OSCE Handbook on Data Collection in support of Money Laundering and Terrorism Financing National Risk Assessments

Signature and book on Data Collection in Subject (Subject Dependence) and Ferrorism Financing National Ris sements OSCE Handbook on Data Collection in Support of Money Laundering and rorism Financing National Risk Assessments OSCE Handbook on Data Collection in support of Money Laundering and dering and Terrorism Financing National Risk Assessments OSCE Handbook on Data Collection in support ey Laundering and Terrorism Financing National Risk Assessments OSCE Handbook on Data Collection in support of Money Laundering and Terrorism Financing National Risk Assessments OSCE Handbook on Data Collection of Data Collection in support of Money Laundering and Terrorism Financing National Risk Assessments OSCE hadbook on Data Collection in support of Money Laundering and Terrorism Financing National Assessments OSCE Handbook on Data Collection in support of Money Laundering and Terrorism Financing National Assessments OSCE Handbook on Data Collection in support of Money Laundering and Terrorism Financing National Risk Assessments OSCE Handbook on Data Collection in support of Money Laundering and Terrorism Financing National Financing National Risk Assessments OSCE Handbook on Data Collection in support of Money Laundering and Terrorism Financing National Financing National Risk Assessments OSCE Handbook on Data Collection in support of Money Laundering and Terrorism Financing Financing and Terrorism Financing National Risk Assessments OSCE Handbook on Data Collect poort of Money Laundering and Terrorism Financing National Risk Assessments OSCE Handbook on Data Collect poort of Money Laundering and Terrorism Financing National Risk Assessments OSCE Handbook on Data Collect poort of Money Laundering and Terrorism Financing National Risk Assessments OSCE Handbook on Data Collect Deport of Money Laundering and Terrorism Financing National Risk Assessments OSCE Handbook on Data Collection in support of Money Laundering and Terrorism Financing National Risk Assessments OSCE Handbook on Data Collection in support of Money Lau



Organization for Security and Co-operation in Europe

The materials in this publication are for information purposes only. While the OSCE endeavoured to ensure the accuracy and completeness of the contents of this publication, the views, findings, recommendations and conclusions expressed herein are those of the authors and contributors and do not necessarily reflect the official position of the OSCE and its participating States. The OSCE does not accept any liability for any loss which may arise from the reliance on information contained in this publication.

ISBN 978-92-9234-183-1

© 2012 Organization for Security and Co-operation in Europe (OSCE); www.osce.org

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the publishers.

Office of the Co-ordinator of OSCE Economic and Environmental Activities / OSCE Secretariat Wallnerstrasse 6 A-1010 Vienna, Austria Tel.: +43 1 514 360 pm-ceea@osce.org

Design and Typesetting: red hot 'n' cool, Vienna COVER: © Sergej Khackimullin - fotolia

### OSCE Handbook on Data Collection in support of Money Laundering and Terrorism Financing National Risk Assessments





This handbook has been made possible through the support of the 2012 Irish Chairmanship of the OSCE and funding from Irish Aid.

#### Foreword

This handbook provides an overview of data collection practices that may assist countries in developing or improving systems to capture useful statistics on national Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) regimes.

There is broad consensus among AML/CFT stakeholders that comprehensive and quality statistics on the performance of AML/CFT systems are important inputs into efforts to evaluate and improve the effectiveness of those systems. Despite this recognition, few countries have succeeded in collecting, collating, and disseminating statistics that allow for granular analysis of their national AML/CFT system's performance.

Several factors contribute to the currently low level of comprehensive data collection on national AML/ CFT systems. Money laundering and the financing of terrorism, like cybercrime, human trafficking, and corruption, are relatively modern crimes that are less well understood than traditional offences such as robbery and murder. Efforts to counter money laundering and financing of terrorism are relatively new in the world of law enforcement, and until recently, the development of a global AML/CFT regime has focused more on adopting and implementing national AML/CFT measures than on measuring the degree to which those measures are effectively preventing and suppressing money laundering and the financing of terrorism.

Crucially, lead AML/CFT agencies that are responsible for national AML/CFT data collection may face difficulties in inducing other AML/CFT stakeholders including law enforcement, the judiciary, and regulated entities to share statistics. The inherently interagency and international character of AML/CFT regimes presents a challenge in many jurisdictions, and the important role that the lead agency, often the financial intelligence unit (FIU) plays in managing interagency and international co-ordination on AML/CFT often puts that agency, and not a central statistics authority, in charge of efforts to collect, collate and disseminate AML/CFT-related data.

Being mindful of the above, this handbook is intended to assist countries in narrowing the AML/CFT data gap.

This handbook does not create any new obligation or standard for countries. It does, however, provide tools that may assist countries in conducting a money laundering and financing of terrorism national risk assessment (NRA) and in maintaining statistics that are useful to AML/CFT authorities in their daily work.

This publication is also intended to inspire further dialogue and co-operation among national authorities and other stakeholders, to stimulate the exchange of experience and good practice among States in the OSCE region, and to raise awareness of the importance of comprehensive data collection for informed decision-making.

Jaan haven Goran Svilanovic

Goran Svilanovic Co-ordinator of OSCE Economic and Environmental Activities

#### Acknowledgements

The Office of the Co-ordinator of OSCE Economic and Environmental Activities (OCEEA) would like to thank **Nir Artzi**, AML/CFT Consultant, for authoring the handbook under the guidance of and with contributions from **Christian Larson**, OCEEA.

Key background information for this handbook was provided by the Financial Action Task Force, the International Monetary Fund, MONEYVAL, and the World Bank.

The OSCE wishes to acknowledge and thank the following organizations and individuals for providing valuable feedback during the drafting of the handbook:

Administration for the Prevention of Money Laundering, Republic of Serbia

Basel Institute on Governance

Citi Group

Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL)

Financial Integrity Group, Legal Department, International Monetary Fund

Financial Market Integrity Group, World Bank

Global Programme against Money Laundering, United Nations Office on Drugs and Crime

#### Acronyms

AML/CFT	Anti-Money Laundering and Countering the Financing of Terrorism
BCR	Border Cash Report
CJS	Criminal Justice System
CTR	Currency Transaction Report
DAR	Detailed Assessment Report
DNFBPs	Designated Non-Financial Businesses and Professions
EC	European Commission
FATF	Financial Action Task Force
FI	Financial Institution
FIU	Financial Intelligence Unit
FSRB	FATF-Style Regional Body
IFTR	International Funds Transfer Report
IMF	International Monetary Fund
MER	Mutual Evaluation Report
ML	Money Laundering
MONEYVAL	Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism
NGO	Non Governmental Organization
NPO	Non Profit Organization
NRA	National Risk Assessment
OSCE	Organization for Security and Co-operation in Europe
POC	Proceeds of Crime
STR	Suspicious Transaction Report
SAR	Suspicious Activity Report
TF	Terrorism Financing
TBML	Trade Based Money Laundering
UNDOC	United Nations Office on Drugs and Crime

#### **Table of Contents**

#### Introduction and outline of the handbook

Chapter 1: Overview of AML/CFT data collection						
1.1	1.1 Key benefits of organized data collection efforts					
1.2	1.2 Current state of AML/CFT data collection efforts					
1.3	12					
1.4	1.4 Data collection and national risk assessments					
1.5	Quantitative and qualitative data collection	14				
	ter 2: A systematic approach to quantitative					
AML/	CFT data collection	16				
2.1	Data collation and mapping	16				
2.2	Planning the data collection process	17				
2.3	Definitions	17				
2.4	Reporting periods	18				
2.5	Missing data	19				
2.6	Disaggregating data	20				
2.7	Currency conversions and value estimates	21				
Chap	ter 3: Addressing topic-specific issues					
in AM	22					
3.1	Reports to financial intelligence units	22				
3.2	Law enforcement agencies and the criminal justice system	23				
3.3	Asset restraint and confiscation	26				
3.4	AML/CFT resources and supervision	27				
3.5	International co-operation	28				
3.6	Regulated sectors	29				
3.7	Proceeds of crime and terrorism financing assets	29				
Summ	ary and Conclusions	31				
Refere	ences	32				

Annex I: Sample data collection matrix for the criminal justice system33Annex II: Sample instructions and definitions for the criminal justice system matrix38Annex III: Additional sample data collection matrices for various AML/CFT topics47

#### Introduction and outline of the handbook

The collection of quantitative data is an essential element of every effective AML/CFT regime. The ability to collect and analyse data on Money Laundering and Terrorism Financing (ML and TF) activities and the efforts to stop them is crucial to the assessment of ML and TF risks and informed decision-making about AML/CFT policies and resource allocation. In addition, AML/CFT data collection is required by FATF Recommendation 33 (formerly Recommendation 32) and article 33(2) of the EU Third Anti-Money Laundering Directive.

While the need for and benefits of collecting AML/CFT data are clear, the way to do so effectively is not. Producing comprehensive, comparable, actionable, and policy-relevant data remains a challenge in nearly all countries.

This handbook aims to assist officials in collecting accurate and comprehensive information on their national AML/CFT regimes. Once collected, this information may be useful for a number of pursuits, from informing the day to day management of an AML/CFT regime to carrying out a money laundering and financing of terrorism NRA.

This publication provides an overview of the main benefits to and challenges in collecting quantitative AML/CFT data within the official purview of a national AML/CFT regime. It provides countries with guidelines for addressing data collection and collation issues, producing clear, accurate, and replicable indicators and results, and providing insight into how the different components of their AML/CFT systems interact.

The handbook also provides sample matrices designed to capture data on the main aspects of an AML/CFT regime. These sample matrices are not in any way binding upon countries. They are intended to serve as a point of reference for countries developing national data collection practices that are sufficiently comprehensive to support monitoring, evaluation, and policymaking specific to a country's needs.

*Chapter 1* provides an overview of the topic of AML/CFT data collection, including the benefits and challenges of organized data collection, efforts to date, relations between quantitative and qualitative data, and uses in the context of NRAs. *Chapter 2* lays the foundations for a systematic approach to quantitative AML/CFT data collection and provides guidance on how to address general data collection issues. *Chapter 3* includes detailed suggestions for addressing topic-specific issues in AML/CFT data collection. *Annex 1* provides a concrete example of how the guidance from chapters 2 and 3 could be implemented in a comprehensive data collection matrix for the criminal justice system. *Annex II* provides a sample of detailed instructions and definitions to assist countries in completing the matrix on the criminal justice system. *Annex III* contains additional sample data collection matrices on the main elements of AML/CFT regimes.

## Chapter 1: Overview of AML/CFT data collection

#### 1.1 Key benefits of organized data collection efforts

In the past decade, the collection of AML/CFT data by national authorities was done for domestic purposes or to comply with the requirements of FATF Recommendation 33 (formerly Recommendation 32), which requires countries to maintain comprehensive statistics on matters relevant to the effectiveness and efficiency of their AML/CFT systems. However, focusing only on compliance with the general requirements of Recommendation 33 may overlook the significant benefits that AML/CFT data collection can provide, which include the ability to assess national AML/CFT regimes in order to identify gaps, measure their effectiveness, and improve them in a cost-effective way through well-informed policy-making and resource allocation. Today, following the incorporation of the risk-based approach into the revised FATF standards and the new Recommendation 1 requirement to conduct NRAs, countries have even greater incentives than before to collect data on their AML/CFT systems.

The systematic collection of quantitative data can play a crucial role in assessing the effectiveness of the current AML/CFT system and its components. It may:

- Improve the understanding of ML and TF patterns and the predicate offences associated with them
- Provide an indication of the level of ML and TF threat in a jurisdiction
- Identify specific vulnerabilities at the national level
- Assist in prioritizing specific areas and improving resource allocation
- Support adjustments to the legal and regulatory framework to address specific issues
- Inform the qualitative assessments of AML/CFT professionals
- Permit countries to track progress over time.

The collection of quantitative data provides authorities with indicators that can be used not only to reinforce existing assessments of AML/CFT threats and vulnerabilities, but also to provide new insights and additional granularity to established knowledge by examining smaller components and providing a basis for authorities to measure, compare, and prioritize them.

For instance, while the total value of confiscated Proceeds of Crime (POC) assets in a jurisdiction may be high, an examination of the data by predicate offence may reveal that the value of confiscated assets related to one or more types of common offences (e.g., human trafficking) is disproportionately small when compared to the known extent of the crime. The availability of such data may trigger further analysis and assist in directing additional resources to confiscate assets related to that crime.

Similarly, a simple comparison of quantitative data on investigations, prosecutions, and convictions may reveal that despite a large number of investigations for ML or specific predicate offences, few of these cases are actually prosecuted and convicted. Such a discovery would prompt an analysis of the underlying reasons (e.g., a particularly high burden of proof, minor sentences, prosecution for other offences) and possible revisions to law enforcement or prosecutorial practices or to the offence itself.

