⁹

For the depth component, or the strength of the action required to be deemed compliant with this commitment, G20 members reiterated their strong commitment and therefore actions should reflect that. Actions compliant to this commitment include continuous support of the FATF and other relevant programs, through the allocation of funds and personnel, legislation and enforcement. Compliant actions must go beyond verbal references and reaffirmation and conferences.

²⁷⁷⁹ Channel, Cambridge Dictionary (Cambridge) n.d. Access Date: 1 March 2021.

<https://dictionary.cambridge.org/dictionary/english/channel>

²⁷⁸⁰ Financial Action Task Force: Terrorist Financing, Financial Action Task Force (Paris) 29 February 2008. Access Date: 1 March 2021. p. 21. <https://www.fatf-gafi.org/media/fatf/documents/reports/FATF%20Terrorist%20Financing%20Typologies%20Report.pdf>

²⁷⁸¹ Money Laundering, The United Nations Office on Drugs and Crime (Vienna) n.d. Access Date: 1 March 2021. <https://www.unodc.org/westandcentralafrica/en/newrosenwebsite/anti-corruption/money-laundering.html>

²⁷⁸² Global Money Laundering & Terrorist Financing Threat Assessment, Financial Action Task Force (Paris) July 2010. Access Date: 1 March 2021. p. 8. <https://www.fatf-gafi.org/media/fatf/documents/reports/Global%20Threat%20Assessment.pdf>

²⁷⁸³ Threat, Cambridge Dictionary (Cambridge) n.d. Access Date: 1 March 2021. <https://dictionary.cambridge.org/dictionary/english/threat>

²⁷⁸⁴ Leaders' Declaration, G20 Information Centre (Toronto) 21 November 2020. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2020/2020-g20-leaders-declaration-1121.html>

²⁷⁸⁵ Anti-Money Laundering/Combating the Financing of Terrorism – Topics, International Monetary Fund (Washington) n.d. Access Date: 1 March 2021 <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm#financingterrorism>

²⁷⁸⁶ Anti-Money Laundering/Combating the Financing of Terrorism – Topics, International Monetary Fund (Washington) n.d. Access Date: 1 March 2021 <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm#financingterrorism>

²⁷⁸⁷ Anti-Money Laundering/Combating the Financing of Terrorism – Topics, International Monetary Fund (Washington) n.d. Access Date: 1 March 2021 <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm#financingterrorism>

²⁷⁸⁸ Anti-Money Laundering/Combating the Financing of Terrorism – Topics, International Monetary Fund (Washington) n.d. Access Date: 1 March 2021 <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm#financingterrorism>

²⁷⁸⁹ Anti-Money Laundering/Combating the Financing of Terrorism – Topics, International Monetary Fund (Washington) n.d. Access Date: 1 March 2021 <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm#financingterrorism>

In order for a G20 member to achieve full compliance (+1), strong action must be taken to tackle all three areas of sources, techniques and channels of the threats of money laundering and terrorist financing.

In order to achieve partial compliance (0), the G20 members must take strong action to tackle two of the three areas of sources, techniques and channels of these money laundering and terrorist financing.

In order to achieve non-compliance (-1), G20 members must take strong action to tackle none or one of the three areas of sources, techniques and channels of these money laundering and terrorist financing.

Scoring Guidelines

-1	G20 member has NOT taken strong action to tackle all sources, techniques AND channels of these threats.
0	G20 member has taken strong action to tackle TWO of the three areas of sources, techniques OR channels of these threats.
+1	G20 member has taken strong action to tackle all sources, techniques AND channels of these threats.

*Compliance Director: Jennifer Miao Wang
Lead Analyst: Ilan Hughes*

Argentina: -1

Argentina failed to comply with its commitments to tackle all three areas of sources, techniques, and channels of money laundering, terrorist funding, or proliferation financing.

Argentina has not taken any significant action to tackle money laundering and terrorist financing by combatting money laundering, terrorist funding, and proliferation financing.

Thus, Argentina receives a score of -1.²⁷⁹⁰

Analyst: Beatrice McLeod

Australia: +1

Australia has fully complied with its commitments to tackle all three areas of sources, techniques, and channels of money laundering, terrorist funding, or proliferation financing.

On 10 December 2020, both Houses of Parliament in Australia motioned to pass the Anti-Money Laundering and Counter-Terrorism Financing and Other Legislation Amendment Act 2020 (The Amendment Act).²⁷⁹¹ The act aims to “implement incremental reform” most relevantly in the areas of customer due diligence and correspondent banking relationships.^{2792,2793}

²⁷⁹⁰ This non-compliance was determined after searching the following websites: <https://www.argentina.gob.ar/>, <https://www.clarin.com/>, <https://www.lanacion.com.ar/> and <https://www.bbc.com>, <https://www.cancilleria.gob.ar/en/search>, <https://www.economia.gob.ar/en/>, <https://www.loc.gov/law/help/cryptocurrency/argentina.php>, <https://iclg.com/practice-areas/lending-and-secured-finance-laws-and-regulations/argentina>, <https://thelawreviews.co.uk/title/the-anti-bribery-and-anti-corruption-review/argentina>, https://uk.practicallaw.thomsonreuters.com/5-521-1293?_lrTS=20210203140659598, <https://www.argentina.gob.ar/jefatura>, <http://www.cancilleria.gov.ar/>, www.bcra.gov.ar, batimes.com.ar, www.ambito.com.ar.

²⁷⁹¹ Australia moves – incrementally – towards AML/CTF compliance, Allen & Overy LLP (New York) 24 December 2020. Access Date: 23 March 2021. <https://www.jdsupra.com/legalnews/australia-moves-incrementally-towards-51891/>

²⁷⁹² Australia moves – incrementally – towards AML/CTF compliance, Allen & Overy LLP (New York) 24 December 2020. Access Date: 23 March 2021. <https://www.jdsupra.com/legalnews/australia-moves-incrementally-towards-51891/>

On 17 December 2020, the Amendment Act received royal assent and the Australian Government officially passed the act.^{2794,2795} The Amendment Act “gives effect to the recommendations from the Financial Action Task Force...[and] introduced changes to...customer identification procedures, correspondent banking relationships, tipping-off offences, access to information, and the cross-border movements of money.”²⁷⁹⁶ The majority of these changes are expected to come into effect on 18 June 2021, with a few coming into effect by 18 June 2022.²⁷⁹⁷

On 30 January 2021, the Department of Foreign Affairs and Trade announced a program to help South East Asian countries combat transnational crime.²⁷⁹⁸ Dubbed the “Mekong-Australia Partnership on Transnational Crime,” the effort will be funded out of Australia’s official development assistance budget, providing AUD30 million over eight years.²⁷⁹⁹ The goal is to help countries in the Mekong region tackle drugs, child sexual exploitation, and financial crimes.²⁸⁰⁰

On 7 June 2021, Australia’s financial crime regulator, the Australian Transaction Reports and Analysis Centre launched an investigation into the National Australia Bank for suspected serious and ongoing breaches of anti-money laundering and counter terrorism laws. The goal is to further investigate “areas of serious concern” with regards to customer identification procedures, customer due diligence and other compliance requirements.²⁸⁰¹

On 7 August 2021, Australia announced furthering cooperation with the Association of Southeast Asian Nations through establishing an annual Counter-Terrorism Dialogue.²⁸⁰²

On 12 September 2021, the Australian government issued a statement alongside the Indian government, where both governments “agreed to continue cooperation in the sphere of counter-

²⁷⁹³ Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1), Federal Register of Legislation (Canberra) 30 November 2020. Access Date: 14 May 2021. <https://www.legislation.gov.au/Details/F2020C01058>

²⁷⁹⁴ Australia moves – incrementally – towards AML/CTF compliance, Allen & Overy LLP (New York) 24 December 2020. Access Date: 23 March 2021. <https://www.jdsupra.com/legalnews/australia-moves-incrementally-towards-51891/>

²⁷⁹⁵ Changes to Australia’s anti-money laundering and terrorism financing framework, Ashurst Australia (Sydney) 12 January 2021. Access Date: 14 May 2021. <https://www.ashurst.com/en/news-and-insights/legal-updates/changes-to-australias-anti-money-laundering-and-terrorism-financing-framework/>

²⁷⁹⁶ Changes to Australia’s anti-money laundering and terrorism financing framework, Ashurst Australia (Sydney) 12 January 2021. Access Date: 14 May 2021. <https://www.ashurst.com/en/news-and-insights/legal-updates/changes-to-australias-anti-money-laundering-and-terrorism-financing-framework/>

²⁷⁹⁷ Changes to Australia’s anti-money laundering and terrorism financing framework, Ashurst Australia (Sydney) 12 January 2021. Access Date: 14 May 2021. <https://www.ashurst.com/en/news-and-insights/legal-updates/changes-to-australias-anti-money-laundering-and-terrorism-financing-framework/>

²⁷⁹⁸ Program Director – Mekong Australia Partnership on Transnational Crime, Reliefweb (Bangkok) 5 April 2021. Access Date: 1 May 2021. <https://reliefweb.int/job/3726956/program-director-mekong-australia-partnership-transnational-crime>

²⁷⁹⁹ Upcoming opportunity: Mekong-Australia Program on Transnational Crime, Department of Foreign Affairs and Trade Australia (Canberra) n.d. Access Date: 1 May 2021. <https://www.dfat.gov.au/about-us/business-opportunities/Pages/upcoming-opportunity-mekong-australia-program-transnational-crime>

²⁸⁰⁰ Australia to help south-east Asia combat crime as China deepens influence in region, The Guardian (Melbourne) 30 January 2021. Access Date: 23 March 2021. <https://www.theguardian.com/australia-news/2021/jan/31/australia-to-help-south-east-asia-combat-as-china-deepens-influence-in-region>

²⁸⁰¹ Australia’s NAB reveals anti-money laundering probe, shares fall, Reuters (Sydney). 6 June 2021. Access Date: 4 August 2021. <https://www.reuters.com/world/asia-pacific/australias-nab-reveals-anti-money-laundering-probe-shares-fall-2021-06-06/>

²⁸⁰² Enhancing the ASEAN-Australia partnership, Minister for Foreign Affairs and Minister for Women (Canberra) 7 August 2021. Access Date: 25 October 2021. <https://www.foreignminister.gov.au/minister/marise-payne/media-release/enhancing-asean-australia-partnership>

terrorism, including ... combating the financing of terrorism, and preventing exploitation of the internet for terrorist activities.”²⁸⁰³

Australia has taken meaningful steps to tackle all three areas of anti-money laundering and terrorist financing through its consistent efforts to hold corporations and bodies to account while taking on an active role in the international sphere.

Thus, Australia has received a score of +1.

Analyst: Burhan Anees Khan

Brazil: +1

Brazil has fully complied with their commitment to tackling all sources, techniques, and channels of money laundering, terrorist financing, or proliferation financing.

On 9 December 2020, President Jair Bolsonaro launched Brazil’s Anti-Corruption Plan to combat money laundering and terrorist financing between 2020-2025.²⁸⁰⁴ The plan specifically addresses facets of money laundering or terrorist financing by establishing international cooperation between public officials responsible for detecting acts of corruption, creating whistleblower protections, and supporting research that allows for the dissemination of knowledge on anti-corruption.²⁸⁰⁵

On 11 March, 2021, Brazil’s Financial Activities Control Council published two new regulations that aims to regulate “the form of adoption of policies, procedures and internal controls to prevent money laundering (AML), terrorist financing (CTF) and financing the proliferation of weapons of mass destruction (WMD) that allow compliance with the provisions of”²⁸⁰⁶ the federal Money Laundering Prevention Laws.²⁸⁰⁷ These newly proposed regulations also emphasize a greater attention to new technologies and products, and the role they may play in AML/CTF/WMD activities.²⁸⁰⁸ These regulations are proposed to come into force on 1 June 2021.²⁸⁰⁹

On 18 March 2020, the government of Brazil moderated a global webinar, held by the Financial Action Group, on the theme of money laundering through the use of trade.²⁸¹⁰ More than two

²⁸⁰³ India, Australia Pitch for ‘Broad-Based and Inclusive Govt’ in Afghanistan. Business Standard (New Delhi) 12 September 2021. Access Date: 25 September 2021. https://www.business-standard.com/article/international/india-australia-pitch-for-broad-based-and-inclusive-govt-in-afghanistan-121091200186_1.html

²⁸⁰⁴ Anti-Corruption Plan launched for the period 2020 to 2025, Government of Brazil (Brasília) 9 December 2020. Access Date: 21 March 2021. <https://www.gov.br/casacivil/pt-br/assuntos/noticias/2020/dezembro/lancado-plano-anticorruptao-para-oo-periodo-de-2020-a-2025>

²⁸⁰⁵ Anti-Corruption Plan Diagnosis and Actions of the Federal Government, Interministerial Committee to Combat Corruption (Brasília) 9 December 2020. Access Date: 19 March 2021. <https://www.gov.br/cgu/pt-br/anticorruptao/plano-anticorruptao.pdf>

²⁸⁰⁶ COAF Resolution No. 36, of March 10, 2021, Financial Activities Control Council (Brasília) 11 March 2021. Access Date: 14 May 2021. <https://www.in.gov.br/en/web/dou/-/resolucao-coaf-n-36-de-10-de-marco-de-2021-307765911>

²⁸⁰⁷ COAF Resolution No. 36, of March 10, 2021, Financial Activities Control Council (Brasília) 11 March 2021. Access Date: 14 May 2021. <https://www.in.gov.br/en/web/dou/-/resolucao-coaf-n-36-de-10-de-marco-de-2021-307765911>

²⁸⁰⁸ COAF Resolution No. 36, of March 10, 2021, Financial Activities Control Council (Brasília) 11 March 2021. Access Date: 14 May 2021. <https://www.in.gov.br/en/web/dou/-/resolucao-coaf-n-36-de-10-de-marco-de-2021-307765911>

²⁸⁰⁹ COAF Resolution No. 36, of March 10, 2021, Financial Activities Control Council (Brasília) 11 March 2021. Access Date: 14 May 2021. <https://www.in.gov.br/en/web/dou/-/resolucao-coaf-n-36-de-10-de-marco-de-2021-307765911>

²⁸¹⁰ Gafi Webinar: Money laundering through trade is still a global threat, Federal Government of Brazil (Brasília) 23 March 2021. Access Date: 14 May 2021. <https://www.gov.br/coaf/pt-br/assuntos/noticias/ultimas-noticias/webinar-gafi-lavagem-de-dinheiro-por-meio-do-comercio-ainda-e-ameaca-mundial>

thousand representatives from both private and the public sector attended this event to discuss current challenges that authorities face when combating money laundering within trade.²⁸¹¹

On 1 June 2021, the Council for Financial Activities Control (COAF) entered into force Resolution No.36/2021.²⁸¹² This resolution intends to aid in the implementation and maintenance of AML and CFT for companies that are supervised by COAF by documenting AML/CTF policies, disclosing policies to the companies' various parties, and monitoring and training employees on the subject of AML/CTF.²⁸¹³

On 3 August 2021, the Central Bank entered into force BCB Resolution No. 119/2021.²⁸¹⁴ This resolution promotes amendments to BCB Circular N. 3,978/2020, which intends to facilitate compliance with obligations for the institutions regulated by the Central Bank regarding money laundering, concealment of assets, and terrorism financing.²⁸¹⁵

Brazil has moved to tackle money laundering and terrorist financing by establishing an anti-corruption plan, as well as enacting new AML/CTF regulations that tackles all three key areas of sources, techniques, and channels.