Organized data collection efforts can assist countries in examining how closely their AML/CFT system follows the theoretical process in which STRs alert the FIU of suspicious activity; the FIU analyses and forwards information for investigation; law enforcement authorities investigate; and the criminal justice system initiates prosecutions and secures convictions. Although typically only few cases go through that process in its entirety, all cases go through parts of that process, which makes the connectivity of its different elements crucial to an effective AML/CFT regime. Sufficiently comprehensive and granular data can assist countries in identifying bottlenecks and areas of poor connectivity in the system that result in premature termination of cases.

#### Use of data

A country collected statistics on prosecutions and convictions for each of the criminal law sections that cover specific types of money laundering and terrorism financing offences. For most offences, the data showed a strong response by the criminal justice system and met the reviewers' expectations. However, on the trade-based money laundering (TBML) offence, the number of prosecutions and convictions was nearly zero, a finding that prompted the ministry of finance to arrange a meeting with the ministry of justice to discuss the reasons for the low numbers. At the meeting, the two ministries learned that prosecutors and judges were generally not familiar with the particular nature of TBML. In response, the ministries developed awareness raising and training materials to support the enforcement of the TBML statutes. As a result, investigators and prosecutors were better equipped to understand and identify over-invoicing in import operations, under-invoicing in export operations and transfer pricing manipulation.

#### 1.2 Current state of AML/CFT data collection efforts

Data collection has been an important element in AML/CFT regimes since the 1990 introduction of the FATF Forty Recommendations to combat ML. As countries joined the FATF and its regional affiliates (FSRBs) and began implementing its recommendations, countries collected increasing amounts of data on their AML/CFT efforts, much of which was reported in periodical Mutual

Evaluation Reports (MERs), Detailed Assessment Reports (DARs), and progress reports. The quality of the data, however, was mixed. Differences in AML/CFT regime structure and the high level of flexibility allowed by the international standards often resulted in significant variance in the availability and quality of the collected AML/CFT data at all levels: institutional, national, and international.

In a study conducted for the International Monetary Fund's Financial Integrity Group in 2010 and 2011<sup>1</sup>, analysts collected and organized quantifiable AML/CFT data contained in the MERs, DARs, and progress reports of 156 countries. The results of the study and the final data set, which included over 30,000 data points, showed enormous variance in the availability, definitions, level of granularity, and overall quality of data collection not only between countries, but also between agencies in many countries.

The results of the study clearly indicated that most countries had not reported key data points using standard reporting methods. Among many other AML/CFT indicators, the study focused on eight particularly common indicators, including ML and TF investigations, prosecutions, convictions, and investigations involving STRs, value of frozen/seized and confiscated/forfeited assets, value of fines on reporting entities, and number of information exchanges with foreign FIUs. The study showed that only 25 of the 156 countries consistently reported data on at least seven of the eight common indicators. In addition, the collection of TF-specific data was particularly lacking. These results indicated that the lack of useful data is a key impediment to comprehensive assessments of AML/CFT regimes. Inversely, the collection of useful data is a key enabler of such assessments.

While the results of the above-mentioned study showed that the overall availability of AML/ CFT data is still severely limited, they also indicated that the members of some FSRBs reported significantly more data than others. Under the Council of Europe, MONEYVAL's use of a standard template for the collection of AML/CFT data during its third round of mutual evaluations correlated positively with higher data reporting in the MERs and progress reports of that FSRB's members. Of all the FSRBs, data availability on key indicators and the reporting of granular data points was highest for MONEYVAL. In 2012 MONEYVAL continued to develop a template for countries to complete and submit with their regular progress reports in the form of a series of spreadsheet tables covering annual data points on background information, the criminal justice system, provisional measures, STRs, supervisory action, international co-operation, and AML/ CFT training for the previous three years.<sup>2</sup> The use of such a template marks an important step forward in the efforts to simplify, improve, and standardize data collection efforts.

Under the European Commission, Eurostat and the Directorate-General Home Affairs have

<sup>1</sup> Financial Integrity Group, "Preliminary inquiry into the assessment of AML/CFT regime effectiveness" (unpublished), an AML/CFT Topical Trust Fund Project 2010-11, Legal Department, IMF, 2011.

<sup>2</sup> MONEYVAL, "Template for 4th assessment visits progress reports", 38th MONEYVAL Plenary Meeting, 5–9.3.2012 [hereinafter MONEYVAL template].

jointly undertaken another important effort to improve AML/CFT data collection. In 2010 the EC published a working paper summarizing its efforts to develop indicators to measure financial crime in the EU. The report, entitled "Money laundering in Europe: Report of work carried out by Eurostat and DG Home Affairs", was conducted after extensive data collection and consultation with EU member states. Further, it was designed to improve the AML/CFT data collection efforts of EU states and identify obstacles to comparing such data among EU states. Among others, the report included an analysis of the data availability and definitions of 23 indicators of AML/CFT system effectiveness, including suggestions for changes.<sup>3</sup>

#### 1.3 Main challenges in AML/CFT data collection

Countries face several main challenges when initiating an AML/CFT data collection effort.

*Multiple Stakeholders.* Given that AML/CFT is a complex field that involves the work of FIUs, law enforcement agencies, prosecution authorities, judicial systems, customs agencies, regulators, and private sector entities, the relevant data is dispersed and needs to be collected from and validated by a wide variety of government and non-government entities. Data may be held both by national agencies and by sub-national administrative divisions, creating a need for additional data collation at the national level.

*Incompatible data.* Since most agencies tend to develop their own definitions and methods for collecting, analysing, processing, and recording information, the differences between the systems may be significant. The result often is that similar or related types of data are reported in different ways and cannot be consolidated without losing some of the data.

Definitional issues. The inherent differences between agencies are at times exacerbated by the lack of clear and nationally (or internationally) accepted definitions for the indicators that make up or are related to AML/CFT regimes. As a result, commonly used terms such as "investigations" or "prosecutions" may refer to and be counted as cases by one agency and as individuals by another agency, and while one agency may record confiscations by the number of confiscation orders issued, another would do it by the value of assets that were actually confiscated.

*System differences.* While AML/CFT systems are largely designed to identify ML and TF activity; to investigate, prosecute and convict; and to freeze/seize and confiscate criminal assets, the complex and fragmented nature of the system, the length of the AML/CFT process, and differences between agencies make it challenging to track specific reports through the system.<sup>4</sup> Therefore, the data collection efforts of many countries have only limited utility in tracking the number of investigations

<sup>3</sup> Cynthia Tavares, Geoffrey Thomas, & Mickaël Roudaut, "Money laundering in Europe: Report of work carried out by Eurostat and DG Home Affairs", Eurostat Methodologies and Working Papers, 2010 [hereinafter Eurostat report]. Available at: http://epp.eurostat.ec.europa.eu/cache/ITY\_OFFPUB/KS-RA-10-003/EN/KS-RA-10-003-EN.PDF

<sup>4</sup> This issue was evident in many MERs, and is specifically mentioned in Eurostat report, pp. 8-9.

that led to prosecutions, convictions, asset freezing/seizing, and confiscations, and may face even greater difficulties in tracking STRs through the criminal justice and asset restraint processes.

*Limited guidance.* The task of collecting accurate and useful data on AML/CFT systems is made more challenging by the lack of international consensus and guidance on what specific types of data should be collected. In avoiding a narrow approach that would bind countries, the flexibility of international standards has resulted at times in unorganized and minimalistic data collection practices. Despite useful efforts such as the MONEYVAL<sup>5</sup> data collection template for its members and the Eurostat working paper on preliminary findings in the effort to create comparable indicators to measure financial crime in the EU<sup>6</sup>, international guidance on *how* data should be collected remains limited.

Many of these challenges can be overcome by adopting a systematic approach to national AML/ CFT data collection that includes granular indicators, detailed definitions, and clear guidance for all relevant agencies. As each national AML/CFT regime and its components are unique, national data collection efforts should be tailored to match the regime it is taking place in. However, many countries could benefit from additional guidance that is based on national and international experience with data collection to date.

#### 1.4 Data collection and national risk assessments

In the past few years, the FATF-led international AML/CFT regime has begun to shift its focus from creating national AML/CFT regimes and strengthening the legal tools that support them to assessing their performance and employing a risk-based approach to apply to AML/CFT measures, inform policy, and allocate resources.<sup>7</sup> In the process, the assessment of ML/TF risks became a central component of FATF's standards, and the requirement to conduct ML/TF risk assessments on an ongoing basis was recently anchored in FATF's new Recommendation 1.

While the benefits of conducting a NRA and its importance to the application of a risk-based approach to AML/CFT have been explored<sup>8</sup>, approaches on how to conduct ML/TF NRAs are still new, and many countries face the challenge of selecting or developing a methodology to suit their needs and capabilities. However, two comprehensive NRA methodologies from the IMF

<sup>5</sup> MONEYVAL template.

<sup>6</sup> Eurostat report.

<sup>7</sup> A clear indication of that can be found in the new FATF recommendations from February 2012, and specifically in the new Recommendation 1 and its interpretive note. FATF, "International standards on combating money laundering and the financing of terrorism and proliferation: the FATF recommendations", February 2012 [*hereinafter* FATF recommendations]. Available at: http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%20(approved%20February%202012)%20reprint%20May%202012%20web%20version.pdf

<sup>8</sup> FATF, "Guidance on the risk-based approach to combating money laundering and terrorist-financing: high level principles and procedures", June 2007. Available at: http://www.fatf-gafi.org/media/fatf/documents/reports/High%20Level%20Principles%20and%20Procedures.pdf

and World Bank, as well as forthcoming guidance from FATF that is based on the experience of several countries, are intended to provide countries with a clearer point of departure for assessing their ML and TF risks.

The recently developed NRA methodologies of the IMF and World Bank provide systematic approaches to assessing ML and TF risks based on combinations of objective quantitative statistics and subjective qualitative assessments. Several countries have also developed NRA methodologies to structure the analysis of available information on threats, vulnerabilities and consequences. In all of these methodologies, data are collected, organized, and analysed using a variety of spreadsheet-based and web-based tools and modules that assist in processing and analysing the information, at times with the help of outside experts to produce the final NRA results. Since many of the NRA methodologies developed to date include specific data collection tools/modules, it is important to emphasize that this handbook, including the sample matrices, is not designed to replace these tools/modules, but rather to assist countries in their data collection efforts in order to produce comprehensive and accurate data sets that could later be used for NRAs, reporting, and other efforts by countries to understand, monitor and improve their AML/ CFT regimes.

#### 1.5 Quantitative and qualitative data collection

While the focus of this document is on the collection of quantitative data, it should be emphasized that the qualitative judgements of officials and key stakeholders are also an essential aspect of the data collection process. Hence, a comprehensive assessment of ML and TF risks in a jurisdiction requires a combination of both quantitative data that is based on statistical figures, and qualitative data that is based on the views of experts in the various areas of AML/CFT.

In the context of AML/CFT, quantitative data may include statistics on STR, CTR, and other reports to FIUs; criminal justice and asset restraint measures; AML/CFT resources; and the volume and number of transactions in reporting institutions. Qualitative data may include expert assessments that are solicited through surveys and questionnaires, workshops, interviews, and other assessment tools.<sup>9</sup>

The use of each type of data has advantages and disadvantages, and the advantages of one may best be used to supplement the disadvantages of the other. While quantitative data has the advantages of being impartial, consistent, and easier to measure and compare, statistics alone are often not sufficient to analyse the highly complex components of AML/CFT regimes, and the generally low level of AML/CFT-related data that is currently available makes quantitative statistics difficult to rely on as the sole data source for analysis.

<sup>9</sup> See the IMF and World Bank NRA methodologies: Stephen Dawe, "A framework for assessing national money laundering and financing of terrorism risk (working draft)", IMF, November 2011; World Bank, "Money laundering national risk assessment tool (2nd generation)", 2011.

On the other hand, qualitative data has the advantage of being based on the views of AML/ CFT professionals who are familiar with the operation of the system, its complexities, and its shortcomings. However, qualitative data may also suffer from the disadvantages of relying on subjective views, which could be unintentionally biased, overly focused on some aspects while overlooking others, or provided by professionals with limited expertise on the specific subject matter.

When collected in statistically significant numbers, however, qualitative judgements collected in a survey may also serve as quantitative data. Thus, the line between qualitative and quantitative data can be blurred. Quality analysis benefits from addressing these issues by combining quantitative statistics and qualitative expert opinions for a fuller and balanced all sources assessment of ML and TF risks.

In addition to the need to rely on a combination of quantitative and qualitative data in the analysis stage of AML/CFT risk assessments, the data collection itself may also benefit from utilizing one type of data to validate or inform the other. This could be done by using AML/CFT professionals both to review statistics in their area of expertise to confirm their validity and general accuracy, and, where it is determined that no undesired bias would be created, to be better informed prior to completing their own qualitative assessments.