Thus, Brazil receives a score of +1.

Analyst: Keab Sharma

Canada: +1

Canada has fully complied with its commitment to tackle all three areas of sources, techniques, and channels of money laundering, terrorist funding, or proliferation financing.

On 30 November 2020, the Department of Finance Canada released its "Fall Economic Statement."²⁸¹⁶ In this document, the department proposed an increase of CAD606 million in the next five years to fund the hiring of more auditors to address offshore tax havens.²⁸¹⁷ Furthermore, the document proposed some of this funding will be used to "strengthen its ability to fight tax crimes such as money laundering and terrorist financing (ML/TF) by upgrading tools and increasing

²⁸¹¹ Gafi Webinar: Money laundering through trade is still a global threat, Federal Government of Brazil (Brasilia) 23 March 2021. Access Date: 14 May 2021. <https://www.gov.br/coaf/pt-br/assuntos/noticias/ultimas-noticias/webinar-gafi-lavagem-de-dinheiro-por-meio-do-comercio-ainda-e-ameaca-mundial>

²⁸¹² COAF RESOLUTION No. 36, OF MARCH 10, 2021, Ministry of Economy/Central Bank of Brazil/Council for the Control of Financial Activities (Brasília) 11 March 2021. Access Date 25 July 2021. <https://in.gov.br/web/dou/-/resolucao-coaf-n-36-de-10-de-marco-de-2021-307765911>

²⁸¹³ COAF RESOLUTION No. 36, OF MARCH 10, 2021 Agency: Ministry of Economy/Central Bank of Brazil/Council for the Control of Financial Activities (Brasília) 11 March 2021. Access Date: 25 July 2021. <https://in.gov.br/web/dou/-/resolucao-coaf-n-36-de-10-de-marco-de-2021-307765911>

²⁸¹⁴ BCB Resolution No. 119 of 7/27/2021, Central Bank of Brazil (Brasília) 27 July 2021. Access Date 9 September 2021. <https://www.bcb.gov.br/estabilidadefinanceira/exibnormativo?tipo=Resolu%C3%A7%C3%A3o%20BCB&numero=119>

²⁸¹⁵ New Brazilian Central Bank resolution on anti-money laundering will be effective next week, Almeida Advogados Corporate Law (Brasília) 25 August 2021. Access Date 10 September 2021, <https://www.almeidalaw.com.br/en/midia/2021/08/new-brazilian-central-bank-resolution-on-anti-money-laundering-will-be-effective-next-week/>

²⁸¹⁶ Supporting Canadians and Fighting Covid 19: Fall Economic Statement 2020, Department of Finance Canada (Ottawa) 20 November 2020. Access Date: 24 March 2021. <https://www.budget.gc.ca/fes-eea/2020/report-rapport/toc-tdm-en.html>

²⁸¹⁷ Supporting Canadians and Fighting Covid 19: Fall Economic Statement 2020, Department of Finance Canada (Ottawa) 20 November 2020. Access Date: 24 March 2021. <https://www.budget.gc.ca/fes-eea/2020/report-rapport/toc-tdm-en.html>

international cooperation.”²⁸¹⁸ Finally, the document suggests revisions to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) to “strengthen criminal penalties and the registration framework for money services businesses,” amongst other changes.²⁸¹⁹

On 8 December 2020, the Financial Transaction and Reports Analysis Centre of Canada (FINTRAC) issued new ML/TF indicators, which can be used to identify potential red flags that may initiate suspicious financial transactions.²⁸²⁰ These new indicators are applicable to all reporting entities, and are subjected to the PCMLTFA.²⁸²¹ The indicators also requires reporting entities to submit any suspicious transactions involving “banks, cryptoasset businesses, money service businesses, and other forms of financial institutions,”²⁸²² for example, to the PCMLTFA.²⁸²³

On 11 December 2020, Minister of Public Safety Bill Blair announced that CAD98.9 million would be spent on new law enforcement units designed to address money laundering within Ontario, British Columbia, Quebec, and Alberta.²⁸²⁴ In addition, Minister Blair announced the creation of the “Counter Illicit Finance Alliance” within British Columbia.²⁸²⁵ These measures will help regulate possible financial crimes within casinos and other industries that are frequently targeted by money launderers.²⁸²⁶

On 19 April 2021, the Federal Government released its 2021 Budget.²⁸²⁷ This document states that CAD4.6 million will be spent on the FINTRAC so it can “build its expertise related to virtual currency...and develop and administer a cost recovery scheme for its compliance activities.”²⁸²⁸ Furthermore, the budget includes legislative proposals focused on reducing the use of charitable

²⁸¹⁸ Supporting Canadians and Fighting Covid 19: Fall Economic Statement 2020, Department of Finance Canada (Ottawa) 20 November 2020. Access Date: 24 March 2021. <https://www.budget.gc.ca/fes-eea/2020/report-rapport/toc-tdm-en.html>

²⁸¹⁹ Supporting Canadians and Fighting Covid 19: Fall Economic Statement 2020, Department of Finance Canada (Ottawa) 20 November 2020. Access Date: 24 March 2021. <https://www.budget.gc.ca/fes-eea/2020/report-rapport/toc-tdm-en.html>

²⁸²⁰ Money laundering and terrorist financing indicators – Virtual currency transactions, Financial Transaction and Reports Analysis Centre of Canada (Ottawa) 8 December 2020. Access Date: 14 May 2021. https://www.fintrac-canafe.gc.ca/guidance-directives/transaction-operation/indicators-indicateurs/vc_mltf-eng

²⁸²¹ Money laundering and terrorist financing indicators – Virtual currency transactions, Financial Transaction and Reports Analysis Centre of Canada (Ottawa) 8 December 2020. Access Date: 14 May 2021. https://www.fintrac-canafe.gc.ca/guidance-directives/transaction-operation/indicators-indicateurs/vc_mltf-eng

²⁸²² Crypto Regulatory Affairs: Canada Issues Money Laundering and Terrorist Financing Indicators For Cryptoassets, Elliptic Enterprises Limited (London) 8 December 2020. Access Date: 14 May 2021.

<https://www.elliptic.co/blog/canada-issues-money-laundering-and-terrorist-financing-indicators-for-crypto>

²⁸²³ Crypto Regulatory Affairs: Canada Issues Money Laundering and Terrorist Financing Indicators For Cryptoassets, Elliptic Enterprises Limited (London) 8 December 2020. Access Date: 14 May 2021.

<https://www.elliptic.co/blog/canada-issues-money-laundering-and-terrorist-financing-indicators-for-crypto>

²⁸²⁴ Feds launching new anti-money laundering units in B.C., Alberta, Ontario, Quebec, Global News (Toronto) 11 December 2020. Access Date: 24 March 2021. <https://globalnews.ca/news/7517509/new-federal-anti-money-laundering-units/>

²⁸²⁵ Feds launching new anti-money laundering units in B.C., Alberta, Ontario, Quebec, Global News (Toronto) 11 December 2020. Access Date: 24 March 2021. <https://globalnews.ca/news/7517509/new-federal-anti-money-laundering-units/>

²⁸²⁶ Feds launching new anti-money laundering units in B.C., Alberta, Ontario, Quebec, Global News (Toronto) 11 December 2020. Access Date: 24 March 2021. <https://globalnews.ca/news/7517509/new-federal-anti-money-laundering-units/>

²⁸²⁷ Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience, Department of Finance Canada (Ottawa) 19 April 2021. Access Date: 1 May 2021. Page 309. <https://www.budget.gc.ca/2021/home-accueil-en.html>

²⁸²⁸ Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience, Department of Finance Canada (Ottawa) 19 April 2021. Access Date: 1 May 2021. Page 309. <https://www.budget.gc.ca/2021/home-accueil-en.html>

organizations as channels of terrorist financing.²⁸²⁹ These legislative changes would: “allow for the immediate revocation of charitable status for organizations listed as a terrorist entity,”²⁸³⁰ “prevent individuals with a known history of supporting terrorism from becoming a director, trustee, or similar official of a registered charity,”²⁸³¹ and “allow for the revocation of charitable status when a charity provides false statements for the purpose of maintaining their registration.”²⁸³²

On 4 May 2021, FINTRA published its 2021 version of the Compliance program Requirements, which is set to come into force on 1 June 2021.²⁸³³ This updated guide’s objective is to ensure all REs comply with the PCMLTFA, as well as any other associated regulations.²⁸³⁴ These requirements entails all reporting entities to establish and implement a compliance program, with elements such as appointing compliance officers or conducting risk assessment when necessary, in order to identify possible sources of money laundering or terrorist financing.²⁸³⁵

On 1 June 2021, new regulations of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, proposed and released to the public years prior, became effective.²⁸³⁶ These laws include new rules for reporting virtual currency transactions, the need for businesses to scrutinize and authenticate client information, amongst other regulations.²⁸³⁷ According to the Financial Transactions and Reports Analysis Centre of Canada, these new rules will “help strengthen Canada’s anti-money laundering and anti-terrorist financing regime by closing certain gaps, such as those stemming from technological advances.”²⁸³⁸

On 30 July 2021, the Financial Transactions and Reports Analysis Centre of Canada provided additional indicators in order to better detect money laundering that is specifically connected to the crime of human trafficking.²⁸³⁹

Canada has taken action to fight money laundering and terrorist financing in all three key areas monetary commitments, as well as through legislation, and the compliance program requirements.

Thus, Canada has received a score of +1.

Analyst: Nathan Ye

²⁸²⁹ Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience, Department of Finance Canada (Ottawa) 19 April 2021. Access Date: 1 May 2021. Page 309. <https://www.budget.gc.ca/2021/home-accueil-en.html>

²⁸³⁰ Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience, Department of Finance Canada (Ottawa) 19 April 2021. Access Date: 1 May 2021. Page 309. <https://www.budget.gc.ca/2021/home-accueil-en.html>

²⁸³¹ Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience, Department of Finance Canada (Ottawa) 19 April 2021. Access Date: 1 May 2021. Page 309. <https://www.budget.gc.ca/2021/home-accueil-en.html>

²⁸³² Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience, Department of Finance Canada (Ottawa) 19 April 2021. Access Date: 1 May 2021. Page 309. <https://www.budget.gc.ca/2021/home-accueil-en.html>

²⁸³³ Compliance program requirements, Financial Transactions and Reports analysis Centre of Canada (Ottawa) 4 May 2021. Access Date: 14 May 2021. <https://www.fintrac-canafe.gc.ca/guidance-directives/compliance-conformite/Guide4/4-eng>

²⁸³⁴ Compliance program requirements, Financial Transactions and Reports analysis Centre of Canada (Ottawa) 4 May 2021. Access Date: 14 May 2021. <https://www.fintrac-canafe.gc.ca/guidance-directives/compliance-conformite/Guide4/4-eng>

²⁸³⁵ Compliance program requirements, Financial Transactions and Reports analysis Centre of Canada (Ottawa) 4 May 2021. Access Date: 14 May 2021. <https://www.fintrac-canafe.gc.ca/guidance-directives/compliance-conformite/Guide4/4-eng>

²⁸³⁶ Regulatory Amendments in Force as of June 1, 2021, Financial Transactions and Reports Analysis Centre of Canada (Ottawa) 1 June 2021. Access Date: 22 July 2021. <https://www.fintrac-canafe.gc.ca/covid19/2021-06-01-eng>

²⁸³⁷ Regulatory Amendments in Force as of June 1, 2021, Financial Transactions and Reports Analysis Centre of Canada (Ottawa) 1 June 2021. Access Date: 22 July 2021. <https://www.fintrac-canafe.gc.ca/covid19/2021-06-01-eng>

²⁸³⁸ Regulatory Amendments in Force as of June 1, 2021, Financial Transactions and Reports Analysis Centre of Canada (Ottawa) 1 June 2021. Access Date: 22 July 2021. <https://www.fintrac-canafe.gc.ca/covid19/2021-06-01-eng>

²⁸³⁹ FINTRAC provides additional money laundering indicators associated with human trafficking for sexual exploitation in support of Project Protect, Financial Transactions and Reports Analysis Centre of Canada (Ottawa) 30 July 2021. Access Date: 11 September 2021. <https://www.fintrac-canafe.gc.ca/new-neuf/nr/2021-07-30-eng>

China: +1

China has fully complied with the commitment to tackle all sources, techniques and channels of money laundering and terrorist financing.

On 4 January 2021, the People's Bank of China (PBOC) issued an amended draft of the "Financial Institution Anti-money Laundering Anti-terrorist Financing Supervisory Administrative Measures."²⁸⁴⁰ This measure aims to "preventing and dissolving financial risk, raising the effectiveness of anti-money laundering regulation and raising the level of financial institution anti-money laundering work."²⁸⁴¹ This draft also seeks to restructure anti-money laundering (AML) efforts in China in accordance with the assessment the Financial Action Task Force made in 2019, and to resolve the range of inadequacies that the assessment had highlighted.²⁸⁴²

On 5 February 2021, China's economic decision makers signed the "Memorandum of Understanding on the Launch of Cross-boundary Wealth."²⁸⁴³ In Provision 9 of the document, the PBOC, "agrees to provide guidance to Mainland banks to comply with obligations relating to...anti-money laundering and counter-financing of terrorism in accordance with relevant legal requirements."²⁸⁴⁴

On 11 February 2021, Premier Li Keqiang signed a decree that unveiled new regulation on prevention and handling of illegal fundraising, which will come in place on 1 May 2021.²⁸⁴⁵ This new regulation aims to remove a source of corruption in China, by decreasing the number of illegal fundraising cases.²⁸⁴⁶

On 25 February 2021, China held a virtual meeting on money laundering.²⁸⁴⁷ The meeting highlighted past successes and future steps, including China's goals in advancing amendments to the AML law, enhancing coordination amongst AML departments, strengthening the risk-based AML supervision, and participating in global AML governance.²⁸⁴⁸

²⁸⁴⁰ PBOC Releases Draft Version of Amended Anti-money Laundering, Anti-terrorist Financing Regulations, China Banking News (N/A) 4 January 2021. Access Date: 14 May 2021. <https://www.chinabankingnews.com/2021/01/04/pboc-releases-draft-version-of-amended-anti-money-laundering-anti-terrorist-financing-regulations/>

²⁸⁴¹ PBOC Releases Draft Version of Amended Anti-money Laundering, Anti-terrorist Financing Regulations, China Banking News (N/A) 4 January 2021. Access Date: 14 May 2021. <https://www.chinabankingnews.com/2021/01/04/pboc-releases-draft-version-of-amended-anti-money-laundering-anti-terrorist-financing-regulations/>

²⁸⁴² PBOC Releases Draft Version of Amended Anti-money Laundering, Anti-terrorist Financing Regulations, China Banking News (N/A) 4 January 2021. Access Date: 14 May 2021. <https://www.chinabankingnews.com/2021/01/04/pboc-releases-draft-version-of-amended-anti-money-laundering-anti-terrorist-financing-regulations/>

²⁸⁴³ Memorandum of Understanding on supervisory cooperation under the Cross-boundary Wealth Management Connect, Hong Kong Monetary Authority (Hong Kong) 5 February 2021. Access Date: 21 March 2021. <https://www.hkma.gov.hk/media/eng/doc/key-information/press-release/2021/20210205e4a1.pdf>

²⁸⁴⁴ Memorandum of Understanding on supervisory cooperation under the Cross-boundary Wealth Management Connect, Hong Kong Monetary Authority (Hong Kong) 5 February 2021. Access Date: 21 March 2021. <https://www.hkma.gov.hk/media/eng/doc/key-information/press-release/2021/20210205e4a1.pdf>

²⁸⁴⁵ Premier Signs Decree Unveiling the Regulation on Prevention and Handling of Illegal Fundraising, China Banking and Insurance Regulatory Commission (Beijing) 11 February 2021. Access Date: 21 March 2021. <https://www.chinadaily.com.cn/a/202102/10/WS6023ee87a31024ad0baa8aa4.html>

²⁸⁴⁶ Premier Signs Decree Unveiling the Regulation on Prevention and Handling of Illegal Fundraising, China Banking and Insurance Regulatory Commission (Beijing) 11 February 2021. Access Date: 21 March 2021. <https://www.chinadaily.com.cn/a/202102/10/WS6023ee87a31024ad0baa8aa4.html>

²⁸⁴⁷ PBC Holds 2021 Anti-Money Laundering Virtual Work Conference, The People's Bank of China (Beijing) 26 February 2021. Access Date: 21 March 2021. <http://www.pbc.gov.cn/en/3688241/3688777/3688780/4197750/index.html>

²⁸⁴⁸ PBC Holds 2021 Anti-Money Laundering Virtual Work Conference, The People's Bank of China (Beijing) 26 February 2021. Access Date: 21 March 2021. <http://www.pbc.gov.cn/en/3688241/3688777/3688780/4197750/index.html>

On 26 March 2021, the China Banking and Insurance Regulatory Commission issued a notice on “preventing the illegal flow of loans for business purposes into the real estate sector.”²⁸⁴⁹ This notice aims to urge banking institutions to revamp their operations by strengthening client reviews and clearly defining a “blacklist” of violations.

On 16 April 2021, the PBOC released “Measures for the Supervision of Anti-Money Laundering and Counter-Terrorist Financing of Financial Institutions,” which will be in effect 1 August 2021.²⁸⁵⁰ This document specifies the AML requirements for financial institutions, will require institutions to conduct self-assessments and establish internal control systems.²⁸⁵¹ This document will also include micro-credit companies and wealth management subsidiaries as obliged AML actors.²⁸⁵²

On 1 June 2021, the PBOC published a draft version of an amended Anti-Money Laundering Law for public feedback.²⁸⁵³ The amendments propose an expanded definition of money laundering activities, increased oversight of non-financial entities, AML obligations for more individuals, and large increases in penalties.²⁸⁵⁴

On 1 August 2021, the Measures for the Supervision and Administration of Anti-Money Laundering and Counter-Terrorist Financing of Financial Institutions came into effect.²⁸⁵⁵ This dramatically expanded the scope of the AML/CTF requirements to now include “loan companies, asset management subsidiaries of commercial banks, non-banking payment institutions, insurance agents and insurance brokers.”²⁸⁵⁶ Companies are required to maintain internal controls and risk management by adding new duties, staff requirements, and information submission.²⁸⁵⁷

On 3 August 2021, China partnered with the United Arab Emirates to exchange key information about money laundering.²⁸⁵⁸ This agreement permits quicker access to necessary information to clamp down on global money laundering and terrorist financing.²⁸⁵⁹

²⁸⁴⁹ The General Office of the China Banking and Insurance Regulatory Commission, the General Office of the Ministry of Housing and Urban-Rural Development, and the General Office of the People’s Bank of China issued the “Notice on Preventing the Illegal Flow of Loans for Business Purposes into the Real Estate Sector, China Banking and Insurance Regulatory Commission (Beijing) 26 March 2021. Access Date: 1 May 2021.

<http://www.cbirc.gov.cn/cn/view/pages/ItemDetail.html?docId=973377&itemId=915&generalType=0>

²⁸⁵⁰ China: Central Bank issues measures for supervision and administration of AML/CTF, OneTrust DataGuidance (London) 19 April 2021. Access Date: 14 May 2021. <https://www.dataguidance.com/news/china-central-bank-issues-measures-supervision-and>

²⁸⁵¹ China: Central Bank issues measures for supervision and administration of AML/CTF, OneTrust DataGuidance (London) 19 April 2021. Access Date: 14 May 2021. <https://www.dataguidance.com/news/china-central-bank-issues-measures-supervision-and>

²⁸⁵² China: Central Bank issues measures for supervision and administration of AML/CTF, OneTrust DataGuidance (London) 19 April 2021. Access Date: 14 May 2021. <https://www.dataguidance.com/news/china-central-bank-issues-measures-supervision-and>

²⁸⁵³ China ups fines and widens scope of draft money laundering law, Reuters (London) 1 June 2021. Access Date: 24 July 2021. <https://www.reuters.com/article/us-china-pboc-money-laundering-idUSKCN2DD397>

²⁸⁵⁴ China ups fines and widens scope of draft money laundering law, Reuters (London) 1 June 2021. Access Date: 24 July 2021. <https://www.reuters.com/article/us-china-pboc-money-laundering-idUSKCN2DD397>

²⁸⁵⁵ China expands AML/CTF obligations, China Business Law Journal (Hong Kong) 26 August 2021. Access Date: 8 September 2021. <https://law.asia/china-expands-aml-ctf-obligations/>

²⁸⁵⁶ China expands AML/CTF obligations, China Business Law Journal (Hong Kong) 26 August 2021. Access Date: 8 September 2021. <https://law.asia/china-expands-aml-ctf-obligations/>

²⁸⁵⁷ China expands AML/CTF obligations, China Business Law Journal (Hong Kong) 26 August 2021. Access Date: 8 September 2021. <https://law.asia/china-expands-aml-ctf-obligations/>

²⁸⁵⁸ UAE teams up with China to fight money laundering, The National News (Abu Dhabi) 4 August 2021. Access Date: 4 August 2021. <https://www.thenationalnews.com/business/economy/2021/08/03/uae-teams-up-with-china-to-fight-money-laundering/>

China has taken actions to combat money laundering and terrorist financing in all three key areas through legislation, as well as active participation in the fight against anti-money laundering and counter-terrorist financing.

Thus, China has received a score of +1.

Analyst: Veniamin Veselovsky

France: +1

France has fully complied with its commitment to tackle all sources, techniques, and channels of money laundering and terrorist financing.

On 9 December 2020, Minister for Economy, Finance, and Recovery Bruno Le Maire announced that France will make Know Your Client procedures compulsory for all cryptocurrency transactions in the country.²⁸⁶⁰ Such changes are part of France's larger effort to fight money laundering and terrorist financing after arresting 29 individuals in September linked to a financing scheme of Islamist extremists in Syria using cryptocurrencies.²⁸⁶¹ Le Maire's proposal is meant "to strengthen the control of financial funds" because "cryptocurrencies pose a real problem of terrorist financing."²⁸⁶²

On 6 March 2021, the French government passed an order to increase internal control on financial systems in the form of asset freezing measures to fight against money laundering and terrorist financing.²⁸⁶³ The order granted the French Prudential Supervision and Resolution Authority increased jurisdiction over the banking, payment, and investment service sectors in ensuring they comply with anti-money laundering (AML) and counter terrorist financing (CTF) practices.²⁸⁶⁴

On 23 March 2021, the French Government passed the action plan against Money Laundering and Terrorist Financing.²⁸⁶⁵ The action plan included five priority axes: preventing risk in both the financial and non-financial sector by intensifying inspections; increasing transparency by further developing the national registry listing the financial assets of public associations; increasing the powers of France's intelligence service to detect, prosecute, and sanction suspicious activity; freezing

²⁸⁵⁹ UAE teams up with China to fight money laundering, The National News (Abu Dhabi) 4 August 2021. Access Date: 4 August 2021. <https://www.thenationalnews.com/business/economy/2021/08/03/uae-teams-up-with-china-to-fight-money-laundering/>

²⁸⁶⁰ France announces strict cryptocurrency KYC rules to fight money laundering and terrorist financing (Paris) 11 December 2020. Access Date: 8 May 2021. <https://amlintelligence.com/2020/12/france-announces-strict-cryptocurrency-kyc-rules-to-fight-money-laundering-and-terrorist-financing/>

²⁸⁶¹ France announces strict cryptocurrency KYC rules to fight money laundering and terrorist financing (Paris) 11 December 2020. Access Date: 8 May 2021. <https://amlintelligence.com/2020/12/france-announces-strict-cryptocurrency-kyc-rules-to-fight-money-laundering-and-terrorist-financing/>

²⁸⁶² France announces strict cryptocurrency KYC rules to fight money laundering and terrorist financing (Paris) 11 December 2020. Access Date: 8 May 2021. <https://amlintelligence.com/2020/12/france-announces-strict-cryptocurrency-kyc-rules-to-fight-money-laundering-and-terrorist-financing/>

²⁸⁶³ Decree of February 25, 2021 amending the decree of January 6, 2021 relating to the system and control in the fight against money laundering and the financing of terrorism and freezing of assets and prohibition of the provision or use of funds or economic resources (Paris) 6 March 2021. Access Date: 26 April 2021. <https://www.legifrance.gouv.fr/download/pdf?id=URjHGUS3Mla2ACFEemnX493YeQ3-8TceGo4mVNW7rSU=>

²⁸⁶⁴ Decree of February 25, 2021 amending the decree of January 6, 2021 relating to the system and control in the fight against money laundering and the financing of terrorism and freezing of assets and prohibition of the provision or use of funds or economic resources (Paris) 6 March 2021. Access Date: 26 April 2021. <https://www.legifrance.gouv.fr/download/pdf?id=URjHGUS3Mla2ACFEemnX493YeQ3-8TceGo4mVNW7rSU=>

²⁸⁶⁵ Fight against money laundering and terrorist financing: update of the government action plan (2021-2022), Ministry of the Economy and Finance (Paris) 23 March 2021. Access Date: 8 May 2021. <https://www.economie.gouv.fr/lutte-blanchiment-capitaux-financement-terrorisme-mise-jour-plan-action>

assets with suspected links to money laundering or terrorism financing; strengthening national policies and playing a leading role in promoting international cooperation on the EU level.²⁸⁶⁶

On 4 April 2021, the French government published Decree No. 2021-387 to counteract the anonymity of virtual assets.²⁸⁶⁷ The Decree amended the existing ALM and CFT regime by clarifying the prohibition on the use of anonymous electronic money for the purchase of digital assets and imposing an obligation on digital asset service providers to identify their customers prior to any transaction.²⁸⁶⁸ The Decree became active on 1 May 2021.²⁸⁶⁹

On 5 April 2021, the European Union's Global Facility on Anti-Money Laundering and Countering the Financing of Terrorism, of which Expertise France is a main implementing partner, met with United Arab Emirates' Ministry of Foreign Affairs and International Cooperation to explore various venues of implementing multi-agency AML and CFT programs to disrupt and dismantle illicit networks.²⁸⁷⁰ Glenn McDowell from the EU AML/CFT Global Facility commented on the importance of creating a multi-agency, stating "financial crime is growing in sophistication and complexity, so we are delighted to be able to share our respective knowledge, skills, and experience with the UAE."²⁸⁷¹

On 29 July 2021, the Financial Markets Authority (AMF) called for extreme vigilance of retail investors when accepting investment offers in crypto-assets. The regulatory authority noted that false offers of investment in crypto-currency have become a prominent form of fraud amongst retail investors. They stressed the importance of ensuring that investment offers come from Digital Asset Service Providers registered with the AMF who are required to go through a number of verifications as part of their anti-money laundering system.²⁸⁷²

France has fully complied with its commitment to tackle all sources, techniques, and channels of these threats. It has identified internal sources of money laundering and terrorist financing through orders and decrees; it has prevented and combated methods of money laundering and terrorist financing by strengthening domestic institutions; and it has involved other international avenues and agencies through action and communication to create a comprehensive order against money laundering and terrorist financing.

Thus, France receives a score of +1.

²⁸⁶⁶ Fight against money laundering and terrorist financing: update of the government action plan (2021-2022), Ministry of the Economy and Finance (Paris) 23 March 2021. Access Date: 8 May 2021.

<https://www.economie.gouv.fr/lutte-blanchiment-capitaux-financement-terrorisme-mise-jour-plan-action>

²⁸⁶⁷ Decree No. 2021-387 of April 2, 2021 relating to the fight against the anonymity of virtual assets and strengthening the national system for the fight against money laundering and the financing of terrorism (Paris) 4 April 2021. Access date: 26 April 2021. <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000043328577?r=9N7CtzLsO6>

²⁸⁶⁸ Decree No. 2021-387 of April 2, 2021 relating to the fight against the anonymity of virtual assets and strengthening the national system for the fight against money laundering and the financing of terrorism (Paris) 4 April 2021. Access date: 26 April 2021. <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000043328577?r=9N7CtzLsO6>

²⁸⁶⁹ Decree No. 2021-387 of April 2, 2021 relating to the fight against the anonymity of virtual assets and strengthening the national system for the fight against money laundering and the financing of terrorism (Paris) 4 April 2021. Access date: 26 April 2021. <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000043328577?r=9N7CtzLsO6>

²⁸⁷⁰ UAE, European Union host workshops on combating money laundering and terrorist financing (Abu Dhabi) 26 April 2021. Access date: 26 April 2021. <https://www.wam.ae/en/details/1395302929868>

²⁸⁷¹ UAE, European Union host workshops on combating money laundering and terrorist financing (Abu Dhabi) 26 April 2021. Access date: 26 April 2021. <https://www.wam.ae/en/details/1395302929868>

²⁸⁷² AMF is warning retail investors on the importance of consulting the white list of digital asset service providers (DASPs) (Paris) 29 July 2021. Access Date: 25 July 2021. <https://www.amf-france.org/en/news-publications/news/amf-warning-retail-investors-importance-consulting-white-list-digital-asset-service-providers-dasps>

Analyst: Darya Rabbar

Germany: +1

Germany has fully complied with the commitment to tackle all three areas of sources, techniques, and channels of money laundering, terrorist funding, or proliferation financing.