Considering the high levels of specification and variation in surveys and other qualitative data collection tools/modules used in various NRA methodologies, this document does not include specific guidance on the collection of qualitative data.

# Chapter 2: A systematic approach to quantitative AML/CFT data collection

Chapters two and three are intended to introduce a systematic approach to quantitative AML/ CFT data collection in order to assist countries in producing clear, accurate, and replicable indicators and results. The handbook includes practical advice on how to approach general and topic-specific data collection and interpretation issues, and highlights relevant examples of past and emerging practice.

In addition, the annexes to the handbook provide sample data collection matrices on the most common areas of AML/CFT, as well as a detailed sample data collection matrix on the criminal justice system and detailed instructions and definitions for the completion of the criminal justice system matrix. The sample data collection matrices and instructions are included to serve as examples of practical application of the guidelines in chapters 2 and 3.

Since most countries have yet to conduct an NRA, using the guidelines in this handbook to improve their data collection process and to produce a comprehensive, well-organized AML/CFT data set for at least the most recent year would be a helpful early step toward a successful NRA. After the completion of a first NRA, the guidelines and suggestions in this document, combined with the experience gained by the lead agency and other national authorities during the NRA process, could be used to improve the data collection process and further customize it to the country's specific needs, practices, and assessment tools.

#### 2.1 Data collation and mapping

To be most useful, data must not only be collected by the relevant agencies and administrative divisions, but also be readily obtainable at the national level.<sup>10</sup> During the process of collating AML/ CFT data at the national level for NRAs, MERs, and other purposes, countries should appoint a single agency, preferably the FIU, the AML/CFT inter-agency co-ordination group, or another agency with AML/CFT expertise, to lead the data collation effort. The lead agency should map the available data, identify gaps in data collection and collation that need to be addressed, and develop a list of indicators that each government agency or reporting institution should collect, including detailed, clear definitions for the indicators and guidance on how to collect, report, and disseminate the data to relevant agencies.

The lead agency should identify what types of AML/CFT-related data are currently being collected, which government agencies are responsible for the collection, and how the collection, collation,

<sup>10</sup> This concept is drawn from Stephen Dawe & Aaron Sundquist, "Results of the IMF AML/CFT Data Inventory Survey" (unpublished), November 2011.

and dissemination processes are organized. Data mapping should cover all AML/CFT-related topics, including reports to FIUs, the criminal justice system, asset restraint, AML/CFT resources and supervision, international co-operation, regulated sectors, and POC and TF assets.

The lead agency should examine and compare the current definitions, reporting periods, level of granularity/disaggregation, and other specific characteristics of the data indicators used for each topic. The examination should be based on the list of general and topic-specific data collection issues in chapters 2 and 3, and focus on identifying data collection issues that are not addressed in the current collection, collation and dissemination practices, differences between agencies, and areas of missing data in all or specific agencies. As the lead agency may have AML/CFT expertise, but limited statistical capabilities, it may be advisable to hire specialized staff or outside consultants to build the agency's capacity to take a leading role in developing a comprehensive and useful body of statistics.

#### 2.2 Planning the data collection process

Based on the data mapping and examination, and in consultation with the relevant agencies, the lead agency should start the process of determining the indicators to be collected and providing agencies with detailed guidance on how to collect the data.

When developing the indicators and collection guidance, whether independently or based on an existing NRA methodology, the lead agency should consider following or addressing the suggestions below on overarching issues including definitions, reporting periods, missing data, disaggregating data, currency conversions, and value estimates.

#### 2.3 Definitions

Determine the unit of measurement for reporting data for each indicator. While the meaning of common terms such as investigations, confiscations, and STRs may seem obvious, they may in fact refer to different things such as the number of cases, reports, or individuals involved, or to the value of assets or transactions. Therefore, clearly determining the unit of measurement is crucial to allow for the aggregation of data on the same indicator from different agencies, for the aggregation of data from similar indicators, and for maintaining uniformity that would allow authorities to track changes over time. Concrete examples are provided for the different data collection topics in chapter 3.

*Include detailed definitions* both in the guidance to agencies with responsibility for reporting and/ or collecting data, and in any data that is provided for the purposes of an MER, website or other form of dissemination. Consider the dissemination of template data collection tables to each reporting agency or entity, including detailed definitions for each indicator, in order to simplify the data collection process and improve its accuracy and uniformity among different agencies and entities.

#### 2.4 Reporting periods

Standardize the time frame used in data reporting to a single year or smaller periods such as quarters, and determine whether the year in use is a calendar year, a budget year, etc. When data from past years is available only as an aggregate of several years together (e.g., 20 TF cases between 2000 and 2004), the lead agency should provide guidance on whether and how such data are reported. For example, the guidance could instruct that the aggregate data should be reported separately, not reported at all, or that the average should be calculated using an agreed upon formula and included in the data for each separate year. For processes that may last longer than a single reporting period, such as investigations, prosecutions, and preliminary asset restraint measures, countries should report the action in the reporting period in which it was begun. Additional and separate records should be kept, for example, on the number of ongoing investigations, prosecutions, and the total value of assets subject to preliminary restraint measures.

#### **Reporting periods**

Three law enforcement agencies in country X may collect and report data on ML investigations in three different ways:

- National Police: 38 investigations in 2011 (1 January-31 December 2011).
- Local police units: 12 investigations in fiscal year 2011 (1 April 2011–31 March 2012).
- Special Anti-Narcotics Force: 73 investigations since the authorizing law went into force (12 February 2011–present).

In this example, the use of various reporting periods prevents the lead agency from combining the data and calculating the total number of ML investigations for 2011 without losing much of the data or making inaccurate presumptions that could distort the data.

This issue can be resolved in the future by encouraging the relevant agencies to adopt a common reporting period (typically a calendar year or a government fiscal year).

#### 2.5 Missing data

Report and clearly distinguish between data not available and zero. While the distinction between reporting that data is not available (i.e., data is not collected or reported on the specific indicator, or it does not apply) and zero (i.e., data is collected and reported, but the number of cases, individuals, value, etc. is zero) may seem marginal, it is important for the purposes of comparing data over time, combining indicators, and other calculations. One option is for the guidance to determine that no data is collected as "N/A" (alternatively, Eurostat marks no data with the symbol ":"<sup>1</sup>) and zero is recorded as the number "0".

#### Missing data

Four government regulators in country X may report data on the amount of fines for AML/ CFT violations in four different ways:

- Banking sector supervisor: \$37,000 in fines imposed on banks in 2009.
- Securities sector supervisor: \$0 in fines on companies in the securities industry in 2009.
- Insurance sector supervisor: in the reporting table, the cell indicating the value of fines on insurance companies in 2009 was left blank.
- Designated non-Financial Businesses and Professionals (DNFBPs) supervisor: "There were no fines on DNFBPs in 2009".

In this example, while the amounts of the fines imposed on both banks and securities companies in 2009 are clear, the blank cell and the "no fines" reports by the insurance and DNFBPs supervisors are open to interpretation, and among other things may indicate that companies in one or both of these sectors: (1) do not have legal AML/CFT obligations, (2) cannot be fined for AML/CFT violations by that regulator, or (3) may be fined for AML/CFT violations, but did not receive any fines in 2009 (\$0 in fines).

As a result of these ambiguous reports, the lead agency and/or external evaluators (e.g., MER assessment teams) may find it difficult to identify the types of data collected for each sector; to determine the starting date of the reporting; and to compare data across sectors and track trends over time.

This issue may be addressed by adjusting the data reporting standards of all agencies so that they clearly indicate whether there are no data collected/available or whether the value of the available data is zero.

<sup>11</sup> Eurostat report, p. 33.

#### 2.6 Disaggregating data

Create indicators that disaggregate data according to several relevant breakdowns, as well as summary indicators that provide the aggregate totals of several relevant indicators. For example, the collection of STR data reported to the FIU may include disaggregated data in indicators that provides the number of STRs in each type or category of reporting entity and agency, as well as a summary indicator that provides the total number of all STRs reported to the FIU. Countries may also find benefit in disaggregating STR data according to the geographic location of the filer in order to identify regions of greater suspicious activity or regions that are insufficiently active in filing STRs. The lead agency should provide clear instructions on how summary indicators, providing the total of several regular indicators, should be calculated.

Create separate indicators for "own proceeds laundering" and "third party laundering". It is important to distinguish between the laundering of proceeds from a predicate offence committed by the same launderer and the laundering of proceeds on behalf of a third party. Autonomous, or third party, laundering may include the more significant money laundering cases prosecuted in jurisdictions, particularly where the cases involve professional laundering on behalf of organized crime groups. These cases are often considered by investigators and prosecutors to be the most difficult money laundering cases to prove, particularly when the author of a predicate offence is unknown or when there has been no conviction for the underlying predicate offence. Success in these types of cases can be a good indicator of the effective application of the money laundering offence in individual jurisdictions, but it can be measured only if countries distinguish between the two types of laundering.

#### Aggregated and disaggregated data

Three government agencies in country X may collect and report data on confiscations in three different ways:

- Agency A: \$5 million of confiscated POC assets
- Agency B: \$8 million of frozen and confiscated POC assets
- Agency C: \$3 million of confiscated POC and TF assets

In this example, agencies B and C's reporting of only aggregated data significantly limits the ability to combine the data and prevents the lead agency from calculating separate, reliable indicators of POC assets frozen, POC assets confiscated, TF assets frozen, and TF assets confiscated in the country.

This issue may be addressed by adjusting the data collection and reporting standards of the three agencies to disaggregate the data and allow the lead agency to combine it.

Create separate indicators for ML/POC and TF in all or most areas of data collection. Since much of the data on reporting suspicious transactions, FIUs, investigations, prosecutions, convictions, and confiscations are typically related to ML and POC, it is particularly important to report TF-related data separately to allow for its analysis. Based on an overview of a large number of MERs, only about one third of the countries reported TF-specific data on the criminal justice systems, for example.

#### 2.7 Currency conversions and value estimates

Determine the currency for reporting all amounts and the value of assets, and provide clear guidance to all reporting agencies on when and how to convert amounts to the local or an international currency, and when and how to report the estimated value of property. Such guidance is important to ensure the accuracy and reliability of data on the value of transactions and seized and confiscated assets, as well as the ability to compare such data over time, and is especially crucial in times when the value of currencies and properties fluctuate significantly.

Guidance on currency conversions should include the currency in which each value indicator should be reported (local currency, USD, EUR, etc.), date of the foreign exchange rate (e.g., the transaction date, the freezing date, or the first/last day of the month of the transaction), the source of the foreign exchange rate (e.g., the central bank's website or an international currency conversion website), and the type of exchange rate used (the inter-bank rate).

Guidance on value estimates should include instructions on whether and when the value of an asset, typically a seized or a confiscated asset, should be estimated, and what mechanism should be used to evaluate it. Such mechanisms could include, for example, vehicle value publications, professional real estate or jewellery assessors, records of comparable sales, or police estimates on the street price of narcotics.<sup>12</sup>

<sup>12</sup> Additional information can be found at: Theodore S. Greenberg et al., *Stolen Asset Recovery: A Good Practices Guide for Non-Conviction Based Asset Forfeiture*, Stolen Asset Recovery (StAR) Initiative, World Bank, 2009. Available at: http://www1.worldbank.org/finance/star\_site/documents/non-conviction/NCBGuideFinalEBook.pdf

# Chapter 3: Addressing topic-specific issues in AML/CFT data collection

This chapter includes general information on seven AML/CFT data collection topics and the data that are typically collected on each topic, and provides guidelines and suggestions on how to address topic-specific data collection issues. The list of data types to be collected and suggestions for improving data collection in this chapter is extensive, and includes a variety of issues that are relevant to the data collection efforts of some countries but not others, or that require additional resources that may not be available at this time. Therefore, the lead agency should determine the data types that should be collected based on the country's AML/CFT system and assessment needs, and prioritize them to match the available resources.

When developing the indicators and collection guidance, whether independently or based on an existing NRA methodology, the lead agency should consider collecting the following AML/CFT data and addressing the topic-specific issues and recommendations below:

#### 3.1 Reports to Financial Intelligence Units

Reports to FIUs includes the collection of data on the number and value of STRs, CTRs, and other threshold-based, international funds transfers, and border cash reports sent to the FIU by FIs, DNFBPs, customs, and other government agencies, as well as on FIU processing, analysis, and/or dissemination of reports to other agencies. Lead agencies may wish to:

- *Clarify the definitions of and differences between STRs (or SARs)*, CTRs, BCRs, IFTRs, and any other reports, and the reporting requirements or thresholds for each one.
- Include an indication of the amount of the transaction or activity associated with STRs, CTRs, BCRs, IFTRs, and other reports, such as the average transaction amount.
- Note whether STRs are related to ML or TF suspicious activity.
- Note the type of reporting institution or government agency that submitted the different reports. In case data is collected according to the type of reporting institution or agency, the guidance should include relevant reporting categories that would help to classify and summarize the data such as FIs and DNFBPs, as well as a list of all existing types of reporting entities and agencies according to their category (e.g., banks, insurance companies, and money services businesses would be included under FIs). Based on

an overview of a large number of MERs, a large majority of countries report STR data broken down by reporting entities and/or categories of reporting entities such as banks, Fls other than banks, DNFBPs, and government agencies.