On 16 December 2020, the German Federal Ministry of Justice and Consumer Protection, Christine Lambrecht, presented a draft bill of the Financial Marketing Integrity Strengthening Act to reform the Federal Financial Supervisory Authority.²⁸⁷³ The Act includes measures aiming to protect investors and consumers, and to combat terrorist financing (TF) and money laundering, and is planned to come into force on 1 July 2021.²⁸⁷⁴

On 28 December 2020, the Federal Ministry of the Interior of Germany published a report, titled “Sectoral Risk Analysis,” on the issue of TF through (the abuse of) non-profit organizations (NPOs) in Germany.²⁸⁷⁵ This report intends to outline and investigate the risks of TF through the abuse of NPOs in detail, and also provides recommendations for action, such as urging for closer cooperation between financial and law enforcement authorities, as well as examining potential measures in the banking sector to counteract the risks of TF.²⁸⁷⁶

On 10 February 2021, the German Federal Government adopted a draft of the Act to Amend the Anti-Money Laundering Transparency Register and Financial Information Act.²⁸⁷⁷ This draft aims to “further improve the fight against money laundering under criminal law and even go beyond the minimum international requirements.”²⁸⁷⁸ The draft proposes the “all-crimes approach,” which expands the “basis of criminal activity that underpins money laundering.”²⁸⁷⁹ Under this draft, any activity related to trafficking illegally obtained assets, including objects, into the legal economy can be prosecuted, “meaning that money laundering can be penalized more frequently than in the past.”²⁸⁸⁰

On 19 May 2021, Federal Minister of the Interior, Building and Community Horst Lorenz Seehofer banned three fundraising associations on terrorist financing charges. The ban of these associations

²⁸⁷³ More ‘Bite’ for the Financial Supervisory Authority, Federal Ministry of Finance (Berlin) 2 February 2021. Access Date: 18 March 2021. https://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Financial_markets/Articles/2021-02-03-more-bite-for-the-financial-supervisory-authority.html

²⁸⁷⁴ More ‘Bite’ for the Financial Supervisory Authority, Federal Ministry of Finance (Berlin) 2 February 2021. Access Date: 18 March 2021. https://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Financial_markets/Articles/2021-02-03-more-bite-for-the-financial-supervisory-authority.html

²⁸⁷⁵ Sectoral risk analysis, Federal Ministry of the Interior (Berlin) 28 December 2020. Access Date: 14 May 2021. <https://www.bmi.bund.de/SharedDocs/downloads/DE/publikationen/themen/sicherheit/sectorale-risikoanalyse.html>

²⁸⁷⁶ Sectoral risk analysis, Federal Ministry of the Interior (Berlin) 28 December 2020. Access Date: 14 May 2021. <https://www.bmi.bund.de/SharedDocs/downloads/DE/publikationen/themen/sicherheit/sectorale-risikoanalyse.html>

²⁸⁷⁷ Government draft of the Anti-Money Laundering Transparency Register and Financial Information Act published, Noerr (Munich) 18 February 2021. Access Date: 14 May 2021. <https://www.noerr.com/en/newsroom/news/governmentdraftoftheantimoneylaunderingtransparenceregisterandfinancialinformationactpublished>

²⁸⁷⁸ Combating Money Laundering Using an All-Crimes Approach. New Law in Germany Aims to Improve the Fight Against Money Laundering, Actico (Immenstaad) 18 February 2021. Access Date: 14 May 2021. <https://www.actico.com/blog-en/combating-money-laundering-in-germany-using-an-all-crimes-approach-new-law-improves-aml/>

²⁸⁷⁹ Combating Money Laundering Using an All-Crimes Approach. New Law in Germany Aims to Improve the Fight Against Money Laundering, Actico (Immenstaad) 18 February 2021. Access Date: 14 May 2021. <https://www.actico.com/blog-en/combating-money-laundering-in-germany-using-an-all-crimes-approach-new-law-improves-aml/>

²⁸⁸⁰ Combating Money Laundering Using an All-Crimes Approach. New Law in Germany Aims to Improve the Fight Against Money Laundering, Actico (Immenstaad) 18 February 2021. Access Date: 14 May 2021. <https://www.actico.com/blog-en/combating-money-laundering-in-germany-using-an-all-crimes-approach-new-law-improves-aml/>

prevents fundraising for Hezbollah's Waisenkinder Projekt Lebanon e.V., a group facilitating conflict with Israel.²⁸⁸¹

On 1 August 2021, amendment to Anti-Money Laundering Act entered into force as a part of the Act on the European Interconnection of Transparency Registers and the Implementation of Directive.²⁸⁸² This act facilitates verification of information on the beneficial owner, and prevents money laundering from expanding reporting obligations of German entities.²⁸⁸³

Germany has taken actions to combat money laundering and terrorist financing through legislation that tackles the sources, techniques, and channels of these crimes.

Thus, Germany receives a score of +1.

Analyst: Zhuojia Qiu

India: 0

India has partially complied with its commitment to tackle the sources, techniques, and channels of money laundering, terrorist funding, or proliferation financing.

On 18 March 2021, India and other members of the Shanghai Cooperation Organisation (SCO) announced at the 36th meeting of the Council of the Regional Anti-Terrorist Structure that a joint anti-terrorism exercise, "Pabbi-Antiterror-2021," will be held during this calendar year.²⁸⁸⁴ At the meeting, "[d]ecisions have been made to improve cooperation between the competent authorities of the SCO member states in identifying and suppressing channels that finance terrorist activities."²⁸⁸⁵

On 7 April 2021, India contributed an additional USD500,000 to the United Nations Trust Fund for Counter-Terrorism, bringing the country's donation to the UN office set up to combat terrorism to over USD1 million.²⁸⁸⁶ The Permanent Representative of India to the UN stated that the country "continues its strong and focused commitment to help member states build capacity to prevent and counter terrorism."²⁸⁸⁷ This donation will contribute to the work of the UN Office of Counter-

²⁸⁸¹ Three Fundraising Associations Banned on Terrorist Financing Charges, Federal Minister of the Interior, Building and Community (Berlin) 19 May 2021. Access Date: 25 July 2021.

<https://www.bmi.bund.de/SharedDocs/pressemitteilungen/EN/2021/05/verbotsverfahren-hisballah-spenden-en.html>

²⁸⁸² Transparency Register and Financial Information Act enters into force in August – Major changes in the Anti-Money Laundering Act (AMLA), Payment Technology Law (München) 19 July 2021. Access Date: 23 August 2021.

<https://paytechlaw.com/en/transparency-register-financial-information-aml>

²⁸⁸³ New German Financial Law Expands Reporting Obligations for German Entities. JD Supra (California). Access Date: 23 August 2021. <https://www.jdsupra.com/legalnews/new-german-financial-law-expands-1204930>

²⁸⁸⁴ India, Pakistan, China to participate in SCO joint anti-terrorism exercise this year, The Economic Times (Mumbai) 21 March 2021. Access Date: 29 April 2021. <https://economictimes.indiatimes.com/news/defence/india-pakistan-china-to-participate-in-sco-joint-anti-terrorism-exercise-this-year/articleshow/81617992.cms>

²⁸⁸⁵ India, Pakistan, China to participate in SCO joint anti-terrorism exercise this year, The Economic Times (Mumbai) 21 March 2021. Access Date: 29 April 2021. <https://economictimes.indiatimes.com/news/defence/india-pakistan-china-to-participate-in-sco-joint-anti-terrorism-exercise-this-year/articleshow/81617992.cms>

²⁸⁸⁶ Over US \$ 1 million contributed by India towards UN counter terrorism fund, India News Network (New Delhi) 8 April 2021. Access Date: 27 September 2021. <https://www.indianewsnetwork.com/20210408/over-us-1-million-contributed-by-india-towards-un-counter-terrorism-fund>

²⁸⁸⁷ Over US \$ 1 million contributed by India towards UN counter terrorism fund, India News Network (New Delhi) 8 April 2021. Access Date: 27 September 2021. <https://www.indianewsnetwork.com/20210408/over-us-1-million-contributed-by-india-towards-un-counter-terrorism-fund>

Terrorism, which coordinates the UN's comprehensive approach to preventing and countering terrorism and violent extremism.²⁸⁸⁸

On 8 April 2021, India agreed to work jointly with Sri Lanka to combat terrorist entities.²⁸⁸⁹ While continuing their actions against drug trafficking, the two states intend to strengthen the existing cooperation mechanisms, with an emphasis on sharing real time intelligence to designate “nodal points” for timely and effective handling of security challenges.²⁸⁹⁰

On 8 April 2021, India and the Maldives agreed to enhance capacity building mechanisms to counter terror, as well as a de-radicalization effort, including efforts in combating terrorist financing.²⁸⁹¹ Such “cooperation will include assistance and capacity building for the security and law enforcement agencies and other relevant agencies of the Maldives as well as collaboration and the exchange of best practices in the areas of counter-terrorism.”²⁸⁹²

On 12 September 2021, the Indian government issued a statement alongside the Australian government, where both governments “agreed to continue cooperation in the sphere of counter-terrorism, including ... combating the financing of terrorism, and preventing exploitation of the internet for terrorist activities.”²⁸⁹³

On 24 September 2021, Prime Minister Narendra Modi joined the President of the United States in a joint leaders’ statement, announcing that the US-India relationship will continue forward.²⁸⁹⁴ In the statement, both parties reaffirmed their stance on their fight against global terrorism, and “emphasized the importance of denying any logistical, financial or military support to terrorist groups which could be used to launch or plan terror attacks.”²⁸⁹⁵

India has taken action to tackle sources and techniques of terrorist financing. However, India has not taken new actions to tackle channels of this threat.

Thus, India receives a score of 0.

²⁸⁸⁸ India so far contributed over USD 1 million to UN Counter terrorism fund. Hindustan Post (New Delhi) 8 April 2021. Access Date: 27 September 2021. <https://www.hindustantimes.com/india-news/india-so-far-contributed-over-usd-1-million-to-un-counter-terrorism-fund-101617843901396.html>

²⁸⁸⁹ India and Sri Lanka agree to jointly work against terror groups, fugitives, The Economic Times (Mumbai) 8 April 2021. Access Date: 29 April 2021. <https://economictimes.indiatimes.com/news/defence/india-and-sri-lanka-agree-to-jointly-work-against-terror-groups-fugitives/articleshow/81970767.cms>

²⁸⁹⁰ India and Sri Lanka agree to jointly work against terror groups, fugitives, The Economic Times (Mumbai) 8 April 2021. Access Date: 29 April 2021. <https://economictimes.indiatimes.com/news/defence/india-and-sri-lanka-agree-to-jointly-work-against-terror-groups-fugitives/articleshow/81970767.cms>

²⁸⁹¹ Joint Press Release on First Meeting of India-Maldives Joint Working Group on Counter Terrorism, Countering Violent Extremism and De-Radicalisation, Ministry of External Affairs (New Delhi) 8 April 2021. Access Date: 29 April 2021. <https://mea.gov.in/press-releases.htm?dtl/33782/Joint+Press+Release+on+First+Meeting+of+IndiaMaldives+Joint+Working+Group+on+Counter+Terrorism+Countering+Violent+Extremism+and+DeRadicalisation>

²⁸⁹² Joint Press Release on First Meeting of India-Maldives Joint Working Group on Counter Terrorism, Countering Violent Extremism and De-Radicalisation, Ministry of External Affairs (New Delhi) 8 April 2021. Access Date: 29 April 2021. <https://mea.gov.in/press-releases.htm?dtl/33782/Joint+Press+Release+on+First+Meeting+of+IndiaMaldives+Joint+Working+Group+on+Counter+Terrorism+Countering+Violent+Extremism+and+DeRadicalisation>

²⁸⁹³ India, Australia Pitch for ‘Broad-Based and Inclusive Govt’ in Afghanistan, Business Standard (New Delhi) 12 September 2021. Access Date: 25 September 2021. https://www.business-standard.com/article/international/india-australia-pitch-for-broad-based-and-inclusive-govt-in-afghanistan-121091200186_1.html

²⁸⁹⁴ U.S.-India Joint Leaders’ Statement: A Partnership for Global Good, The White House (Washington D.C.) 24 September 2021. Access Date: 25 September 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/24/u-s-india-joint-leaders-statement-a-partnership-for-global-good/>

²⁸⁹⁵ U.S.-India Joint Leaders’ Statement: A Partnership for Global Good, The White House (Washington D.C.) 24 September 2021. Access Date: 25 September 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/24/u-s-india-joint-leaders-statement-a-partnership-for-global-good/>

Analyst: Anna Ivanova

Indonesia: +1

Indonesia has fully complied with the commitment to tackle all sources, techniques and channels of money laundering, terrorist financing and proliferation financing.

On 14 January 2021, President Joko Widodo announced his commitment to strengthening the anti-money laundering and counter-terrorism financing strategies in Indonesia.²⁸⁹⁶ The 2020-2024 National Strategy for the Countermeasure and Eradication of Money Laundering and Terrorism Funding Crimes has five main focuses: “improved ability of private sectors to detect indications or potential of money laundering, terrorism financing and funding for the proliferation of weapons of mass destruction by taking into account risk assessments; increased efforts to prevent money laundering and terrorism financing by taking into account risk assessment; greater effectiveness of eradication of money laundering and terrorism financing by taking into account risk assessments; optimizing asset recovery by taking into account risk assessments; and greater effectiveness of targeted financial sanctions in disrupting terrorist activities, terrorists, terrorist organizations, and proliferation of weapons of mass destruction.”²⁸⁹⁷

On 14 January 2021, Coordinating Minister of Economic Affairs Airlangga Hartarto presented the draft of the Bill on Restrictions on Currency Transactions and the Bill on Confiscation of Criminal Assets at Indonesia’s Annual Coordination Meeting for the Prevention and Eradication of Money Laundering and Terrorist Financing.²⁸⁹⁸ These bills are intended to become law in 2021.²⁸⁹⁹ Both bills are focused on preventing money laundering and terrorist financing as extensions of the 2020-2024 National Strategy.²⁹⁰⁰

On 30 June 2021, Governor of Bank Indonesia Perry Warjiyo and Managing Director of Brunei Darussalam Central Bank Rokiah Badar agreed to cooperate in the prevention of money laundering and terrorist financing.²⁹⁰¹ The memorandum of understanding is effective as of June 2021 to strengthen policy cooperation for anti-money laundering and anti-terrorist financing.²⁹⁰²

Indonesia has taken actions to combat money laundering and terrorist financing in all three key areas through its implementation of the 2020-2024 National Strategy.

²⁸⁹⁶ Gov’t to Boost Synergy to Eradicate Money Laundering, Terrorism Financing, Cabinet Secretariat of the Republic of Indonesia (Jakarta) 15 January 2021. Access date: 15 March 2021. <https://setkab.go.id/en/govt-to-boost-synergy-to-eradicate-money-laundering-terrorism-financing/>

²⁸⁹⁷ Gov’t to Boost Synergy to Eradicate Money Laundering, Terrorism Financing, Cabinet Secretariat of the Republic of Indonesia (Jakarta) 15 January 2021. Access date: 15 March 2021. <https://setkab.go.id/en/govt-to-boost-synergy-to-eradicate-money-laundering-terrorism-financing/>

²⁸⁹⁸ Coordinating Minister for the Economy: Support the Criminal Asset Confiscation Bill and the Bill on Limiting Currency Transactions as a Priority, Financial Transactions Reporting and Analysis Centre (Jakarta) 4 February 2021. Access date: 19 March 2021. <https://www.ppatk.go.id/news/read/1118/menko-perekonomian-dukung-ruu-perampasan-aset-tindak-pidana-dan-ruu-pembatasan-transaksi-uang-kartal-sebagai-prioritas.html>

²⁸⁹⁹ Kick to Prevent Money Laundering: Restricted Currency Transactions, CBC Indonesia (Jakarta) 14 January 2021. Access date: 19 March 2021. <https://www.cnbcindonesia.com/news/20210114145914-4-215961/jurus-cegah-pencucian-uang-transaksi-uang-kartal-dibatasi>

²⁹⁰⁰ This bill is important to strengthen anti-money laundering and prevention of terrorist financing, Kanton (Jakarta) 14 January 2021. Access date: 19 March 2021. <https://nasional.kontan.co.id/news/2-ruu-ini-penting-perkuat-anti-pencucian-uang-dan-pencegahaan-pendanaan-terorisme>

²⁹⁰¹ Bank Indonesia and Brunei Darussalam Central Bank Agree Cooperation on Anti-Money Laundering and Counter-Terrorist Financing, Bank Indonesia (Jakarta) 30 June 2021. Access Date: 12 July 2021. https://www.bi.go.id/en/publikasi/ruang-media/news-release/Pages/sp_2315521.aspx

²⁹⁰² Indonesia, Brunei agree to cooperate on anti-money laundering, Vietnam (Jakarta) 1 July 2021. Access Date: 12 July 2021. <https://en.vietnamplus.vn/indonesia-brunei-agree-to-cooperate-on-antimoney-laundering/203965.vnp>

Thus, Indonesia has received a score of +1.

Analyst: Alisha Bhimji

Italy: 0

Italy has partially complied with its commitments to tackle all three areas of sources, techniques, and channels of money laundering, terrorist funding, or proliferation financing.

On 25 March 2021, the Bank of Italy began the two-day webinar titled “Anti-Money Laundering: the Italian Experience.”²⁹⁰³ This webinar aims to outline the existing Italian legislation on anti-money laundering (AML) and terrorist financing, as well as the AML regime, and the role the Financial Intelligence Unit will play in tackling AML.²⁹⁰⁴

On 13 September 2021, several branches of the Italian government met with the United Arab Emirates’ Executive Office of Anti-Money Laundering and Counter Terrorism Financing in order to “set a strong foundation for further collaboration in our collective response to organized crime, money laundering and terrorism financing.”²⁹⁰⁵

Italy has taken some action to tackle techniques and channels of money laundering and terrorist financing, but has not taken significant enough action.

Thus, Italy receives a score of 0.

Analyst: Beatrice McLeod

Japan: 0

Japan has partially complied with its commitment to tackle all three areas of sources, techniques, and channels of money laundering, terrorist funding, or proliferation financing.

On 7 February 2021, Japan’s Financial Services Agency (FSA) announced plans to implement artificial intelligence systems to detect suspicious money-laundering or terrorist financing activities, within fiscal 2021.²⁹⁰⁶ These plans aim to prevent them suspicious financial activities at the source, and to strengthen measures against money laundering.²⁹⁰⁷

On 19 February 2021, the FSA published and put into motion the finalized amendments to the Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism (AML/CTF).²⁹⁰⁸ The amendments clarify key issues that the FSA identified during on and off site monitoring, and

²⁹⁰³ Webinar: "Anti-Money Laundering: the Italian Experience," Banca D'Italia (Rome) 25 March 2021. Access Date: 13 May 2021. <https://www.bancaditalia.it/media/notizia/webinar-anti-money-laundering-the-italian-experience/>

²⁹⁰⁴ "Anti-Money Laundering: the Italian Experience," Banca D'Italia (Rome) 25 March 2021. Access Date: 13 May 2021. <https://www.bancaditalia.it/compiti/ricerca-economica/cooperazione-tecnica-internazionale/seminari-2021/seminario-2-2021/index.html>

²⁹⁰⁵ AML/CTF Executive Office to Collaborate with Italian Government in Combatting Criminal Activities, Emirate News Agency (Abu Dhabi) 13 September 2021. Access Date: 25 September 2021. <http://wam.ae/en/details/1395302969553?src=ilaw>

²⁹⁰⁶ Japan FSA banks on AI to bust money laundering. World News Monitor (Vienna) 07 February 2021. Access Date: 23 April 2021. <https://world-news-monitor.com/technology/2021/02/07/japan-fsa-banks-on-ai-to-bust-money-laundering/>

²⁹⁰⁷ Japan FSA banks on AI to bust money laundering. World News Monitor (Vienna) 07 February 2021. Access Date: 23 April 2021. <https://world-news-monitor.com/technology/2021/02/07/japan-fsa-banks-on-ai-to-bust-money-laundering/>

²⁹⁰⁸ Regarding the Results of Public Commetns on the Patrial Amendment (Draft) of “Guidelines for Money Laundering and Counter measures Against Terrorist Financing. Financial Services Agency (Tokyo) 19 February 2021. Access Date: 25 September 2021. https://www.fsa.go.jp/news/r2/202102_amlcft/202102amlcft.html

seek to further enhance the effectiveness of the current financial institutions' risk management system regarding AML/CTF.²⁹⁰⁹

On 26 March 2021, the FSA issued a frequently asked questions (FAQs) about its AML/CTF guidelines.²⁹¹⁰ These FAQs are aimed to clarify and aid the understanding of AML/CTF guidelines that are already in place.²⁹¹¹

On 31 March 2021, the FSA announced that it will adopt the travel rule set by the Financial Action Task Force (FATF), which were developed to combat money laundering, by April 2022.²⁹¹² When implemented, these legislations that require virtual asset service providers to disclose transaction data for both senders and recipients.^{2913,2914} These rules aim to provide “a number of measures to prevent cryptocurrencies from being used for money laundering and terrorist financing.”²⁹¹⁵

Japan has taken steps against terrorist financing and money-laundering by tackling its channels and sources but has not taken significant action in combating the techniques used in AML/CTF.

Thus, Japan received a score of 0.

Analysts: Aimaan Shergill and Jennifer Miao Wang

Korea: +1

Korea has fully complied with its commitments to tackle all three areas of sources, techniques, and channels of money laundering, terrorist financing, or proliferation financing

On 23 March 2021, the Financial Services Commission (FSC) announced that Korea's anti-money laundering safeguards for cryptocurrency businesses will “come into effect” on 25 March 2021.²⁹¹⁶ These safeguards, according to the Commission, will require Virtual Asset Service Providers to “file suspicious transaction reports with the FSC...subject themselves to compliance inspections...[and] verify their customers' identities.”²⁹¹⁷

²⁹⁰⁹ Regarding the Results of Public Commetns on the Patrial Amendment (Draft) of “Guidelines for Money Laundering and Counter measures Against Terrorist Financing. Financial Services Agency (Tokyo) 19 February 2021. Access Date: 25 September 2021. https://www.fsa.go.jp/news/r2/202102_amlcft/202102amlcft.html

²⁹¹⁰ Japan: FSA releases FAQ on AML/CFT guidelines, OneTrust DataGuidance (London) 29 March 2021. Access Date: 13 May 2021. <https://www.dataguidance.com/news/japan-fsa-releases-faq-amlcft-guidelines>

²⁹¹¹ About "Frequently Asked Questions (FAQ) about Maneron Terrorism Financing Countermeasure Guidelines," Japan Financial Services Agency (Tokyo) 26 March 2021. Access Date: 13 May 2021. https://www.fsa.go.jp/news/r2/2021_amlcft_faq/2021_amlcft_faq.html

²⁹¹² Financial Services Agency asks cryptocurrency industry group to introduce travel rules, Cointelegraph Japan (Tokyo) 1 April 2021. Access Date: 13 May 2021. <https://jp.cointelegraph.com/news/fatf-travel-rule-will-be-implemented-from-april-2022>

²⁹¹³ Notification of transfer source / destination information (travel rules) when transferring cryptographic assets, Financial Services Agency Japan (Tokyo) 31 March 2021. Access Date: 13 May 2021. <https://www.fsa.go.jp/news/r2/sonota/20210331.html>

²⁹¹⁴ Japan's FSA asks cryptocurrency industry group to introduce FATF travel rule, Cointelegraph (New York) 1 April 2021. Access Date: 13 May 2021. <https://cointelegraph.com/news/japan-s-fsa-asks-cryptocurrency-industry-group-to-introduce-fatf-travel-rule>

²⁹¹⁵ Japan's FSA asks cryptocurrency industry group to introduce FATF travel rule, Cointelegraph (New York) 1 April 2021. Access Date: 13 May 2021. <https://cointelegraph.com/news/japan-s-fsa-asks-cryptocurrency-industry-group-to-introduce-fatf-travel-rule>

²⁹¹⁶ South Korea's anti-money laundering rules to be live on 25 March, The Paypers (Seoul) 23 March 2021. Access Date: 23 March 2021. <https://thepappers.com/cryptocurrencies/south-koreas-anti-money-laundering-rules-to-be-live-on-25-march--1247920>

²⁹¹⁷ South Korea's anti-money laundering rules to be live on 25 March, The Paypers (Seoul) 23 March 2021. Access Date: 23 March 2021. <https://thepappers.com/cryptocurrencies/south-koreas-anti-money-laundering-rules-to-be-live-on-25-march--1247920>

On 22 April 2021, regulators from the Government of Korea announced that they will be creating guidelines to strengthen the monitoring of cross-border transactions connected with cryptocurrency.²⁹¹⁸ Authorities will monitor signs of illegal trading and team up with global institutions to “systematically deal with unlawful acts”²⁹¹⁹ made through overseas exchanges due to concern about a potential increase in money laundering and fraud risk.²⁹²⁰ The goal is to curb illicit overseas cryptocurrency transactions that take advantage of arbitrage trading opportunities.²⁹²¹

On 23 April 2021, the FSC announced that it now requires digital currency exchanges and other financial companies to strengthen their monitoring and oversight of transactions.²⁹²² According to the FSC, the new regulation is instituted to better identify the criminal use of agencies such as Bitcoin, and will also require exchanges to partner with local banking institutions.²⁹²³ Per the FSC, the goal will be to ensure that there will be “no illegal cryptocurrency transaction in the country.”²⁹²⁴

On 13 July 2021, FSC Chairman Eun Sung-soo announced that cryptocurrency exchanges that are based outside Korea must register with the nation’s anti-money laundering body if they use the Korean currency.²⁹²⁵ The revised law, effective since March, seeks to prevent money laundering by requiring banks to monitor real-name accounts under stricter guidelines.²⁹²⁶

On 26 August 2021, the FSC announced that it is forming an “independent, crypto-focused bureau to supervise digital assets in Korea.”²⁹²⁷ The new bureau falls under the authority of the Korean Financial Intelligence Unit and will launch in September 2021.²⁹²⁸ The goal is to create a bureau responsible for “looking out for suspicious activity,”²⁹²⁹ including fraud and money laundering.²⁹³⁰

Korea has taken measures to tackle money laundering and terrorist financing in all three key areas of techniques, channels, and sources.

Thus, Korea receives a score of +1.

²⁹¹⁸ South Korea to Curb Illegal Cross-Border Crypto Trading, Crypto Briefing (Seoul) 22 April 2021. Access Date: 1 May 2021. <https://cryptobriefing.com/south-korea-to-curb-illegal-cross-border-crypto-trading/>

²⁹¹⁹ South Korea to Curb Illegal Cross-Border Crypto Trading, Crypto Briefing (Seoul) 22 April 2021. Access Date: 1 May 2021. <https://cryptobriefing.com/south-korea-to-curb-illegal-cross-border-crypto-trading/>

²⁹²⁰ South Korea to Curb Illegal Cross-Border Crypto Trading, Crypto Briefing (Seoul) 22 April 2021. Access Date: 1 May 2021. <https://cryptobriefing.com/south-korea-to-curb-illegal-cross-border-crypto-trading/>

²⁹²¹ South Korea to Curb Illegal Cross-Border Crypto Trading, Crypto Briefing (Seoul) 22 April 2021. Access Date: 1 May 2021. <https://cryptobriefing.com/south-korea-to-curb-illegal-cross-border-crypto-trading/>

²⁹²² South Korea pledges crackdown on money laundering via digital agencies, Coingeek (Seoul) 23 April 2021. Access Date: 1 May 2021. <https://coingeek.com/south-korea-pledges-crackdown-on-money-laundering-via-digital-currencies/>

²⁹²³ South Korea pledges crackdown on money laundering via digital agencies, Coingeek (Seoul) 23 April 2021. Access Date: 1 May 2021. <https://coingeek.com/south-korea-pledges-crackdown-on-money-laundering-via-digital-currencies/>

²⁹²⁴ South Korea pledges crackdown on money laundering via digital agencies, Coingeek (Seoul) 23 April 2021. Access Date: 1 May 2021. <https://coingeek.com/south-korea-pledges-crackdown-on-money-laundering-via-digital-currencies/>

²⁹²⁵ Overseas cryptocurrency exchanges using Korean currency must register with anti-money laundering body: regulator, The Korea Herald (Seoul) 13 July 2021. Access Date: 4 August 2021. <http://www.koreaherald.com/view.php?ud=20210713000935>

²⁹²⁶ Overseas cryptocurrency exchanges using Korean currency must register with anti-money laundering body: regulator, The Korea Herald (Seoul) 13 July 2021. Access Date: 4 August 2021. <http://www.koreaherald.com/view.php?ud=20210713000935>

²⁹²⁷ South Korea’s Top Financial Regulator Is Forming a Crypto Bureau, Yahoo!Finance (Seoul) 26 August 2021. Access Date: 18 September 2021. <https://finance.yahoo.com/news/south-korea-top-financial-regulator-182214200.html>

²⁹²⁸ South Korea’s Top Financial Regulator Is Forming a Crypto Bureau, Yahoo!Finance (Seoul) 26 August 2021. Access Date: 18 September 2021. <https://finance.yahoo.com/news/south-korea-top-financial-regulator-182214200.html>

²⁹²⁹ South Korea’s Top Financial Regulator Is Forming a Crypto Bureau, Yahoo!Finance (Seoul) 26 August 2021. Access Date: 18 September 2021. <https://finance.yahoo.com/news/south-korea-top-financial-regulator-182214200.html>

²⁹³⁰ South Korea’s Top Financial Regulator Is Forming a Crypto Bureau, Yahoo!Finance (Seoul) 26 August 2021. Access Date: 18 September 2021. <https://finance.yahoo.com/news/south-korea-top-financial-regulator-182214200.html>

Analyst: Burhan Anees Khan

Mexico: 0

Mexico has partially complied with its commitment to tackle all three areas of sources, techniques, and channels of money laundering, terrorist funding, or proliferation financing.

On 30 November 2020, the Mexican Ministry of Finance (SHCP) released a list of requirements for the registrations of individuals and entities “that offer, on a professional basis, the exchange and custody of virtual assets with the Mexican Revenue Service [(SAT)].”²⁹³¹ This list of requirements is a modification of the Anti-Money Laundering Act that was enacted in 2012, and now requires virtual currency exchanges and custody to be ultimately analyzed by the Financial Intelligence Unit of Mexico.²⁹³² Through these requirements, the SHCP and the SAT hope to increase the focus on provisions of services involving virtual assets in order to prevent and combat against money laundering.²⁹³³

On 9 December 2020, Mexico’s Senate approved a reform bill for the Bank of Mexico to acquire foreign currency from local banks that were excess from cash remittances and tourism.²⁹³⁴ The bill aimed to manage money laundering risks inherent in foreign currency transactions.²⁹³⁵

Through the reform bill, Mexico has taken action in tackling the channel of money laundering. However, they have only taken preliminary actions in the form of the list of requirements in monitoring the source and channel of online money laundering crime, but has not taken further action to implement legislation. Furthermore, the majority of their initiatives are centered around money laundering, but not many actions have been taken to counter terrorist financing.