- Ensure that information on cross border transfers of cash is collected and reported by customs and/or border agencies. This information should include the number of border crossing declarations, the value of border crossing declarations, the value of border crossing declarations, the number and value of cases in which a failure to disclose was detected, and the number and value of cash and financial instrument seizures at borders.
- Provide clear guidance to reporting entities and agencies on the counting unit that should be used when filing STRs, CTRs, and other reports. For example, a bank may submit an STR as a report on each suspicious transaction or as a report that includes several related suspicious transactions.
- Provide clear guidance to the FIU on the counting unit that should be used when collecting data on STRs, CTRs, and other reports. For example, the FIU may process and report STRs as transactions or as cases involving several transactions or all related suspicious activity. According to the Eurostat report on ML data collection in Europe, most FIUs in EU countries process STRs as cases that may involve several transactions.<sup>13</sup>
- Create indicators and use terminology to easily distinguish the work of the FIU from that performed by other agencies. More specifically, the results of the data collection should clearly indicate whether the FIU processes, disseminates, analyses, and/or investigates STRs, and the terminology used should be consistent with that of other agencies.
- Instruct the FIU to report data on suspended or postponed suspicious transactions if it
  has the authority to use these measures. Such data include the number of suspended
  transactions, the value of each transaction, the number of instances the suspensions
  were lifted, and the number of times the suspensions became permanent and/or the
  funds were frozen or confiscated.

## 3.2 Law enforcement agencies and the criminal justice system

Law enforcement agencies and the criminal justice system include the collection of data on investigations, prosecutions, convictions by ML/TF and predicate offence, sanctions, and the initiation by STRs and/or use of STRs in investigations, prosecutions, and convictions. Lead agencies may wish to:

<sup>13</sup> Eurostat report, pp. 69-70.

- Clarify the full list of predicate offences for ML and organize them into relevant categories, preferably based on FATF's 21 categories of required predicate offences<sup>14</sup> with the addition of other existing categories of predicate offences. In countries where predicate offences are defined based on a threshold or all crimes approach, categories should be created for each type of predicate offence for ML. Data should be included in each category only if the offence meets the relevant threshold for a money laundering predicate offence. The organization into categories is useful for the purpose of aggregating the wide variety of predicate offences into easily understandable areas of crime and presenting them in a clear manner.
- Instruct law enforcement and prosecution agencies to report, where relevant, the predicate offence/s that is/are associated with each reported ML/TF investigation, prosecution, and conviction.
- Identify the current crime recording practices, and when necessary, consider instructing law enforcement and prosecution agencies to record and report all the offences included in ML and TF investigations, prosecutions, and conviction cases, and not just the most serious offence in each case. For example, in the case of an armed robbery that also involved the theft of a getaway car, some law enforcement agencies may choose to focus only on the more serious crime, recording and reporting the case as an armed robbery, and thereby limiting the ability of crime statistics to capture all the predicate offences in the case.
- Determine whether ML and TF investigations, prosecutions, and convictions should be reported as the number of cases and/or as the number of individuals investigated, prosecuted, and convicted. At a minimum, all agencies should report data on a specific indicator using the same unit of measurement (for example, federal, state, and county law enforcement agencies should agree to report investigations using the same unit of measurement). However, to provide authorities with some ability to analyse the connections between investigations, prosecutions, and convictions and to identify bottlenecks, it is recommended that all three elements are reported using a single unit of measurement (e.g., individuals), or preferably, that all three elements would be reported using both units of measurement (i.e., both cases and individuals). Based on an overview of a large number of MERs, a large majority of countries reported investigations as cases, whereas countries reported prosecutions and convictions as either cases or individuals, with individuals being somewhat more common.
- Highlight the existence of TF as an independent offence that does not require terrorism as a predicate offence, and clarify the distinction between TF offences and terrorism offences.

<sup>14</sup> The list of FATF designated categories of predicate offences for ML is available in the FATF Recommendations.

- Instruct law enforcement and prosecution agencies to report investigations and prosecutions based on the date on which they were initiated and not based on the number of ongoing investigations and prosecutions. This should be done to ensure that each investigation and prosecution, which often takes a long time to complete, is reported only once. For example, an investigation that began in 2008 and ended in 2010 should be reported as data for 2008 only, even though it was still ongoing in 2009 and 2010.
- Consider instructing law enforcement agencies to report the average time it took to complete investigations that included ML/TF offences.
- Instruct prosecution and/or judicial authorities to record and report all prosecutions and convictions that include ML/TF offences, or that are based on investigations that included ML/TF offences. Countries may also wish to collect data on the number of investigations that end without a court decision.
- Consider instructing prosecution agencies to note the reason/s for not pursuing ML and/or TF charges in each instance where an investigation involving ML/TF resulted in a prosecution for the predicate offence or another offence but not for the ML/TF offence. In order to allow for easy aggregation of the information and simplify its analysis, the lead agency could list several predetermined options for the prosecution agency to choose from, and adjust them as necessary with time. For example, the lead agency could provide options such as "no evidence of ML/TF", "no sufficient evidence to meet the burden of proof for ML", "ML/TF prosecution would be too costly or time consuming", "ML/TF conviction would result in marginal punishment compared to the predicate offence", etc.
- For each investigation, prosecution, and conviction, instruct law enforcement and prosecution and/or judicial agencies to report the agency which initiated an investigation, whether the investigation was initiated by an STR, and whether STR data was used at any point during the investigation. Alternatively, in countries where agencies are legally prohibited from disclosing such information, the lead agency should instruct law enforcement, prosecution, and/or judicial agencies to report whether the investigation was initiated by a report received from the FIU and whether data from the FIU was used at any point during the investigation. Based on an overview of a large number of MERs, most countries that have reported data on the linkage between STRs and investigations have done so by reporting the use of STRs to initiate criminal investigations.
- Determine and provide clear guidance on what data should be collected on sentencing. This includes the types of sentences that should be reported (e.g., imprisonment only, fines), how the data should be reported (e.g., number of imprisonment sentences, average

length of imprisonment sentences, average fine amount), and whether suspended and conditional sentences should be included, disregarded, or reported separately.

- Consider instructing law enforcement and prosecution agencies to distinguish between investigations, prosecutions, and convictions in ML offences of self-laundering and ML offences of third-party laundering by reporting them separately alongside the totals of both types of ML.
- In countries that attribute criminal liability to corporations, consider instructing law enforcement and prosecution agencies to report both the number of individuals (natural persons) and the number of legal persons that are investigated, prosecuted, convicted, or subject to asset restraint and confiscation.
- Consider instructing law enforcement agencies to separately report all suspected POC assets identified in investigations<sup>15</sup>, regardless of whether the assets were frozen, seized, or confiscated. This type of data would be useful as part of an assessment of the total of POC assets in the country, as well as assist authorities in identifying and addressing gaps between the value of POC assets actually frozen, seized, and confiscated and the total value of POC.

#### 3.3 Asset restraint

Asset restraint includes the collection of data on the numbers and amounts of confiscations of POC and TF-related assets, as well as on preliminary measures such as asset freezing and seizing. Lead agencies may wish to:

- Determine which units of measurement should be used to report data on asset freezing, seizing, and confiscation. In addition to the value of the frozen, seized, and confiscated assets, the lead agency should prioritize the use of units of measurement/indicators that are relevant to all three measures and to all agencies, such as the number of cases and the number of individuals subject to asset freezing, seizing, or confiscation. In addition, measure-specific or agency-specific indicators such as the number of frozen accounts, the number of assets frozen or confiscated, or the number of cash seizures related to inaccurate customs cash declarations may also be used. Based on an overview of a large number of MERs, a large majority of the countries reporting data on instances of freezing, seizing, and confiscation used cases as the unit of measurement.
- Determine whether reporting on the value and number of cases of asset freezing, seizing, and confiscation should be based on court orders, warrants, and other authorizations

<sup>15</sup> The concept of separately reporting POC assets *identified* during investigations is taken from the Threat Analysis–Prevailing Crime Type section of the World Bank and Asia/Pacific Group on Money Laundering, "Strategic Implementation Planning (SIP) National Risk Assessment tool: Template 1", July 2011.

issued or on assets that were actually frozen, seized, and confiscated. This distinction is relevant for the reporting of both the number and the value of assets, and it is important because actual freezing, seizing, and confiscations may not include all the assets in the relevant authorization, but instead may include additional POC or TF-related assets that were identified during the execution but were not a part of the original authorization.

- Determine the currency for reporting all amounts and the value of assets, and provide clear guidance to all reporting agencies on when and how to convert amounts to the local or an international currency, and when and how to report the estimated value of property. See section 2.7 on currency conversions and value estimates for additional details.
- In cases where all or some laws, regulations, or agencies use terms other than, or in addition to, freezing, seizing, and confiscation (e.g., asset arrest, asset forfeiture, etc.), *clarify the terminology* and either include the relevant actions and provisions in the above mentioned three categories or report them separately by breaking down a category and creating an additional indicator on the total of the measures in the category. For example, countries that employ asset forfeitures or other non-conviction based confiscations in addition to conviction-based confiscations can report them separately, but should create an additional indicator of "total confiscations" that would include all the relevant measures. This is important for the purpose of aggregating POC and TF-related data from various agencies, and particularly with respect to customs and border control agencies, whose authority to seize or confiscate assets is often based on a different legal framework than that of law enforcement agencies.
- Distinguish between the value of assets that were frozen or seized during a specific reporting period and the value of assets that were frozen and seized in previous reporting periods but are still subject to these measures during the specific reporting period. As the legal status of some assets subject to preliminary measures may take years to resolve, additional insight is provided by maintaining separate data on the total value of assets subject to preliminary measures.

#### 3.4 AML/CFT resources and supervision

AML/CFT resources and supervision include the collection of data on the resources and staff of the FIU, AML/CFT-specific regulatory agencies or units, and AML/CFT-specific law enforcement agencies or units, as well as on AML/CFT supervision, guidance, and enforcement measures by regulators. Lead agencies may wish to:

 Identify the list of administrative, supervisory, and law enforcement agencies, units, or budgets that cover AML/CFT issues and instruct them to report only their AML/CFTspecific staff, budget, and/or other resources.

- Instruct agencies to report only professional staff members working on AML/CFT issues and not administrative support staff such as drivers, secretaries and cleaning staff.
- *Provide guidelines on how to report professional staff members working part time.* One suggestion is to report part time staff members as 0.5 staff member.
- Identify quantifiable measures of AML/CFT regulation and supervision of FIs and DNFBPs and provide specific guidelines for reporting them. Such measures could include the number of on-site and remote supervision inspections, the number of identified violations, the number and amount of fines levied for violations, the number of licenses revoked, the number of officials removed, and other measures of enforcement, including written warnings. Based on an overview of a large number of MERs, AML/ CFT supervision is one of the topics with the lowest data availability, and while the most commonly reported indicator in this topic was the number of fines imposed on regulated entities, about 70 per cent of countries did not report any data on it.

#### 3.5 International co-operation

International co-operation includes the collection of data on Mutual Legal Assistance (MLA) requests (including those related to asset recovery), extraditions, information sharing between FIUs, law enforcement, customs, supervisory bodies and other government agencies. Lead agencies may wish to:

- Determine which unit or units of measurement should be used for the reporting of MLA, information sharing, and extraditions. The determination should take into consideration the practices and templates that are in use for communication with other countries on each of these areas, and allow for an easy comparison between incoming and outgoing requests and replies. Possible options, which can be combined, are requests (sent/ received, approved/denied), instances of information shared (sent/received), and the number of individuals/entities regarding which the request was made.
- Provide the full list of the types of data that need to be collected and reported on MLA, information sharing, agency to agency information exchange, cross-border investigations, extraditions, and other requests for co-operation, as well as detailed guidelines on how to report the data. In each area of co-operation, the reporting could include data on sent and received requests for co-operation, the approval and denial of requests by the home country and by foreign countries (e.g., information shared, extradition request or was unsolicited (e.g., spontaneous information sharing). Additional, more granulated data collection options may include distinguishing between co-operation on ML or TF-related

offences, common grounds for denial of requests, the number of days that requests remain pending, and the names of countries that send or receive the most requests.

#### 3.6 Regulated sectors

Regulated sectors include the collection of data on each category of AML/CFT regulated entities (FIs, DNFBPs and other) and other regulated and unregulated legal entities. Such data may include, but is not limited to, the number of local and foreign firms and branches in each category; their assets and liabilities; the total and average number and value of domestic and cross-border transactions; the types, numbers, and values of resident and non-resident accounts and account holders; the AML/CFT controls that apply to them; and the level of the AML/CFT regulation and supervision. Countries should take steps to avoid double reporting on regulated entities that report to more than one regulator. Countries should also collect data to capture information on state efforts to prevent NPOs from being abused for financing of terrorism purposes.

Given the high level of detail and specification that is required for creating indicators and collecting comprehensive data on regulated sectors, and the variations in the relevant NRA sector tools/ modules used by the IMF and the World Bank, lead agencies in countries that will conduct NRAs based on the IMF or World Bank methodologies would benefit from basing their sector data collection efforts on the data collection tool/modules that will be used for the NRA.

#### 3.7 Proceeds of crime and terrorism financing assets

POC assets are the pool of illegally acquired assets that require laundering. TF assets are the pool of assets that require processing to finance terrorism. These two elements represent the threat component of ML/TF NRAs.

POC information is relevant for assessing the domestic and cross-border proceeds of crime for each category of predicate offences used, as well as for ML itself, illegal gambling, and any other proceeds generating crimes.

TF information is relevant for assessing the domestic and cross-border assets that need to be transferred or otherwise processed to support terrorism. At both the operational level and at the data collection level, some countries may confuse terrorism with the financing of terrorism, and countries that have not experienced a terrorist attack are at times less cognizant of the TF activity that may be taking place on their soil. In addition, most countries collect severely limited (if any) statistical data that is specifically related to TF, which makes the assessment of TF assets particularly challenging and may limit the usefulness of quantitative data in assessing the full extent of the TF threat in a jurisdiction.

For both POC and TF, relevant data include the number of investigations, prosecutions, convictions, and asset freezing, seizing, and confiscations for each category of predicate offence, which are also covered under the topics of the criminal justice system and asset restraint.

POC-specific data includes any available data on the market price of criminal products and services (e.g., market price of 1 kg of cocaine or a pirated DVD), the cost of producing, smuggling, or delivering them (e.g., cost of producing pirated DVDs, purchasing and smuggling arms, etc.), the volume of the products or services (e.g., amount of cocaine sold), the number of customers (e.g., number of cocaine users), the number of victims (e.g., number of people robbed, children trafficked, etc.), and any other relevant information.

Data relevant to TF-designated assets are based on each country's specific conditions and experience, and may include the cost of terrorist activities, the volume of and amounts involved in local and cross-border terrorist financing cases, the destinations of terrorist financing assets, and relevant characteristics of population groups from whom the funds originate (e.g., the size, wealth, and level of support of diasporas, religious and other groups who may be sympathetic to a cause).

Potential sources of data for both topics may include official crime and confiscation statistics; academic research; intelligence reports; offender and victimization surveys; and reports from government, NGOs, and the media. Since this topic is largely based on research from a variety of different sources with limited relevant information, organizing the raw data in clearly defined indicators may be quite challenging. Therefore, some countries may benefit from collecting the raw data and using outside expertise or specific guidance to combine it and produce estimates, especially when the estimates are used as part of a specific NRA methodology. The UNODC has produced guidance on this topic in a research report entitled "Estimating Illicit Financial Flows Resulting from Drug Trafficking and other Transnational Organized Crimes<sup>16</sup>.

In addition to the topic-specific guidance on the criminal justice process and confiscations, when collecting the raw data the lead agency or researchers may wish to:

- Create clear distinctions between domestically-generated POC and foreign-generated POC that are transferred into the country.
- Classify data according to the specific offence category, and make an effort to distinguish POC generated from different offences even if they are often linked together (e.g., criminal organizations engaged in trafficking of both narcotics and humans).

<sup>16</sup> Thomas Pietschmann & John Walker, "Estimating Illicit Financial Flows Resulting from Drug Trafficking and other Transnational Organized Crimes", United Nations Office on Drugs and Crime, Research Report, 2011. Available at: http://www. unodc.org/documents/data-and-analysis/Studies/Illicit\_financial\_flows\_2011\_web.pdf

- *Provide accurate descriptions and sources for each data point* to avoid double counting, allow accurate calculations, and detect inconsistencies and large variations between sources (e.g., "the price of cocaine" could refer to either the wholesale price of 1 kg or the street price of 1 gram).
- Emphasize the distinction between the value of the proceeds of crime and the value of the losses to the victims of crimes, and focus the data collection efforts on the former.
- Use a variety of government and independent sources to increase the validity of the data.
- To the extent possible, it may be helpful to use the same list of sources year-to-year to improve the ability to accurately identify trends over time.

#### **Summary and conclusions**

The collection of objective quantitative data is a central element of national AML/CFT systems, and is becoming ever-more important as countries are increasing their efforts to assess their ML and TF risks and implement a risk-based approach. By improving their data collection efforts, national authorities can gain valuable insight into their AML/CFT systems and identify threats and vulnerabilities for further analysis prioritization. Together with qualitative assessments, quantitative data provides an important foundation for conducting an NRA.

While AML/CFT data collection remains a challenging task, countries could overcome many of these challenges by developing a systematic approach that captures information on all elements of the national AML/CFT regime and provides clear guidance on what data should be collected and reported and how. This document provides one basis for developing a systematic approach to AML/CFT data collection and covers many of the different elements that countries could consider and address in the data collection process.

By relying on work that is already being done by FIUs, regulators, law enforcement, and prosecution authorities, and making often small adjustments to improve the systematic documentation and reporting of this work, countries can draw significant benefits, lay the foundation for conducting an NRA, and improve the effectiveness of their AML/CFT systems.

#### References

Dawe, Stephen, "A framework for assessing national money laundering and financing of terrorism risk (working draft)", IMF, November 2011.

Dawe, Stephen & Sundquist, Aaron, "Results of the IMF AML/CFT Data Inventory Survey" (unpublished), November 2011.

FATF, "Guidance on the risk-based approach to combating money laundering and terrorist-financing: high level principles and procedures", June 2007. Available at: http://www.fatf-gafi. org/media/fatf/documents/reports/High%20Level%20Principles%20and%20Procedures.pdf

FATF, "International standards on combating money laundering and the financing of terrorism and proliferation: the FATF recommendations", February 2012. Available at: http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%20 (approved%20February%202012)%20reprint%20May%202012%20web%20version.pdf

Financial Integrity Group, "Preliminary inquiry into the assessment of AML/CFT regime effectiveness" (unpublished), an AML/CFT Topical Trust Fund Project 2010-11, Legal Department, IMF, 2011.

Greenberg, Theodore S. et al., "Stolen Asset Recovery: A Good Practices Guide for Non-Conviction Based Asset Forfeiture", Stolen Asset Recovery (StAR) Initiative, World Bank, 2009. Available at: http://www1.worldbank.org/finance/star\_site/documents/non-conviction/ NCBGuideFinalEBook.pdf

MONEYVAL, "Template for 4th assessment visits progress reports", 38th MONEYVAL Plenary Meeting, 5–9.3.2012.

Pietschmann, Thomas & Walker, John, "Estimating Illicit Financial Flows Resulting from Drug Trafficking and other Transnational Organized Crimes", United Nations Office on Drugs and Crime, Research Report, 2011. Available at: http://www.unodc.org/documents/data-andanalysis/Studies/Illicit\_financial\_flows\_2011\_web.pdf

Tavares, Cynthia, Thomas, Geoffrey & Roudaut, Mickaël, "Money laundering in Europe: Report of work carried out by Eurostat and DG Home Affairs", Eurostat Methodologies and Working Papers, 2010. Available at: http://epp.eurostat.ec.europa.eu/cache/ITY\_OFFPUB/KS-RA-10-003/EN/KS-RA-10-003-EN.PDF

World Bank, "Money Laundering National Risk Assessment tool (2nd generation)", 2011.

World Bank and Asia/Pacific Group on Money Laundering, "Strategic Implementation Planning (SIP) National Risk Assessment tool: Template 1", July 2011.

#### Annexes

The three annexes below include data collection matrices that cover the main aspects of AML/ CFT regimes and correspond with the data collection topics in chapter 3. With the exception of POC and TF assets, for which no data collection matrix is included in this publication, the other AML/CFT topics are illustrated by corresponding data collection matrices. The matrices are included primarily to serve as examples of how to apply the suggestions provided in chapters 2 and 3, and not as complete ready-made templates to be completed. The main use for the matrices would be to serve as a point of reference that countries may consider when making changes to the methods used to collect national AML/CFT data. Therefore, lead agencies should make their own decisions regarding which indicators should be added or removed from the list based on their AML/CFT system, assessment needs, and available resources.

## Annex I. A sample data collection matrix for the criminal justice system

The sample data collection matrix on the criminal justice system is divided into two main parts – ML and predicate offences, and TF – with each part consisting of sections on investigations, prosecutions, and convictions. While the TF part of the matrix has fewer indicators than the ML part (mainly because there are no predicate offences for TF), the TF indicators are highly similar to those for ML, and the same instructions usually apply for both categories albeit with necessary adjustments.

The first column of the ML and predicate offences part of the matrix consists of 28 indicators on investigations, prosecutions, and convictions, and the next 24 columns list 22 categories of predicate offences (21 existing ones and one or more that could be added as needed), ML only offence(s), and the total for all predicate offences or ML.

	Total Predicate Offence / ML							
	To Pred 0ffer M							
	ML only							
	Other offence categories (add²)							
	Insider trading and market manipulation							
	Рігасу							
	Forgery							
	Extortion							
	zəminə xsT							
	gnilggum2							
	Robbery/theft							
ies	<b>B</b> niqqanbiX							
ategor	Murder, grievous Murder, grievous							
ces Ca	Environmental crime							
Offen	Counterfeiting and piracy of products							
Predicate Offences Categories	Counterfeiting of currency							
Pre	Fraud							
	Corruption/bribery							
	Trafficking in stolen goods							
	Arms trafficking							
	Drug trafficking							
	noitatiolqx9 lsux92							
	Human trafficking							
	Terrorism							
	Organised crime							s.
	Indicator	No. of cases investigated for the predicate offence	No. of cases investigated for ML	No. of individuals investigated for the predicate offence	No. of individuals investigated for ML	No. of investigation cases for ML initiated by STRs	No. of investigation cases for ML where STR data was used <sup>1</sup>	<sup>1</sup> Including investigations initiated by STRs.
	Data Year: 20	2.1.1	2.1.2	2.1.3	2.1.4	2.1.5	2.1.6	
Data Year: 20		2.1 ML/Predicate Offence Investigations						

# **Criminal Process: ML and Predicate Offences**

34

(continued)	
Offences (cor	
Predicate	
ML and	
I Process: N	
Crimina	

	Total Predicate Offence / ML													
	ML Of Ot													
	categories (add²)													
	Market manipulation													
	Piracy Insider trading and													
	Eorgery													
	Extortion													
	zamino xsT													
	քուլջքստշ													
	Robbery/theft													
es	Kidnapping													
Itegori	Murder, grievous bodily injury													
ces Ca	Environmental crime													
Predicate Offences Categories	Counterfeiting and piracy of products													
dicate	Counterfeiting of currency													
Pre	Fraud													
	Corruption/bribery													
	Trafficking in stolen goods													
	Arms trafficking													
	Drug trafficking													
	noitatiolqx9 lsux92													
	Human trafficking													
	Terrorism													
	Organised crime													
								hat	lich		h ta		or	IS as
	Indicator	No. of cases prosecuted for the predicate offence	No. of cases prosecuted for ML	No. of individuals prosecuted for the predicate offence	No. of individuals prosecuted for ML	No. of prosecution cases for ML initiated by STRs	No. of prosecution cases for ML where STR data was used	No. of ML investigation cases that resulted in prosecution for the predicate offence only	No. of prosecution cases in which a reason <sup>1</sup> for not pursuing ML charges was:	Reason: No evidence of ML	Reason: Not enough evidence to meet the burden of proof for ML	Reason: ML prosecution too costly or time consuming	Reason: Marginal sentences for ML convictions compared to predicate offence	Reason: (Add common reasons as necessary)
	Data Data Year: Indicator 20	2.2.1 No. of cases prosecuted for the predicate offence	2.2.2 No. of cases prosecuted for ML	2.2.3 No. of individuals prosecuted for the predicate offence	2.2.4 No. of individuals prosecuted for ML	2.2.5 No. of prosecution cases for ML initiated by STRs	2.2.6 No. of prosecution cases for ML where STR data was used	No. of ML investigation cases t resulted in prosecution for the predicate offence only	2.2.8- a reason <sup>1</sup> for not pursuing ML 2.2.12 charges was:	2.2.8 Reason: No evidence of ML	2.2.9 Reason: Not enough evidence meet the burden of proof for N	2.2.10 Reason: ML prosecution too costly or time consuming	2.2.11 Reason: Marginal sentences f ML convictions compared to predicate offence	2.2.12 Reason: (Add common reasor necessary)

<sup>1</sup> More than one reason may apply to each prosecution case. <sup>2</sup> Add as many columns as necessary to include all categories of predicate offences.