Thus, Mexico receives a score of 0.

Analyst: Keab Sharma

Russia: 0

Russia has partially complied with its commitment to tackle all sources, techniques, and channels of money laundering and terrorist financing.

On 10 January 2021, amendments to the Federal Law on anti-money laundering and terrorism financing came into force. From now on, Russia’s financial watchdogs would receive all information regarding money withdrawal / lettering operations if a sum is more than RUB600,000 (approximately

²⁹³¹ Mexican Government issues registration requirements to those who exchange and custody virtual assets, White and Case (New York) 1 December 2020. Access Date: 15 May 2021. <https://www.whitecase.com/publications/alert/mexican-government-issues-registration-requirements-those-who-exchange-and>

²⁹³² Mexican Government issues registration requirements to those who exchange and custody virtual assets, White and Case (New York) 1 December 2020. Access Date: 15 May 2021. <https://www.whitecase.com/publications/alert/mexican-government-issues-registration-requirements-those-who-exchange-and>

²⁹³³ Mexican Government issues registration requirements to those who exchange and custody virtual assets, White and Case (New York) 1 December 2020. Access Date: 15 May 2021. <https://www.whitecase.com/publications/alert/mexican-government-issues-registration-requirements-those-who-exchange-and>

²⁹³⁴ WSJ Mexico Working on an Alternative to Bill That Would Force Central Bank to Buy Dollars, Wall Street Journal (Mexico City) 22 January 2021. Access Date: 22 March 2021. <https://www.wsj.com/articles/mexico-working-on-alternative-to-bill-that-would-force-central-bank-to-buy-dollars-11611311401>

²⁹³⁵ Considerations about the account of the reform project for the Bank of Mexico to acquire foreign currency in cash, approved by the Senate, Bank of Mexico (Mexico City) 11 December 2020. Access Date: 22 March 2021.

<https://www.banxico.org.mx/marco-normativo/d/%7B318AF7D5-846B-EE69-FC64-CC9445D76402%7D.pdf>

USD8,000). Also, all postal money transfers exceeding RUB100,000 (approximately USD1,300) would be put under control.²⁹³⁶

On 20 January 2021, the State Duma's Committee on Financial Market approved the draft law imposing penalties on undeclared financial actives in cryptocurrencies. The fines vary from 300RUB (approximately USD5) for individuals to RUB50,000 (approximately USD680) for companies; in some cases the draft implies confiscation up to 40 percent of transferred money if it is done with a crypto wallet registered abroad.²⁹³⁷

On 19 February 2021, Russia's Federal Financial Monitoring (Rosfinmonitoring) announced establishment of a digital service to supervise transactions in cryptocurrencies that might be associated with criminal activities. Rosfinmonitoring's Director Yuri Chihanchin, called the new system "Prozrachnyi Monitoring" ("Transparent Monitoring") that is said to be capable of analyzing all kinds of transactions in cryptocurrencies. The system is planned to start functioning later in 2021.²⁹³⁸

On 12 March 2021, the Advisory Council of the Interdepartmental Commission on Combating Laundering of Criminally Obtained Incomes, Financing of Terrorism and Financing the Proliferation of Weapons of Mass Destruction conducted a meeting with representatives from the National Council of the Financial Market, the Association of Russian Banks, the Association of Russian Banks, and the Federal Notary Chamber.²⁹³⁹ During the meeting, Ilya Yasinky, the director of the Department for Financial Monitoring and Currency Control of the Bank of Russia, discussed the draft of the federal law no. 1116372-7 meant to amend certain legislative acts to better assess the risk of legal entities and individual entrepreneurs of suspicious transactions.²⁹⁴⁰

On 23 March 2021, Rosfinmonitoring announced that it is policing crypto to fiat transactions.²⁹⁴¹ Rosfinmonitoring announced that they are working with the central bank to develop a framework to track suspicious crypto to fiat transactions.²⁹⁴² Deputy Chief of Rosfinmonitoring Herman Neglyad stated, "banks have already begun to pay attention to exchange operations, that is, when they see that an operation has come after the exchange of virtual assets for hard currency, they have already begun to evaluate them and actually inform us about these operations."²⁹⁴³

Russia has taken tentative action to combat money laundering and terrorist financing in two of the three key areas. Russia has addressed the source and techniques of such threats but has not taken action to fully tackle their channels.

²⁹³⁶ New Rules For Control Over Cash Transactions Entered Into Force In The Russian Federation, *Izvestiya* (Moscow) 10 January 2021. Access Date: 8 May 2021. <https://iz.ru/1109557/2021-01-10/v-rf-vstupili-v-silu-novye-pravila-kontroliaza-operatciami-s-nalichnymi>

²⁹³⁷ The Financial Market Committee Approves A Bill That Provides For Penalties For Hiding Funds In E-Wallets, *Financial Market Committee of the State Duma* (Moscow) 20 January 2021. Access Date: 8 May 2021. <http://www.komitet2-12.km.duma.gov.ru/Novosti-Komiteta/item/25071748/>

²⁹³⁸ Rosfinmonitoring Has Created A Service For Monitoring Criminal Transactions With Cryptocurrency, *Kommersant* (Moscow) 19 February 2021. Access Date: 8 May 2021. <https://www.kommersant.ru/doc/4701696>

²⁹³⁹A Meeting of The Advisory Council At The IAC on AML/CFT/ Forum Was Held (Moscow) 12 March 2021. Access Date: 8 May 2021. <https://www.fedsfm.ru/releases/4978>

²⁹⁴⁰A Meeting of The Advisory Council At The IAC on AML/CFT/ Forum Was Held (Moscow) 12 March 2021. Access Date: 8 May 2021. <https://www.fedsfm.ru/releases/4978>

²⁹⁴¹ Russia's money laundering watchdog monitoring crypto to ruble transactions (New York) 24 March 2021. Access Date: 8 May 2021. <https://cointelgraph.com/news/russia-s-money-laundering-watchdog-monitoring-crypto-to-ruble-transactions>

²⁹⁴² Russia's money laundering watchdog monitoring crypto to ruble transactions (New York) 24 March 2021. Access Date: 8 May 2021. <https://cointelgraph.com/news/russia-s-money-laundering-watchdog-monitoring-crypto-to-ruble-transactions>

²⁹⁴³ Russia's money laundering watchdog monitoring crypto to ruble transactions (New York) 24 March 2021. Access Date: 8 May 2021. <https://cointelgraph.com/news/russia-s-money-laundering-watchdog-monitoring-crypto-to-ruble-transactions>

Thus, Russia receives a score of 0.

Analyst: Darya Rabbar

Saudi Arabia: +1

Saudi Arabia has fully complied with the commitment to tackle all three areas of sources, techniques, and channels of money laundering, terrorist funding, or proliferation financing.

On 26 November 2020, Executive Director of the United Nations Office on Drugs and Crime Ghada Waly and Saudi Arabia's President of Oversight and Anti-Corruption Authority Mazin Bin Ibrahim Al-Kahmous signed a USD10 million funding agreement in support of a global operational network of anti-corruption law enforcement authorities to limit money laundering activities.²⁹⁴⁴ This agreement will support “anti-corruption law enforcement authorities to enhance informal cooperation through regular meetings; an online hub and secure communication platform; and knowledge- and capacity-building programmes and tools.”²⁹⁴⁵

On 2 December 2020, the Central Bank Governor Ahmed Alkholifey announced Saudi Arabia's strengthened regulatory and legislative framework which aims to combat money laundering and terrorist financing.²⁹⁴⁶ This action was taken to enhance the kingdom's compliance with the international standards of the Financial Action Task Force, and will be “taking appropriate measures to prevent cybercrimes and is encouraging financial institutions to enhance electronic and digital payments amid the Covid-19 pandemic,”²⁹⁴⁷ as well as taking all necessary procedures and measures to manage the increased risks by developing appropriate policies.²⁹⁴⁸

On 25 May 2021, Governor of the Central Bank of Saudi Arabia and Chairman of the Anti-Money Laundering Permanent Committee Fahad bin Abdullah Al-Mubarak and the Anti-Money Laundering Permanent Committee, held a meeting to discuss anti-money laundering strategies.²⁹⁴⁹ The meeting followed up on the progress of implementing the National Action Plan and its Strategic Objectives approved by Royal Decree No. 28548, and ensured the local regulations are consistent with the Forty Recommendations of Financial Action Task Force.²⁹⁵⁰

²⁹⁴⁴ UNODC, Saudi Arabia's Nazaha Sign USD10 Million Funding Agreement for Global Anti-Corruption Law Enforcement Network, United Nations Office on Drugs and Crime (Vienna) 26 November 2020. Access Date: 19 March 2021. <https://www.unodc.org/unodc/en/press/releases/2020/November/unodc-saudi-arabias-nazaha-sign-10m-funding-agreement-for-global-anti-corruption-law-enforcement-network.html>

²⁹⁴⁵ UNODC, Saudi Arabia's Nazaha Sign USD10 Million Funding Agreement for Global Anti-Corruption Law Enforcement Network, United Nations Office on Drugs and Crime (Vienna) 26 November 2020. Access Date: 19 March 2021. <https://www.unodc.org/unodc/en/press/releases/2020/November/unodc-saudi-arabias-nazaha-sign-10m-funding-agreement-for-global-anti-corruption-law-enforcement-network.html>

²⁹⁴⁶ Saudi Arabia strengthens its regulatory framework to combat money laundering, The National News (Abu Dhabi) 2 December 2020. Access Date: 15 May 2021. <https://www.thenationalnews.com/business/economy/saudi-arabia-strengthens-its-regulatory-framework-to-combat-money-laundering-1.1121837>

²⁹⁴⁷ Saudi Arabia strengthens its regulatory framework to combat money laundering, The National News (Abu Dhabi) 2 December 2020. Access Date: 15 May 2021. <https://www.thenationalnews.com/business/economy/saudi-arabia-strengthens-its-regulatory-framework-to-combat-money-laundering-1.1121837>

²⁹⁴⁸ Saudi Arabia strengthens its regulatory framework to combat money laundering, The National News (Abu Dhabi) 2 December 2020. Access Date: 15 May 2021. <https://www.thenationalnews.com/business/economy/saudi-arabia-strengthens-its-regulatory-framework-to-combat-money-laundering-1.1121837>

²⁹⁴⁹ The Anti-Money Laundering Permanent Committee discusses in its monthly meeting the latest developments in International Standards, Anti-Money Laundering Committee (Riyadh) 25 May 2021. Access Date: 24 July 2021. <http://www.aml.gov.sa/en-us/News/Pages/25-5-2021.aspx>

²⁹⁵⁰ The Anti-Money Laundering Permanent Committee discusses in its monthly meeting the latest developments in International Standards, Anti-Money Laundering Committee (Riyadh) 25 May 2021. Access Date: 24 July 2021. <http://www.aml.gov.sa/en-us/News/Pages/25-5-2021.aspx>

On 13 July 2021, Governor Al-Mubarak, Minister of State of the United Arab Emirates Ahmed Ali Al Sayegh, and Governor of the Central Bank of the United Arab Emirates Khaled Mohammed Balama discussed Anti-Money Laundering (AML) and Countering the Finance of Terrorism efforts. (CFT) The discussion allowed cross-national AML and CFT cooperation between Saudi Arabia and the United Arab Emirates.²⁹⁵¹

On 3 August 2021, the Cabinet of Saudi Arabia approved to amend Article 23 of Royal Decree No. (M/19).²⁹⁵² The Amendment allowed further regulation of the anti-commercial fraud system in Saudi Arabia.²⁹⁵³ Penalties for violating the law now include up to 3 years in prison and a fine up to USD26.6 thousand. The Amendment also allowed an exemption from penalties for reporters of fraudulent activities.²⁹⁵⁴

Saudi Arabia has taken actions to combat money laundering and terrorist financing in all three key areas.

Thus, Saudi Arabia receives a score of +1.

Analyst: Zhuojia Qiu

South Africa: 0

South Africa has partially complied with its commitment to tackle all three areas of sources, techniques, and channels of money laundering, terrorist funding, or proliferation financing.

On 1 April 2021, the South African Reserve Bank imposed a ZAR28 million fine on Deutsche Bank and a ZAR500,000 fine on insurance company Discovery Life Limited for inadequate protections against money laundering.²⁹⁵⁵

On 8 June 2021, the South African Reserve Bank imposed sanctions onto Master Currency, which is an authorized dealer in foreign exchange.²⁹⁵⁶ The exchange company was fined ZAR100,000 for inadequate protections against money laundering and terrorist financing.²⁹⁵⁷

On 11 June 2021, the Intergovernmental Fintech Working Group (IFWG) announced the South African government's intent to regulate and integrate cryptocurrencies into the existing financial regulatory system.²⁹⁵⁸ In particular, the position paper published by the IFWG discussed money

²⁹⁵¹ UAE and Saudi Arabia Deepen Ties to Strengthen Anti-Money Laundering Efforts, The National (London) 26 July 2021. Access Date: 25 July 2021. <https://www.thenationalnews.com/business/banking/2021/07/25/uae-and-saudi-arabia-deepen-ties-to-strengthen-anti-money-laundering-efforts/>

²⁹⁵² Custodian of the Two Holy Mosques Chairs Cabinet's Virtual Session, Saudi Press Agency (Riyadh) 3 August 2021. Access Date: 23 August 2021. <https://www.spa.gov.sa/viewfullstory.php?lang=en&newsid=2269237#spav>

²⁹⁵³ Custodian of the Two Holy Mosques Chairs Cabinet's Virtual Session, Saudi Press Agency (Riyadh) 3 August 2021. Access Date: 23 August 2021. <https://www.spa.gov.sa/viewfullstory.php?lang=en&newsid=2269237#spav>

²⁹⁵⁴ Saudi Arabia Issues Travel Ban for Violators of Anti-Commercial Fraud Law, Ashara Al-Awsat Newspaper (London) Access Date: 23 August 2021. <https://english.aawsat.com/home/article/3126501/saudi-arabia-issues-travel-ban-violators-anti-commercial-fraud-law>

²⁹⁵⁵ S.Africa's central bank imposes sanctions on Deutsche Bank's local branch (Johannesburg) 1 April 2021. Access Date: 1 May 2021. <https://www.reuters.com/article/uk-safrica-sarb-idUSKBN2BO66Q>

²⁹⁵⁶ South African Reserve Bank imposes administrative sanctions on Authorised Dealer in foreign exchange with limited authority (Pretoria) 8 June 2021. Access Date: 24 July 2021. <https://www.gov.za/speeches/south-african-reserve-bank-imposes-administrative-sanctions-authorised-dealer-foreign>

²⁹⁵⁷ South African Reserve Bank imposes administrative sanctions on Authorised Dealer in foreign exchange with limited authority (Pretoria) 8 June 2021. Access Date: 24 July 2021. <https://www.gov.za/speeches/south-african-reserve-bank-imposes-administrative-sanctions-authorised-dealer-foreign>

²⁹⁵⁸ Crypto Assets to be Brought into South African Regulatory Purview (Pretoria) 11 June 2021. Access Date: 24 July 2021. https://www.ifwg.co.za/wp-content/uploads/IFWG_CAR_WG_Position_Paper_on_Crypto_Assets_Press_release.pdf

laundering and terrorist financing as issues that the new regulations will address.²⁹⁵⁹ Previously, there were no widespread regulations of cryptocurrency in South Africa.²⁹⁶⁰

South Africa has taken action to address the techniques and channels of money laundering and terrorist financing, but not the sources.