	-	Tax crimes Extortion										
	-	Robbery/theft										
	Predicate Offences Categories	Murder, grievous bodily injury Kidnapping										
	ces Cat	Environmental crime										
	e Offen	Counterfeiting and piracy of products										
) (p	redicat	Counterfeiting of currency										
Offences (continued)	ā	Eraud										
ont	-	Gorruption/bribery										
s (c	-	Trafficking in stolen										
nce	-	Arms trafficking										
Пе	-	Drug trafficking										
Ð	-	Human trafficking Sexual exploitation										
Ð	-	Terrorism Human trafficking										
Ð	-	Puman trafficking										
Ð		Organised crime Terrorism Human trafficking	. of cases with conviction on e predicate offence	o. of cases with conviction on ML	edicate offence	0. of individuals convicted of ML	L initiated by STRs	L. of cases with conviction on L where STR data was used	<ol> <li>of individuals convicted of ML no were sentenced to a fine</li> </ol>	rerage fine (in USD>0) on dividuals convicted of ML	<ul> <li>of individuals convicted of L who were sentenced to prisonment<sup>1</sup></li> </ul>	erage prison sentence <sup>1</sup> 1 months>0) for individuals nivicted of ML
		Terrorism Human trafficking	2.3.1 No. of cases with conviction on the predicate offence	2.3.2 No. of cases with conviction on ML	2.3.3 No. of individuals convicted of the predicate offence	2.3.4 No. of individuals convicted of ML	2.3.5 No. of cases with conviction on ML initiated by STRs	2.3.6 No. of cases with conviction on ML where STR data was used	2.3.7 No. of individuals convicted of ML who were sentenced to a fine	2.3.8 Average fine (in USD>0) on individuals convicted of ML	2.3.9 No. of individuals convicted of ML who were sentenced to imprisonment <sup>1</sup>	2.3.10 Average prison sentence <sup>1</sup> (in months>0) for individuals convicted of ML

(continued) 4 ( ( and Dradinata Offan D. MI ¢ ( Criminal Dro

<sup>1</sup> Not including suspended and conditional sentences. <sup>2</sup> Add as many columns as necessary to include all categories of predicate offences

### **Criminal Process: TF**

Data Year: 20\_\_\_

	No.	Indicator	TF
	2.4.1	Number of cases investigated for TF	
ations	2.4.2	Number of individuals investigated for TF	
2.4 TF Investigations	2.4.3	Number of investigation cases for TF initiated by STRs	
2.4 T	2.4.4	Number of investigation cases for TF where STR data was used	

	No.	Indicator	TF
	2.5.1	Number of cases prosecuted for TF	
	2.5.2	Number of individuals prosecuted for TF	
	2.5.3	Number of prosecution cases for TF initiated by STRs	
	2.5.4	Number of prosecution cases for TF where STR data was used	
	2.5.5	Number of TF investigations that resulted in prosecution for other offences only	
2.5 TF Prosecutions	2.5.6- 2.5.10	No. of prosecution cases in which a reason <sup>1</sup> for not pursuing TF charges was:	
2.5 TF P	2.5.6	Reason: No evidence of TF	
	2.5.7	Reason: Not enough evidence to meet the burden of proof for TF	
	2.5.8	Reason: TF prosecution too costly or time consuming	
	2.5.9	Reason: Marginal sentences for TF convictions compared to other offences in the case	
	2.5.10	Reason: (Add common reasons as necessary)	

	No.	Indicator	TF
	2.6.1	Number of cases with conviction on TF	
	2.6.2	Number of individuals convicted of TF	
	2.6.3	Number of cases with convictions on TF initiated by STRs	
	2.6.4	Number of cases with convictions on TF where STR data was used	
2.6 TF Convictions	2.6.5	Number of individuals convicted of TF who were sentenced to a fine	
2.6 TF	2.6.6	Average fine (in USD>0) on individuals convicted of TF	
	2.6.7	Number of individuals convicted of TF who were sentenced to imprisonment <sup>1</sup>	
	2.6.8	Average prison sentence <sup>2</sup> (in months>0) for individuals convicted of TF	

<sup>1</sup> More than one reason may apply to each prosecution case. <sup>2</sup> Not including suspended and conditional sentences.

### Annex II: Sample instructions and definitions for the criminal justice system matrix

Similarly to the sample data collection matrix on the criminal process, the instructions for completing it provide accurate and clear definitions and help to produce a reliable database of quantitative AML/CFT data for NRAs and other purposes.

General guidelines:

*Predicate offences:* the data under each category of predicate offence should be based on all the predicate offences in that category (as listed by the lead agency) and the ML offences associated with them. In countries where predicate offences are defined based on a threshold or all crimes approach, categories should be created for each type of predicate offence for ML. Data should be included in each category only if the offence meets the relevant threshold for a money laundering predicate offence. The organization into categories is useful for the purpose of aggregating the wide variety of predicate offences into easily understandable areas of crime and presenting them in a clear manner.

*ML only:* this column is used only when the ML offence stands alone and is not associated with any predicate offence.

*Time-frame:* the data reported in the matrix refers to investigations and legal proceedings that were initiated in the calendar year 2011, regardless of whether or when they were completed. To clarify, investigations and legal proceedings that were initiated in a previous calendar year but were still in progress in 2011 should **not** be included in the matrix.

Zero: if data was recorded and reported for a specific data point but no action took place in the specific calendar year (e.g., the prosecution collects and reports data on TF prosecutions, but none took place in 2011), then the number "0" should be entered.

*No data:* if no data was reported on a specific point for any reason (no data was collected, the offence does not exist or is not a predicate offence, etc.), then "N/A" should be entered, indicating that the data is not available or not applicable. To clarify, "N/A" should be entered every time no data was reported, so there should be no empty cells in the matrix.

*Total Predicate Offence / ML:* the last column is the total for each indicator, and should be completed by adding the data from the columns of all 22 predicate offences for each indicator and ML only offences.

Indicator-specific guidelines:

### 2.1-2.3 ML/Predicate Offence

### 2.1 ML/Predicate Offence Investigations

This section covers data on investigations broken down by predicate offence and related ML, cases and individuals, and relation to STRs.

For the purpose of this section, investigations are defined as *criminal* investigations conducted by a law enforcement agency or by a law enforcement FIU that has investigative powers. Investigations should be distinguished from FIU analysis, examinations, inquiries, etc. of STRs or cases that do not meet the criteria of criminal investigation.

2.1.1 Number of cases investigated for the predicate offence. This refers to the number of criminal investigation cases for predicate offences in each of the predicate offences categories. To clarify, investigations for the predicate offence should be entered for this indicator regardless of whether they are related to ML.

<u>2.1.2 Number of cases investigated for ML</u>. This refers to the number of criminal investigation cases for ML related to each of the categories of predicate offences. To clarify, investigations for ML should be entered under the relevant category of predicate offences regardless of whether an investigation for the predicate offence is reported in indicator 2.1.1, and some overlap between the two indicators is expected.

2.1.3 Number of individuals investigated for the predicate offence. This refers to the number of individuals under criminal investigations for predicate offences in each of the predicate offences categories. To clarify, the number of individuals under investigation for the predicate offence should be entered for this indicator regardless of whether these investigations are related to ML.

<u>2.1.4 Number of individuals investigated for ML</u>. This refers to the number of individuals under criminal investigations for ML related to each of the categories of predicate offences. To clarify, the number of individuals under investigation for ML should be entered under the relevant category of predicate offences regardless of whether individuals under investigation for the predicate offence are reported in indicator 2.1.3, and some overlap between the two indicators is expected.

2.1.5 Number of investigation cases for ML initiated by STRs. This refers to the total number of criminal investigation cases that were initiated by STRs for ML related to each of the categories of predicate offences. To clarify, investigation cases initiated by STRs for the predicate offences themselves should not be counted for the purpose of this indicator (to avoid double counting).

2.1.6 Number of investigation cases for ML where STR data was used. This refers to the total number of criminal investigation cases for ML related to each of the categories of predicate offences where STR data was used. "STR data used" refers to any type of STR data used in the investigation, regardless of whether it was disseminated by the FIU or requested by a law enforcement agency, and including the initiation of an investigation cases for the predicate offences themselves where STR data was used should not be counted for the purpose of this indicator (to avoid double counting).

### 2.2 ML/Predicate Offence Prosecutions

This section covers data on prosecutions broken down by predicate offence and related ML, cases and individuals, and reasons for not pursuing ML prosecutions.

2.2.1 Number of cases prosecuted for the predicate offence. This refers to the number of criminal prosecution cases for predicate offences in each of the predicate offences categories. To clarify, prosecutions for the predicate offence should be entered for this indicator regardless of whether they are related to ML.

<u>2.2.2 Number of cases prosecuted for ML</u>. This refers to the number of criminal prosecution cases for ML related to each of the categories of predicate offences. To clarify, prosecutions for ML should be entered under the relevant category of predicate offences regardless of whether a prosecution for the predicate offence is reported in indicator 2.2.1, and some overlap between the two indicators is expected.

<u>2.2.3 Number of individuals prosecuted for the predicate offence</u>. This refers to the number of individuals criminally prosecuted for predicate offences in each of the predicate offences categories. To clarify, the number of individuals prosecuted for the predicate offence should be entered for this indicator regardless of whether these prosecutions are related to ML.

<u>2.2.4 Number of individuals prosecuted for ML</u>. This refers to the number of individuals criminally prosecuted for ML related to each of the categories of predicate offences. To clarify, the number of individuals prosecuted for ML should be entered under the relevant category of predicate offences regardless of whether individuals prosecuted for the predicate offence are reported in indicator 2.2.3, and some overlap between the two indicators is expected.

<u>2.2.5 Number of prosecution cases for ML initiated by STRs</u>. This refers to the total number of criminal prosecution cases that were initiated by STRs for ML related to each of the categories of predicate offences. "Cases initiated by STRs" refer to *investigation* cases that were initiated by STRs, i.e., the original investigation that led to the prosecution was initiated by an STR. To clarify, prosecution cases initiated by STRs for the predicate offences themselves should not be counted for the purpose of this indicator (to avoid double counting).

2.2.6 Number of prosecution cases for ML where STR data was used. This refers to the total number of criminal prosecution cases for ML related to each of the categories of predicate offences where STR data was used during the investigation. "STR data used" refers to any type of STR data used in the *investigation*, regardless of whether it was disseminated by the FIU or requested by a law enforcement agency, and including the initiation of an investigation by the STR, so there may be some overlap with indicator 2.2.5. To clarify, prosecution cases for the predicate offences themselves where STR data was used should not be counted for the purpose of this indicator (to avoid double counting).

2.2.7 Number of ML investigation cases that resulted in prosecution for the predicate offence only. This refers to the number of ML investigation cases that are prosecuted for the predicate offence but not for the related ML offence. To clarify, the relevant data date is the date of the prosecution (not the investigation) that did not include ML charges along with the charges for the predicate offence.

<u>2.2.8-2.2.12 Reasons for not pursuing ML charges</u>. These indicators refer to common reasons for the prosecution to not include ML charges along with the charges for the predicate offence based on an ML-related investigation. More than one reason could apply to each case.

<u>2.2.8 Reason for not pursuing ML charges: No evidence of ML</u>. The reason in this indicator is that no evidence of ML was found in the investigation.

2.2.9 Reason for not pursuing ML charges: Not enough evidence to meet the burden of proof for ML. The reason in this indicator is that while the investigation found evidence of ML, the prosecution did not think that the evidence was sufficient to prove the ML case in court.

<u>2.2.10 Reason for not pursuing ML charges: ML prosecution too costly or time consuming</u>. The reason in this indicator is that a prosecution for the ML case would require a lot of resources or take a long time to complete.

2.2.11 Reason for not pursuing ML charges: Marginal sentences for ML convictions compared to predicate offence. The reason in this indicator is that even if the ML prosecution would lead to a conviction, the expected sentence for the ML conviction would be marginal compared to the expected sentence for a conviction for the predicate offence.

<u>2.2.12 Reason for not pursuing ML charges: (Add common reasons as necessary)</u>. The relevant agency should add reasons for not pursuing ML charges that are common in the jurisdiction.

### 2.3 ML/Predicate Offence Convictions

This section covers data on convictions broken down by predicate offence and related ML, cases and individuals, and sentencing.

<u>2.3.1 Number of cases with conviction on the predicate offence</u>. This refers to the number of criminal conviction cases for predicate offences in each of the predicate offences categories. To clarify, convictions for the predicate offence should be entered for this indicator regardless of whether they are related to ML.

<u>2.3.2 Number of cases with conviction on ML</u>. This refers to the number of criminal conviction cases for ML related to each of the categories of predicate offences. To clarify, convictions for ML should be entered under the relevant category of predicate offences regardless of whether a conviction for the predicate offence is reported in indicator 2.3.1, and some overlap between the two indicators is expected.