Thus, South Africa receives a score of 0.

Analyst: Nathan Ye

Turkey: +1

Turkey has fully complied with the commitment to tackle all sources, techniques and channels of money laundering, terrorist financing and proliferation financing.

On 27 December 2020, Turkey passed Law no. 7262 on Preventing Financing of Proliferation of Weapons of Mass Destruction.²⁹⁶¹ The law was enacted to comply with the United Nations Security Council counterterrorism resolution, and in response to a 2019 report from the Financial Action Task Force.²⁹⁶² Six of the forty-three articles of the law are to combat the techniques and channels of terrorist financing and money laundering.²⁹⁶³

On 16 April 2021, the Central Bank of Turkey announced a legislation that will ban the direct and indirect use of cryptocurrencies, as well as other digital assets, as a method of payment.²⁹⁶⁴ This legislation was enacted due to the high risk these transactions may entail, as they are frequently used in money laundering and terrorist financing (ML/TF) crimes.²⁹⁶⁵

On 1 May 2021, the government of Turkey published a presidential decree that announced that cryptocurrency exchanges are now included on a list of firms that is covered by Turkey's anti-money laundering and terrorist financing regulations, and immediately went into force following its publication in the Turkey Official Gazette.²⁹⁶⁶ The decree requires crypto asset service provided to be responsible and ensure that their assets are not being used illegally in crimes such as ML/TF.²⁹⁶⁷

²⁹⁵⁹ Crypto Assets to be Brought into South African Regulatory Purview (Pretoria) 11 June 2021. Access Date: 24 July 2021. https://www.ifwg.co.za/wp-content/uploads/IFWG_CAR_WG_Position_Paper_on_Crypto_Assets_Press_release.pdf

²⁹⁶⁰ Crypto Assets to be Brought into South African Regulatory Purview (Pretoria) 11 June 2021. Access Date: 24 July 2021. https://www.ifwg.co.za/wp-content/uploads/IFWG_CAR_WG_Position_Paper_on_Crypto_Assets_Press_release.pdf

²⁹⁶¹ Turkey: Parliament Passes Law to Suppress Financing of Weapons of Mass Destruction Proliferation, Library of Congress (Washington D.C.) 27 December 2021. Access Date: 19 March 2021. <https://www.loc.gov/law/foreign-news/article/turkey-parliament-passes-law-to-suppress-financing-of-weapons-of-mass-destruction-proliferation/>

²⁹⁶² Turkey: Draft Law Threatens Civil Society, Human Rights Watch (New York) 24 December 2020. Access Date: 18 March 2021. <https://www.hrw.org/news/2020/12/24/turkey-draft-law-threatens-civil-society>

²⁹⁶³ New bill covering finance, charities puts strain on Turkey's civil society and voters, Ahval News (Ankara) 20 December 2020. Access Date: 18 March 2021. <https://ahvalnews.com/turkish-parliament/new-bill-covering-finance-charities-puts-strain-turkeys-civil-society-and-voters>

²⁹⁶⁴ Turkey to ban use of cryptocurrencies for buying goods, services, Daily Sabah (Istanbul) 16 April 2021. Access Date: 15 May 2021. <https://www.dailysabah.com/business/finance/turkey-to-ban-use-of-cryptocurrencies-for-buying-goods-services>

²⁹⁶⁵ Turkey to ban use of cryptocurrencies for buying goods, services, Daily Sabah (Istanbul) 16 April 2021. Access Date: 15 May 2021. <https://www.dailysabah.com/business/finance/turkey-to-ban-use-of-cryptocurrencies-for-buying-goods-services>

²⁹⁶⁶ Turkey adds cryptocurrency exchanges to terror funding rules, CTV News (Istanbul) 1 May 2021. Access Date: 15 May 2021. <https://www.ctvnews.ca/world/turkey-adds-cryptocurrency-exchanges-to-terror-funding-rules-1.5410206>

²⁹⁶⁷ Turkey adds cryptocurrency exchanges to terror funding rules, CTV News (Istanbul) 1 May 2021. Access Date: 15 May 2021. <https://www.ctvnews.ca/world/turkey-adds-cryptocurrency-exchanges-to-terror-funding-rules-1.5410206>

Turkey has taken action to combat money laundering and terrorist financing through the banning the use of cryptocurrencies as payment exchanges, as well as through multiple legislations that tackle all three key areas.

Thus, Turkey receives a score of +1.

Analyst: Alisha Bhimji

United Kingdom: +1

The United Kingdom has fully complied with the commitment to tackle all sources, techniques and channels of money laundering, terrorist financing and proliferation financing.

On 17 December 2020, Her Majesty's Treasury and the Home Office published a major report assessing the national risk of money laundering and terrorist financing.²⁹⁶⁸ The report states that the UK will continue to build on several of its past anti-money laundering (AML)/combating terrorism financing (CTF) strategies.²⁹⁶⁹ Furthermore, the report acknowledges the increased risk in money laundering and terrorist financing crimes during the COVID-19 pandemic, and more emphasis was placed on emerging sectors such as Cryptoassets.²⁹⁷⁰

On 16 March 2021, the Financial Conduct Authority launched criminal proceedings against the National Westminster Bank Plc, whose systems allegedly failed to monitor and scrutinize the movement of 365 GBP million.²⁹⁷¹ The goal of this policy decision is to reduce the sources of money laundering.

On 16 March 2021, UK's Cabinet Office published a policy paper that reaffirmed Britain's commitment to AML and CFT. Specifically, the UK will continue to “increase the number of trained financial investigators within [their] police forces; overhaul [their] Suspicious Activity Reports regime to ensure critical intelligence informs their investigations; and bolster the National Economic Crime Centre.”²⁹⁷² Moreover, the UK will presently introduce new legislation to tackle economic crime, “including the use of UK corporate structures in facilitating high-end money laundering.”²⁹⁷³

On 25 March 2021, the UK Government amended their Money Laundering, Terrorist Financing and Transfer of Funds Regulation 2017 to change the definition of High-Risk Third Countries.²⁹⁷⁴ This amendment will allow the UK to independently define high risk third world countries.²⁹⁷⁵ The released

²⁹⁶⁸ National risk assessment of money laundering and terrorist financing 2020, UK Parliament (London) December 2020. Access date: 20 March 2020. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/945411/NRA_2020_v1.2_FOR_PUBLICATION.pdf

²⁹⁶⁹ National risk assessment of money laundering and terrorist financing 2020, UK Parliament (London) December 2020. Access date: 20 March 2020. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/945411/NRA_2020_v1.2_FOR_PUBLICATION.pdf

²⁹⁷⁰ UK Government publishes its 2020 UK National Risk Assessment (NRA) of money laundering and terrorist financing, Norton Rose Fulbright, Financial Services: Regulation Tomorrow (London) 10 December 2020. Access Date: 15 May 2021. <https://www.regulationtomorrow.com/eu/uk-government-publishes-its-2020-uk-national-risk-assessment-nra-of-money-laundering-and-terrorist-financing/>

²⁹⁷¹ FCA starts criminal proceedings against NatWest Plc, Financial Conduct Authority (London) 16 March 2021. Access date: 22 March 2021. <https://www.fca.org.uk/news/press-releases/fca-starts-criminal-proceedings-against-natwest-plc>

²⁹⁷² FCA starts criminal proceedings against NatWest Plc, Financial Conduct Authority (London) 16 March 2021. Access date: 22 March 2021. <https://www.fca.org.uk/news/press-releases/fca-starts-criminal-proceedings-against-natwest-plc>

²⁹⁷³ Global Britain in a Competitive Age: the Integrated Review of Security, Defence, Development and Foreign Policy, Cabinet Office (London) 16 March 2021. Access date: 22 March 2021. <https://www.gov.uk/government/publications/global-britain-in-a-competitive-age-the-integrated-review-of-security-defence-development-and-foreign-policy>

²⁹⁷⁴ The Money Laundering and Terrorist Financing (Amendment) (High-Risk Countries) Regulation 2021, UK Government (London) 25 March 2021. Access Date: 1 May 2021. <https://www.legislation.gov.uk/uksi/2021/392/regulation/2/made>

²⁹⁷⁵ The Money Laundering and Terrorist Financing (Amendment) (High-Risk Countries) Regulation 2021, UK Government (London) 25 March 2021. Access Date: 1 May 2021. <https://www.legislation.gov.uk/uksi/2021/392/regulation/2/made>

list of high-risk countries aligns more closely with the Financial Action Task Force, which will “give effect to FATF [Financial Action Task Force] global standards on high-risk third countries.”²⁹⁷⁶

In March and April 2021, the UK’s Revenue and Customs hosted a collection of training workshops, alongside the United Arab Emirates (UAE) Ministry of Foreign Affairs and International Cooperation, to raise exposure to AML/CFT in the UAE.²⁹⁷⁷ These workshops “form a key part of the UAE’s wide range of activities to prevent money laundering and terrorist financing, including initiatives to facilitate international and domestic cooperation.”²⁹⁷⁸

On 17 September 2021, Home Secretary Priti Patel signed a new agreement alongside UAE Minister of State Ahmed Ali AL Sayegh assenting to intensify measures targeting those of terrorist financing.²⁹⁷⁹ This agreement is a part of the new Partnership for the Future between the UK and the UAE and will work to increase cooperation on obstructing illicit financial flows, and to show their commitment to “stamping out terrorist financing and serious and organised crime in all of its forms to protect the UAE and uphold the integrity of the international financial system.”²⁹⁸⁰

On 21 September 2021, Her Majesty’s Treasury introduced a draft legislation for a new levy on the AML regulated sector.²⁹⁸¹ The Financial Conduct Authority will be responsible for the collection of this levy from entities that is supervised under “Money Laundering, Terrorist Financing and Transfer of Funds...Regulations 2017,”²⁹⁸² and will be used to “help fund ambitious reforms outlined in the government’s 2019 Economic Crime Plan.”²⁹⁸³

The United Kingdom has taken actions to combat money laundering and terrorist financing in all three key areas through amending legislation, as well as expressing continued and improved support for previous initiatives.

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

Analyst: Veniamin Veselovsky

²⁹⁷⁶ Explanatory Memorandum to the Money Laundering and Terrorist Financing (Amendment) (High-Risk Countries) Regulation 2021, UK Government (London) 25 March 2021. Access Date: 1 May 2021.

https://www.legislation.gov.uk/ukxi/2021/392/pdfs/ukxiem_20210392_en.pdf

²⁹⁷⁷ UAE, UK host anti-money laundering training sessions, Gulf News (Dubai) 25 April 2021. Access Date: 1 May 2021.

<https://gulfnews.com/business/banking/uae-uk-host-anti-money-laundering-training-sessions-1.1619337665262>

²⁹⁷⁸ UAE, UK host anti-money laundering training sessions, Gulf News (Dubai) 25 April 2021. Access Date: 1 May 2021.

<https://gulfnews.com/business/banking/uae-uk-host-anti-money-laundering-training-sessions-1.1619337665262>

²⁹⁷⁹ UAE, UK Launch New Landmark Partnership to Counter Illicit Financial Flows, United Arab Emirates Ministry of Foreign Affairs & International Cooperation (Abu Dhabi) 17 September 2021. Access Date: 25 September 2021.

<https://www.mofaic.gov.ae/en/mediahub/news/2021/9/17/new-news-article>

²⁹⁸⁰ ²⁹⁸⁰ UAE, UK Launch New Landmark Partnership to Counter Illicit Financial Flows, United Arab Emirates Ministry of Foreign Affairs & International Cooperation (Abu Dhabi) 17 September 2021. Access Date: 25 September 2021.

<https://www.mofaic.gov.ae/en/mediahub/news/2021/9/17/new-news-article>

²⁹⁸¹ Economic Crime (Anti-Money Laundering) Levy: Draft Legislation, HM Treasury (London) 21 September 2021.

Access Date: 25 September 2021. <https://www.gov.uk/government/publications/economic-crime-anti-money-laundering-levy-draft-legislation>

²⁹⁸² Explanatory Note-Economic Crime (Anti-Money Laundering) Levy, HM Treasury (London) 21 September 2021.

Access Date: 25 September 2021.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1019449/Explanatory_Note_ECL.pdf

²⁹⁸³ Economic Crime (Anti-Money Laundering) Levy: Draft Legislation, HM Treasury (London) 21 September 2021.

Access Date: 25 September 2021. <https://www.gov.uk/government/publications/economic-crime-anti-money-laundering-levy-draft-legislation>

United States: +1

The United States has fully complied with its commitment to tackle all three areas of sources, techniques, and channels of money laundering, terrorist funding, or proliferation financing.

On 1 January 2020, the Congress passed the National Defense Authorization Act (NDAA) that requires financial institutions to enhance their “due diligence” regarding correspondent accounts established by foreign institutions and private banks that are maintained for non-US personal.²⁹⁸⁴ This act will increase scrutiny organizations such as Al-Qaeda’s use of money laundering to fund its terrorist activities.²⁹⁸⁵ This act also includes the Anti-Money Laundering Act of 2020 (AML Act), which seeks to codify the risk-based approach to anti-money laundering/countering terrorism financing (AML/CTF) compliance, modernize AML/CTF systems, “coordination, cooperation, and information-sharing among financial institutions, U.S. financial regulators and foreign financial regulators,”²⁹⁸⁶ as well as expand enforcement and investigation-related power of the United States Department of the Treasury’s Financial Crimes Enforcement Network (FinCEN).²⁹⁸⁷

On 1 January 2021, the Congress passed the NDAA, which aims to broaden anti-money laundering reforms, mainly through the Corporate Transparency Act (CTA), which is embedded in this larger legislation.²⁹⁸⁸ The CTA creates a beneficial ownership registry with the FinCEN, and requires all reporting companies to disclose information on their beneficial owners to FinCEN.²⁹⁸⁹ The goal of this registry is to “crack down on anonymous shell companies, which have long been the vehicle of choice for money launderers, terrorists, and criminals.”²⁹⁹⁰

On 2 March 2021, the Department of State released the 2021 edition of the “International Narcotics Control Strategy Report, Volume II: Money Laundering.”²⁹⁹¹ This report focuses on outlining the threats specific to narcotics-related money laundering in various countries around the globe, and reviews the actions these countries have taken, as well as their vulnerabilities.²⁹⁹²

²⁹⁸⁴ New legislation may portend wave of anti-money laundering enforcement. 19 April 2021. Access Date: 30 April 2021 <https://www.forbes.com/sites/insider/2021/04/19/new-legislation-may-portend-wave-of-anti-money-laundering-enforcement/?sh=1f526b36259f>

²⁹⁸⁵ New legislation may portend wave of anti-money laundering enforcement. 19 April 2021. Access Date: 30 April 2021 <https://www.forbes.com/sites/insider/2021/04/19/new-legislation-may-portend-wave-of-anti-money-laundering-enforcement/?sh=1f526b36259f>