2.3.3 Number of individuals convicted of the predicate offence. This refers to the number of individuals criminally convicted of predicate offences in each of the predicate offences categories. To clarify, the number of individuals convicted for the predicate offence should be entered for this indicator regardless of whether these convictions are related to ML.

<u>2.3.4 Number of individuals convicted of ML</u>. This refers to the number of individuals criminally convicted of ML related to each of the categories of predicate offences. To clarify, the number of individuals convicted for ML should be entered under the relevant category of predicate offences regardless of whether individuals convicted for the predicate offence are reported in indicator 2.3.3, and some overlap between the two indicators is expected.

<u>2.3.5 Number of cases with conviction on ML initiated by STRs</u>. This refers to the total number of criminal conviction cases that were initiated by STRs for ML related to each of the categories of predicate offences. "Cases initiated by STRs" refers to *investigation* cases that were initiated by STRs, i.e., the original investigation that led to the conviction was initiated by an STR. To clarify, conviction cases initiated by STRs for the predicate offences themselves should not be counted for the purpose of this indicator (to avoid double counting).

2.3.6 Number of cases with conviction on ML where STR data was used. This refers to the total number of criminal conviction cases for ML related to each of the categories of predicate offences where STR data was used during the investigation. "STR data used" refers to any type of STR data used in the *investigation*, regardless of whether it was disseminated by the FIU or requested by a law enforcement agency, and including the initiation of an investigation by the STR, so there may be some overlap with indicator 2.3.5. To clarify, conviction cases for the predicate offences themselves where STR data was used should not be counted for the purpose of this indicator (to avoid double counting).

<u>2.3.7 Number of individuals convicted of ML who were sentenced to a fine</u>. This refers to the number of individuals criminally convicted for ML charges and sentenced to a fine as all or as part of their sentence.

<u>2.3.8 Average fine (in USD>0) on individuals convicted of ML</u>. This refers to the average fine amount, in USD, that was imposed on individuals who were convicted of ML and sentenced to a fine (calculated fine amounts are greater than zero).

2.3.9 Number of individuals convicted of ML who were sentenced to imprisonment. This refers to the number of individuals criminally convicted for ML charges and sentenced to an imprisonment as all or as part of their sentence. "Imprisonment" refers to actual imprisonment only, and does not include probation or suspended sentences.

<u>2.3.10 Average prison sentence (in months>0) for individuals convicted of ML</u>. This refers to the average prison sentence, in months, that was imposed on individuals who were convicted of ML and sentenced to imprisonment (calculated imprisonment sentences are greater than zero). For the purpose of this indicator, the term prison sentence does not include suspended and conditional imprisonment sentences.

### 2.4-2.6 TF

The TF part of the matrix follows the same structure as the ML/Predicate Offences part and generally includes the TF versions of the ML-specific indicators with a few small changes. In general, TF offences are independent and do not require terrorism (or any other offence) as a predicate offence. Therefore, TF investigations, prosecutions, and convictions should be reported independently from any other offence.

### 2.4 TF Investigations

This section covers data on investigations broken down by cases, individuals, and relation to STRs.

For the purpose of this section, investigations are defined as *criminal* investigations conducted by a law enforcement agency or by a law enforcement FIU that has investigative powers. Investigations should be distinguished from FIU analysis, examinations, inquiries, etc. of STRs or cases that do not meet the criteria of criminal investigation.

<u>2.4.1 Number of cases investigated for TF</u>. This refers to the number of criminal investigation cases for TF.

<u>2.4.2 Number of individuals investigated for TF</u>. This refers to the number of individuals under criminal investigations for TF.

<u>2.4.3 Number of investigation cases for TF initiated by STRs</u>. This refers to the total number of criminal investigation cases that were initiated by STRs for TF.

<u>2.4.4 Number of investigation cases for TF where STR data was used</u>. This refers to the total number of criminal investigation cases for TF where STR data was used. "STR data used" refers to any type of STR data used in the investigation, regardless of whether it was disseminated by the FIU or requested by a law enforcement agency, and including the initiation of an investigation by the STR, so there may be some overlap with indicator 2.4.3.

### 2.5 TF Prosecutions

This section covers data on prosecutions broken down by cases, individuals, and reasons for not pursuing TF prosecutions.

<u>2.5.1 Number of cases prosecuted for TF</u>. This refers to the number of criminal prosecution cases for TF.

<u>2.5.2 Number of individuals prosecuted for TF</u>. This refers to the number of individuals criminally prosecuted for TF.

<u>2.5.3 Number of prosecution cases for TF initiated by STRs</u>. This refers to the total number of criminal prosecution cases for TF that were initiated by STRs. "Cases initiated by STRs" refers to *investigation* cases that were initiated by STRs, i.e., the original investigation that led to the prosecution was initiated by an STR.

<u>2.5.4 Number of prosecution cases for TF where STR data was used</u>. This refers to the total number of criminal prosecution cases for TF where STR data was used. "STR data used" refers to any type of STR data used in the *investigation*, regardless of whether it was disseminated by the FIU or requested by a law enforcement agency, and including the initiation of an investigation by the STR, so there may be some overlap with indicator 2.5.3.

2.5.5 Number of ML investigation cases that resulted in prosecution for other offences only. This refers to the number of TF investigation cases that are prosecuted for other related offences but not for the TF offence. To clarify, the relevant date of the data is the date of the prosecution (not the investigation) that did not include TF charges along with the charges for other offences.

<u>2.5.6-2.5.10 Reasons for not pursuing TF charges</u>. These indicators refer to common reasons for the prosecution to not include TF charges along with other charges in the case based on a TF-related investigation. More than one reason could apply to each case.

<u>2.5.6 Reason for not pursuing TF charges: No evidence of TF</u>. The reason in this indicator is that no evidence of TF was found in the investigation.

<u>2.5.7 Reason for not pursuing TF charges: Not enough evidence to meet the burden of proof for TF.</u> The reason in this indicator is that while the investigation found evidence of TF, the prosecution did not think that the evidence was sufficient to prove the TF case in court.

<u>2.5.8 Reason for not pursuing TF charges: TF prosecution too costly or time consuming</u>. The reason in this indicator is that a prosecution for the TF case would require a lot of resources or take a long time to complete.

2.5.9 Reason for not pursuing TF charges: Marginal sentences for TF convictions compared to other offences in the case. The reason in this indicator is that even if the TF prosecution would lead to a conviction, the expected sentence for the TF conviction would be marginal compared to the expected sentence for a conviction for other offences in the case.

<u>2.5.10 Reason for not pursuing TF charges: (Add common reasons as necessary)</u>. The relevant agency should add reasons for not pursuing TF charges that are common in the jurisdiction.

### 2.6 TF Convictions

This section covers data on convictions broken down by cases, individuals, and sentencing.

<u>2.6.1 Number of cases with conviction on TF</u>. This refers to the number of criminal conviction cases for TF.

<u>2.6.2 Number of individuals convicted of TF</u>. This refers to the number of individuals criminally convicted of TF.

<u>2.6.3 Number of cases with conviction on TF initiated by STRs</u>. This refers to the total number of criminal conviction cases on TF that were initiated by STRs. "Cases initiated by STRs" refers to *investigation* cases that were initiated by STRs, i.e., the original investigation that led to the conviction was initiated by an STR.

<u>2.6.4 Number of cases with conviction on TF where STR data was used</u>. This refers to the total number of criminal conviction cases for TF where STR data was used during the investigation. "STR data used" refers to any type of STR data used in the *investigation*, regardless of whether it was disseminated by the FIU or requested by a law enforcement agency, and including the initiation of an investigation by the STR, so there may be some overlap with indicator 2.6.3.

<u>2.6.5 Number of individuals convicted of TF who were sentenced to a fine</u>. This refers to the number of individuals criminally convicted for TF charges and sentenced to a fine as all or as part of their sentence.

<u>2.6.6 Average fine (in USD>0) on individuals convicted of TF</u>. This refers to the average fine amount, in USD, that was imposed on individuals who were convicted of TF and sentenced to a fine (calculated fine amounts are greater than zero).

2.6.7 Number of individuals convicted of TF who were sentenced to imprisonment. This refers to the number of individuals criminally convicted for TF charges and sentenced to imprisonment as all or as part of their sentence. "Imprisonment" refers to actual imprisonment only, and does not include probation or suspended sentences.

<u>2.6.8 Average prison sentence (in months>0) for individuals convicted of TF</u>. This refers to the average prison sentence, in months, that was imposed on individuals who were convicted of TF and sentenced to imprisonment (calculated imprisonment sentences are greater than zero). For the purpose of this indicator, the term prison sentence does not include suspended and conditional imprisonment sentences.

## Annex III. Additional sample data collection matrices for various AML/CFT topics

### **Reports to the FIU: STRs and CTRs**

		Total FIs, DNFBPs, Other Entities, and Gov.										
-		Total gov. agencies										
	cies	(9qq)										
	Gov. Agencies	control Other gov. agencies										
	Gov	Central bank Customs and border										
	Other	(add) (add) (add)										
		Other reporting entities										
		2018 SUFBPS										
ncies		Other DNFBPs (add)										
d Age		Trust and company service providers										
ies an	s	Accountants & auditors										
g Entit	DNFBPs	Notaries										
orting		Γαwyers										
<b>Categories of Reporting Entities and Agencies</b>		Dealers in precious metals and stones										
gories		Real estate agents										
Cate		sonissJ										
		ziAi listoT										
	ls)	Other financial institutions (add)										
	Financial Institutions (FIs)	Money Services Businesses (MSBs)										
	Institu	Insurance industry										
	ncial	Securities industry										
	Fina	Non-bank deposit takers										
		Banks										
		Indicator	No. of ML STRs received by the FIU	Average value of ML STRs received by the FIU (in USD)	No. of TF STRs received by the FIU	Average value of TF STRs received by the FIU (in USD)	Total no. of STRs received by the FIU	Average value of all STRs received by the FIU (in USD)	CTR requirement exists (Yes/No)	CTR threshold <sup>1</sup> (in USD)	Total no. of CTRs received by the FIU	Average value of CTRs received by the FIU (in USD)
		Data Year: 20	1.1.1	1.1.2	1.1.3	1.1.4	1.1.5	1.1.6	1.2.1	1.2.2	1.2.3	1.2.4
		びょり	n	y the Fl	d bə	Vieceiv	eate t.	L		S	ATO S. 1	

<sup>1</sup> In case more than one threshold applies to a certain category, the amount entered is that of the lowest threshold.

Rs)	ncies	zəionəge.vog letoT										
ts (BCI	Reporting Agencies	Other gov. agencies (add)										
Repor	Repo	Customs and border control										
Reports to the FIU: Border Cash Reports (BCRs)		Indicator	BCR threshold for incoming border crossings (in USD)	BCR threshold for outgoing border crossings (in USD)	Total no. of BCRs from incoming border crossings	Average value of BCRs from incoming border crossings (in USD)	Total no. of BCRs from outgoing border crossings	Average value of BCRs from outgoing border crossings (in USD)	Total no. of detected undeclared or inaccurate BCRs from incoming border crossings	Average value of detected, undeclared, or inaccurate BCRs from incoming border crossings (in USD)	Total no. of detected undeclared or inaccurate BCRs from outgoing border crossings	Average value of detected undeclared or inaccurate BCRs from outgoing border crossings (in USD)
orts		Data Year: 20	1.3.1	1.3.2	1.3.3	1.3.4	1.3.5	1.3.6	1.3.7	1.3.8	1.3.9	1.3.10
Rep		Data 20_				(sı	n Repor	ler Casl	BCRs (Bord	15.1		

	びょり			tion	seniməz	siG bns sia	visnA AT2	1.4.F		
	Data Year: 20	1.4.1	1.4.2	1.4.3	1.4.4	1.4.5	1.4.6	1.4.7	1.4.8	1.4.9
	Indicator	No. of ML STRs analysed <sup>1</sup> by the FIU	No. of ML STRs disseminated to / accessed by law enforcement agencies	No. of ML STRs disseminated to / accessed by other government agencies	No. of TF STRs analysed <sup>1</sup> by the FIU	No. of TF STRs disseminated to / accessed by law enforcement agencies	No. of TF STRs disseminated to / accessed by other government agencies	Total no. of STRs analysed <sup>1</sup> by the FIU	Total no. of STRs disseminated to / accessed by law enforcement agencies	Total no. of STRs disseminated to / accessed by other government agencies
	Banks									
Fina	Non-bank deposit takers									
ncial I	Securities ndustry									
nstitut	Insurance industry									
Financial Institutions (FIs)	Money Services Buisnesses (MSBs)									
(sl:	Other financial institutions (add)									
	slii listoT									
Categ	sonissJ									
ories o	Real estate agents Dealers in precious									
f Repo	metals and stones									
DNI	гямуега									
Categories of Reporting Entities and Agencies DNFBPs	Notaries									
and Aç	Accountants									
Jencies	service providers Other DNFBPs (add)									
	Total DNFBPs									
0	Other reporting entities (add)									
Other	Total other entities									
	Central bank									
Gov. Agencies	Sud border control									
encies	Other gov. agencies (add)									
	Total gov. agencies									
	Total FIs, DNFBPs, Other Entities, and Gov.									