²⁹⁸⁶ The Anti-Money Laundering Act of 2020: Congress Enacts the Most Sweeping AML Legislation Since Passage of the USA PATRIOT Act, *The National Law Review* (Chicago) 19 January 2021. Access Date: 15 May 15, 2021. <https://www.natlawreview.com/article/anti-money-laundering-act-2020-congress-enacts-most-sweeping-aml-legislation-passage>

²⁹⁸⁷ The Anti-Money Laundering Act of 2020: Congress Enacts the Most Sweeping AML Legislation Since Passage of the USA PATRIOT Act, *The National Law Review* (Chicago) 19 January 2021. Access Date: 15 May 15, 2021. <https://www.natlawreview.com/article/anti-money-laundering-act-2020-congress-enacts-most-sweeping-aml-legislation-passage>

²⁹⁸⁸ New Legislation May Portend Wave of Anti-Money Laundering Enforcement, *Forbes* (Jersey City) 19 April 2021. Access Date: 15 May 2021. <https://www.forbes.com/sites/insider/2021/04/19/new-legislation-may-portend-wave-of-anti-money-laundering-enforcement/?sh=5cd24621259f>

²⁹⁸⁹ New Legislation May Portend Wave of Anti-Money Laundering Enforcement, *Forbes* (Jersey City) 19 April 2021. Access Date: 15 May 2021. <https://www.forbes.com/sites/insider/2021/04/19/new-legislation-may-portend-wave-of-anti-money-laundering-enforcement/?sh=5cd24621259f>

²⁹⁹⁰ New Legislation May Portend Wave of Anti-Money Laundering Enforcement, *Forbes* (Jersey City) 19 April 2021. Access Date: 15 May 2021. <https://www.forbes.com/sites/insider/2021/04/19/new-legislation-may-portend-wave-of-anti-money-laundering-enforcement/?sh=5cd24621259f>

²⁹⁹¹ International Narcotics Control Strategy Report, Volume II: Money Laundering, United States Department of State Bureau of International Narcotics and Law Enforcement Affairs (Washington DC) 2 March 2021. Access Date: 15 May 15, 2021. https://www.state.gov/wp-content/uploads/2021/02/21-00620-INLSR-Vol2_Report-FINAL.pdf

²⁹⁹² International Narcotics Control Strategy Report, Volume II: Money Laundering, United States Department of State Bureau of International Narcotics and Law Enforcement Affairs (Washington DC) 2 March 2021. Access Date: 15 May 15, 2021. https://www.state.gov/wp-content/uploads/2021/02/21-00620-INLSR-Vol2_Report-FINAL.pdf

On 1 July, 2021, the FinCEN announced that the Financial Action Task Force (FATF) updated and enhanced the expectations in its guidelines regarding strategic AML/CFT deficiencies.²⁹⁹³ All US financial institutions are expected to consult the FATF's statements when preparing their risk-based policies related to combating money laundering and terrorist financing.²⁹⁹⁴

The United States has fully complied with its commitment through the NDAA and the CTA. These actions have contributed to tackling the sources, techniques and channels involved in money laundering and terrorist financing (ML/TF) activities. Furthermore, through the 2021 international Narcotics Control Strategy Report, the United States has identified specific techniques used in ML/TF crimes.

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

Analysts: Aimaan Shergill and Ilan Hughes

European Union: +1

The European Union has fully complied with its commitment to tackle two of the three sources, techniques or channels of money laundering, terrorist funding, or proliferation financing.

On 8 December 2020, the European Investment Bank (EIB) released a comprehensive Anti-Money Laundering and Combating Financing of Terrorism Framework.²⁹⁹⁵ This framework contains key anti-money Laundering and combating terrorist financing (AML/CTF) principles that are applicable to EIB activities.²⁹⁹⁶ This framework aims to prevent EIB Group, as well as its governing bodies, from being associated or used for crimes involving money laundering and terrorist financing (ML/TF).²⁹⁹⁷

On 9 December 2020, the European Commission adopted a new Counter-Terrorism Agenda for the European Union.²⁹⁹⁸ This agenda sets out a way forward for actions to counter terrorism at the EU level, looking to better anticipate, prevent, protect and respond to terrorist threats.²⁹⁹⁹ The Counter-Terrorism Agenda aims at anticipating, preventing, protecting and responding to attacks by

²⁹⁹³ Financial Action Task Force Identifies Jurisdictions with Anti-Money Laundering and Combating the Financing of Terrorism and Counter-Proliferation Deficiencies, United States Government (Washington) 1 June 2021. Access Date: 24 September 2021. <https://www.fincen.gov/news/news-releases/financial-action-task-force-identifies-jurisdictions-anti-money-laundering-and>

²⁹⁹⁴ Financial Action Task Force Identifies Jurisdictions with Anti-Money Laundering and Combating the Financing of Terrorism and Counter-Proliferation Deficiencies, United States Government (Washington) 1 June 2021. Access Date: 24 September 2021. <https://www.fincen.gov/news/news-releases/financial-action-task-force-identifies-jurisdictions-anti-money-laundering-and>

²⁹⁹⁵ Anti-Money Laundering and Combating Financing of Terrorism Framework, European Investment Bank (Luxembourg) 8 December 2020. Access Date: 15 May 2021. <https://www.eib.org/en/publications/eib-group-anti-money-laundering-policy-and-combating-finance-of-terrorism-framework>

²⁹⁹⁶ Anti-Money Laundering and Combating Financing of Terrorism Framework, European Investment Bank (Luxembourg) 8 December 2020. Access Date: 15 May 2021. <https://www.eib.org/en/publications/eib-group-anti-money-laundering-policy-and-combating-finance-of-terrorism-framework>

²⁹⁹⁷ Anti-Money Laundering and Combating Financing of Terrorism Framework, European Investment Bank (Luxembourg) 8 December 2020. Access Date: 15 May 2021. <https://www.eib.org/en/publications/eib-group-anti-money-laundering-policy-and-combating-finance-of-terrorism-framework>

²⁹⁹⁸ A Counter-Terrorism Agenda for the EU: Anticipate, Prevent, Protect, Respond, European Commission (Brussels) 9 December 2020. Access Date: 21 March 2021. https://ec.europa.eu/home-affairs/sites/homeaffairs/files/pdf/09122020_communication_commission_european_parliament_the_council_eu_agenda_counter_terrorism_po-2020-9031_com-2020_795_en.pdf

²⁹⁹⁹ A Counter-Terrorism Agenda for the EU: Anticipate, Prevent, Protect, Respond, European Commission (Brussels) 9 December 2020. Access Date: 21 March 2021. https://ec.europa.eu/home-affairs/sites/homeaffairs/files/pdf/09122020_communication_commission_european_parliament_the_council_eu_agenda_counter_terrorism_po-2020-9031_com-2020_795_en.pdf

identifying vulnerabilities and subsequently preventing attacks addressing radicalization, reducing vulnerability of cities and people, a stronger mandate for Europol, stepping up operational support and prosecution and victims' rights to better respond to attacks.³⁰⁰⁰

On 5 February 2021, European Council renewed the EU terrorist list for a further six months.³⁰⁰¹ This list sets out persons, groups, and entities subject to restrictive measures, including the freezing of their financial assets in the EU and prohibiting EU operators from making funds and economic resources available to them.³⁰⁰²

On 24 February 2021, the European Economic and Social Committee (EESC) adopted the "Package for Fair and Simple Taxation."³⁰⁰³ Within this package, the EESC "proposed launching a European pact to effectively combat tax fraud, evasion and avoidance and money laundering."³⁰⁰⁴

On 29 March 2021, the European Parliament published its Anti-Money-Laundering Package 2021: titled "Strengthening the Framework."³⁰⁰⁵ This package is "an action plan for a new single EU Anti-money-laundering system," and outlines areas for future actions and proposals.^{3006,3007} Furthermore, this package focuses on a proposal to partially transfer the existing AML Directive into regulation, which will be directly application to all Member States of the EU.³⁰⁰⁸ There is also a focus on an EU-wide AML supervisor system, as well as improving coordination and support mechanism for each Member States' Financial Intelligence Units.³⁰⁰⁹

On 12 July 2021, the European Union announced its decision to establish a military training mission in Mozambique, where an Islamist insurgency has led to increased violence.³⁰¹⁰ The announcement was made in response to a request from the Mozambican authorities for additional support in

³⁰⁰⁰ Security Union: A Counter-Terrorism Agenda and stronger Europol to boost the EU's resilience, European Commission (Brussels) 9 December 2020. Access Date: 21 March 2021. https://ec.europa.eu/commission/presscorner/detail/en/ip_20_2326

³⁰⁰¹ Fight against terrorism: Council renews the EU terrorist list for a further six months, European Council (Brussels) 5 February 2021. Access Date: 21 March 2021. <https://www.consilium.europa.eu/en/press/press-releases/2021/02/05/fight-against-terrorism-council-renews-the-eu-terrorist-list-for-a-further-six-months/>

³⁰⁰² Council Decision (CFSP) 2021/142, Official Journal of the European Union (Brussels) 8 February 2021. Access Date: 21 March 2021. <https://eur-lex.europa.eu/eli/dec/2021/142>

³⁰⁰³ Package for fair and simple taxation, European Economic and Social Committee (Brussels) 24 February 2021. Access Date: 15 May 2021. <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/package-fair-and-simple-taxation>

³⁰⁰⁴ Package for fair and simple taxation, European Economic and Social Committee (Brussels) 24 February 2021. Access Date: 15 May 2021. <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/package-fair-and-simple-taxation>

³⁰⁰⁵ Anti-money-laundering pack 2021: Strengthening the framework, European Parliament Research Service (Brussels) 29 March 2020. Access Date: 15 May 2021. [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/662624/EPRS_BRI\(2021\)662624_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/662624/EPRS_BRI(2021)662624_EN.pdf)

³⁰⁰⁶ Anti-money-laundering pack 2021: Strengthening the framework, European Parliament Research Service (Brussels) 29 March 2020. Access Date: 15 May 2021. [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/662624/EPRS_BRI\(2021\)662624_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/662624/EPRS_BRI(2021)662624_EN.pdf)

³⁰⁰⁷ Anti-money-laundering pack 2021: Strengthening the framework, European Parliament Research Service (Brussels) 29 March 2020. Access Date: 15 May 2021. [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/662624/EPRS_BRI\(2021\)662624_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/662624/EPRS_BRI(2021)662624_EN.pdf)

³⁰⁰⁸ Anti-money-laundering pack 2021: Strengthening the framework, European Parliament Research Service (Brussels) 29 March 2020. Access Date: 15 May 2021. [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/662624/EPRS_BRI\(2021\)662624_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/662624/EPRS_BRI(2021)662624_EN.pdf)

³⁰⁰⁹ Anti-money-laundering pack 2021: Strengthening the framework, European Parliament Research Service (Brussels) 29 March 2020. Access Date: 15 May 2021. [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/662624/EPRS_BRI\(2021\)662624_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/662624/EPRS_BRI(2021)662624_EN.pdf)

³⁰¹⁰ Mozambique: EU sets up a military training mission to help address the crisis in Cabo Delgado, European Council (Brussels) 12 July 2021. Access Date: 22 July 2021. <https://www.consilium.europa.eu/en/press/press-releases/2021/07/12/mozambique-eu-launches-a-military-training-mission-to-help-address-the-crisis-in-cabo-delgado/>

countering the uprising.³⁰¹¹ The primary intent of the resolution is to support and train military forces and instruct them in the fight against terrorism.³⁰¹²

On 20 July 2021, the European Commission presented a package of legislative proposals to strengthen EU rules on countering money laundering and terrorist financing.³⁰¹³ This included a proposal for the creation of a new EU authority to fight money laundering.³⁰¹⁴ If approved, it would create an EU-wide anti-money laundering/anti-terrorism financing rules, as well as new regulations governing crypto assets.³⁰¹⁵

On 2 August 2021, the European Banking Authority (EBA) announced a three-month public consultation on a new set of guidelines for the role, tasks, and responsibilities of compliance officers responsible for AML/CFT.³⁰¹⁶ The EBA's proposed guidelines include a requirement for companies to appoint a compliance officer at a managerial level with responsibility for anti-money laundering policies, instructing AML/CFT officers to develop and maintain a ML/TF risk assessment framework and many others.³⁰¹⁷ This consultation will allow the EBA's to move toward a more centralized oversight system and make AML/CFT supervision more effective.³⁰¹⁸

On 13 September, the European Parliament released a Motion for a Resolution, in which they urged "the EU and Member States to increase efforts to cooperate with the US and NATO allies to combat... money laundering, terrorist financing ... in the region."³⁰¹⁹

The European Union has fully complied with its commitment through its published reports and frameworks that outlined the plans to tackle all three key areas of sources, techniques, and channels of ML/TF.

Thus, the European Union receives a score of +1.

Analyst: Anna Ivanova

³⁰¹¹ Mozambique: EU sets up a military training mission to help address the crisis in Cabo Delgado, European Council (Brussels) 12 July 2021. Access Date: 22 July 2021. <https://www.consilium.europa.eu/en/press/press-releases/2021/07/12/mozambique-eu-launches-a-military-training-mission-to-help-address-the-crisis-in-cabo-delgado/>

³⁰¹² Mozambique: EU sets up a military training mission to help address the crisis in Cabo Delgado, European Council (Brussels) 12 July 2021. Access Date: 22 July 2021. <https://www.consilium.europa.eu/en/press/press-releases/2021/07/12/mozambique-eu-launches-a-military-training-mission-to-help-address-the-crisis-in-cabo-delgado/>

³⁰¹³ Beating financial crime: Commission overhauls anti-money laundering and countering the financing of terrorism rules, European Commission (Brussels) 20 July 2021. Access Date: 22 July 2021. https://ec.europa.eu/commission/presscorner/detail/en/ip_21_3690

³⁰¹⁴ Beating financial crime: Commission overhauls anti-money laundering and countering the financing of terrorism rules, European Commission (Brussels) 20 July 2021. Access Date: 22 July 2021. https://ec.europa.eu/commission/presscorner/detail/en/ip_21_3690

³⁰¹⁵ Beating financial crime: Commission overhauls anti-money laundering and countering the financing of terrorism rules, European Commission (Brussels) 20 July 2021. Access Date: 22 July 2021. https://ec.europa.eu/commission/presscorner/detail/en/ip_21_3690

³⁰¹⁶ EBA launches proposed guidelines on the role of AML/CFT compliance officers, Comply Advantage (London) 5 August 2021. Access Date: 10 September 2021. <https://complyadvantage.com/blog/eba-launches-proposed-guidelines-on-the-role-of-aml-cft-compliance-officers/>

³⁰¹⁷ EBA launches proposed guidelines on the role of AML/CFT compliance officers, Comply Advantage (London) 5 August 2021. Access Date: 10 September 2021. <https://complyadvantage.com/blog/eba-launches-proposed-guidelines-on-the-role-of-aml-cft-compliance-officers/>

³⁰¹⁸ EBA consults on new Guidelines on the role of AML/CFT compliance officers, European Banking Authority (Paris) 2 August 2021. Access Date: 10 September 2021. <https://www.eba.europa.eu/eba-consults-new-guidelines-role-amlcft-compliance-officers>

³⁰¹⁹ Motion for a Resolution. European Parliament (Brussels) 13 September 2021. Access Date: 25 September 2021. https://www.europarl.europa.eu/doceo/document/B-9-2021-0458_EN.pdf