**Reports to the FIU: STR Analysis and Dissemination** 

<sup>1</sup> For the purpose of this indicator, "analysis" does not include criminally-oriented investigations by law enforcement-type FIUs.

			Total Predicate Offence / ML / TF										
			TF only										
			ML only										
			Other offence categories (add²)										
			Insider trading and market manipulation										
			Piracy										agenc
			Гогдегу										elevant
			Extortion										by the r
			Tax crimes										nined t
	ance		gnilggum2										s deterr
	Primary (Single) <sup>1</sup> Underlying Offence		Robbery/theft										ation as
	erlyin	ories	Kidnapping										confisca
(uc	) <sup>1</sup> Und	Categ	Murder, grievous Murder, grievous										ng, or (
ati	single	nces	Environmental crime										g, seizi
lisc	ary (S	e Offe	Counterfeiting and piracy of products										freezin
Freezing, Seizing, and Confiscation)	Prim	Predicate Offences Categories	Counterfeiting of currency										e asset
pu		P	Fraud										d to the
g, a			Corruption/bribery										related
zin			Trafficking in stolen goods										offence
Sei			Arms trafficking										dicate
ing,			Drug trafficking										ary pre
eezi			Sexual exploitation										le prim
$\sim$			Human trafficking										only or
ion			Terrorism										ded by
scat			Organised crime						_				e recor
<b>Asset Restraint and Confiscation</b>			Indicator	No. of asset freezing cases	No. of individuals who were subject to asset freezing	Value of frozen assets (in USD)	No. of asset seizing cases	No. of individuals who were subject to asset seizing	Value of seized assets (in USD)	No. of asset confiscation and forfeiture cases	No. of individuals who were subject to asset confiscation and forfeiture	Value of confiscated and forfeited assets (in USD)	<sup>1</sup> To avoid duplications, the data are recorded by only one primary predicate offence related to the asset freezing, seizing, or confiscation as determined by the relevant agency
t Re			ear:	3.1.1	3.1.2	3.1.3	3.2.1	3.2.2	3.2.3	3.3.1	3.3.2	3.3.3	
Asse			Data Year: 20		əzzA t. gnizəər			922A S. pnizi92			sitnoJ tes		

ġ ÿ C -. Ò ĥ ġ ÿ 0 Ċ

.

<sup>2</sup> Add as many columns as necessary to include all categories of predicate offences.

## **Regulatory Supervision: Inspections**

		Total FIs, DNFBPs, and Other Entities											
	er	Total other entities											
	Other	Other reporting entities (add)											
		2987NO IstoT											
		Other DNFBPs (add)											
		Trust and company service providers											
		Accountants & auditors											
BS	DNFBPs	Notaries											
g Entiti		Γgwyers											
Categories of Reporting Entities		Dealers in precious metals and stones											
es of Re		Real estate agents											
ategori		sonisgJ											
l S		zla listoT											
	ls)	Other financial i nstitutions (add)											
	Financial Institutions (FIs)	Money Services Businesses (MSBs)											
	Institu	Insurance industry											
	lancial	Securities industry											
	Fir	Non-bank deposit takers											
		Banks											
		Indicator	No. of regulated entities	No. of supervisory notices and guidance documents on ML issues	No. of supervisory notices and guidance documents on TF issues	Total No. of supervisory notices and guidance documents on ML & TF issues	No. of on-site inspections that covered ML & TF issues	Total no. of inspections (incl. off-site) that covered ML & TF issues	Total no. of inspections (incl. off-site) where ML & TF violations were identified	Percent of total inspections where ML & TF violations were identified of the total no. of inspections	No. of ML violations identified in inspections	No. of TF violations identified in inspections	Total no. of ML & TF violations identified in inspections
		fear:	4.1.1	4.1.2	4.1.3	4.1.4	4.1.5	4.1.6	4.1.7	4.1.8	4.1.9	4.1.10	4.1.11
		Data Year: 20				<u> </u>		snoitoe	əqəni r.4	L	<u> </u>		

			Data Year: 20	4.2.1	4.2.2	4.2.3	4.2.4	4.2.5	4.2.6	<b>Sanctio</b> 4.2.7	<b>4.2</b> .8	4.2.9	4.2.10	4.2.11	4.2.12	4.2.13
			Indicator	No. of fines for ML violations	No. of fines for TF violations	Total no. of fines for ML & TF violations	Average value of fines for ML violations (in USD)	Average value of fines for TF violations (in USD)	Total average value of fines for ML & TF violations (in USD)	No. of officials removed for ML violations	No. of officials removed for TF violations	Total no. of officials removed for ML & TF violations	No. of licenses revoked for ML violations	No. of licenses revoked for TF violations	Total no. of licenses revoked for ML & TF violations	(Add other common sanctions for AML/CFT violations)
		Financi	Banka Securities industry Securities													
		Financial Institutions (FIs)	Businesses (MSBs) Businesses (MSBs)													
		FIs)	Other financial institutions (add)													
0400	Cate		sifi listoT													
avion of	JOLIES OT		Casinos Real estate agents													
Donotino	categories of Reporting Entities		Dealers in precious metals and stones													
Entitio	ENTITIES	D	Γswyers													
		DNFBPs	Seinstoll													
			Accountants & auditors Trust and company													
			service providers Other DNFBPs (add)													
			2018 Total DNFBPs													
		đ	Other reporting entities (add)													
		Other	Total other entities													
			Total FIs, DNFBPs, and Other Entities													

Regulatory Supervision (continued): Sanctions

			Total Predicate Offence / ML / TF									
			To Pred Offei ML									
			only									
			ML only									
			Other offence categories (add²)									
			Insider trading and market manipulation									
			Piracy									
			Forgery									
			Extortion									
			Tax crimes									
	e		pnilppum2									1
100			Robbery/theft									
	Iying	ies	Kidnapping									
	Primary (Single)' Underlying Unence	Predicate Offences Categories	bodily injury Murder, grievous									
	lone).	ces C	Environmental crime									
Ś		0ffen	Counterfeiting and piracy of products									
		edicate	Counterfeiting of currency									L
		Pre	Fraud									sənbə.
			Corruption/bribery									the i
			Trafficking in stolen goods									ne primary predicate offence related to the request
			Arms trafficking									fence
			Drug trafficking									ne primary predicate offence
			Sexual exploitation									predic
			Human trafficking									rimary
			Terrorism									
			Organised crime									by only
			Indicator	No. of incoming requests received from foreign FIUs	No. of incoming requests from foreign FIUs pending	No. of incoming requests from foreign FIUs denied	No. of incoming requests from foreign FIUs approved and executed (information sent)	No. of instances of unsolicited information sent to foreign FIUs	Total no. of instances of information sent to foreign FIUs (requested and unsolicited)	Average no. of days incoming requests from foreign FIUs were pending	Names of the three countries that sent the most incoming requests	<sup>1</sup> To avoid duplications, the data are recorded by only o <sup>2</sup> Add as many columns as necessary to include all cata
			Data Year: 20	5.1.1	5.1.2	5.1.3	5.1.4	5.1.5	5.1.6	5.1.7	5.1.8	
1			SC ⊀ D				iorof of fin					

International Co-operation: Information Exchanges with Foreign FIUs

53

S21 Monitorial from from the image from the im			tal icate nce / / TF								
A     Simuggling       Tax crimes     Tax crimes       Forgery     Forgery       Market manipulation     Other offence       Market manipulation     Other offence       Market manipulation     Other offence       Market manipulation     Other offence			Total Predicate Offence / ML / TF								
A     Simuggling       Tax crimes     Tax crimes       Piracy     Piracy       Piracy     Piracy       Other offence     Other offence       Other offence     Categories (add <sup>2</sup> )			TF only								
A     Simuggling       Tax crimes     Tax crimes       Forgery     Forgery       Insider trading and market manipulation     Market manipulation			ML only								
A     Simuggling       Tax crimes     Tax crimes       Foreign     Foreign       Piracy     Piracy       Piracy     Piracy			Other offence								
Simulation         Simulation           Image: Simulation         Simulation			Insider trading and								
Britinggling     Extortion     Extortion											
عد السود المعالي المعا											
State       Description       State       Description       State       Primary (Single)       Underlying ofference         State											
State       State <td< td=""><td>lce</td><td></td><td>gnilggum2</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	lce		gnilggum2								
Data Bata       Indicator       Primary (Single)         0.0       Sexual scholtation       Primary (Single)         5.2       No. of outgoing requests sent to foreign Flux       Primary (Single)         5.2       No. of outgoing requests sent to foreign Flux       Primary (Single)         5.2       No. of outgoing requests sent to foreign Flux       Primary (Single)         5.2       No. of outgoing requests sent to foreign Flux       Primary (Single)         5.2       No. of outgoing requests sent to foreign Flux       Primary sent to foreign Flux         5.2       No. of outgoing requests approved and currency       Counterfeiting and counterfeiting and counterfeiting and contigentification         5.2.1       No. of instances of information       No. of instances of information         5.2.1       No. of instances of information       Primery of products         5.2.2       Printing       Printing         5.3       foreign Flus       Printing         6.4       Printing       Printing         7.5       No. of instances of information       Printing         7.5       Information received       Printing         7.5       Information received       Printing         7.6       Printing       Printing         7.7       Pring       P	) Offer		Robbery/theft								
Data Bata       Indicator       Indicator         Sear:       Indicator         Sear:       Indicator         Solution       Tenoiran         Solutin       Tenoiran	rlying	ories									
Data Rear:         Indicator         Primary (Single)           52.1         No. of outgoing requests sent to foreign 5.2.1         No. of outgoing requests sent to foreign Flux         Primary (Single)           52.2         No. of outgoing requests sent to foreign 5.2.1         No. of outgoing requests sent to foreign Flux         Primary (Single)           52.3         No. of outgoing requests sent to foreign 5.2.3         No. of outgoing requests to foreign No. of outgoing requests to foreign Flux         Primary (Single)           52.3         No. of outgoing requests to foreign No. of outgoing requests to foreign Flux         No. of outgoing requests to foreign Flux         Primary (Single)           52.3         No. of outgoing requests to foreign No. of outgoing requests to foreign Flux         No. of outgoing requests to foreign Flux         Primary (Single)           52.3         No. of outgoing requests to foreign flux         No. of outgoing requests to foreign flux         No. of outgoing requests to foreign flux         No. of outgoing requests           52.4         No. of outgoing requests         No. of outgoing requests         No. of outgoing requests         No. of outgoing requests           52.4         No. of outgoing requests         No. of outgoing requests         No. of outgoing requests         No. of outgoing requests           52.4         No. of outgoing requests         No. of outgoing requests         No. of outgoing requests         N	1 Unde	atego	Murder, grievous Murder, grievous								
Bata       Indicator       Print of the second of t	ingle)	) saou									
Data Rear:       Indicator       Contractor       Prima Rear:         5.2.1       No. of outgoing requests sent to foreign fills       5.2.1       No. of outgoing requests sent to foreign fills       Prima Prantice of the contractor         5.2.1       No. of outgoing requests sent to foreign fills       No. of outgoing requests sent to foreign fills       No. of outgoing requests sent to foreign fills       Prima Prantice of the contractor         5.2.2       No. of outgoing requests to foreign fills       No. of outgoing requests sent to foreign fills       No. of outgoing requests sent to foreign fills       Prima Prantice of the fills         5.2.2       No. of outgoing requests to foreign fills       No. of outgoing requests approved and reserved from foreign Flus       No. of instances of information fectored       No. of instances of information fectored         5.2.8       No. of instances of information fectored         5.2.8       No. of instances of information fectored         5.2.8       No. of instances of information fectored         5.2.8       Noreign Flus	ary (S	e Offel	Counterfeiting and								
Data Reart:       Indicator       Data Reart:       Indicator         5.21       No. of outgoing requests sent to foreign flus         5.23       No. of outgoing requests to foreign foreign Flus       No. of outgoing requests to foreign flus       No. of outgoing requests sent to foreign flus       No. of outgoing requests sent to foreign flus         5.23       No. of outgoing requests to foreign foreign Flus       No. of outgoing requests approved and executed by foreign Flus       No. of instances of information received from foreign Flus       No. of instances of information received from foreign Flus         5.24       No. of instances of information received from foreign Flus       No. of instances of information received from foreign Flus       No. of instances of information received from foreign Flus         5.24       No. of instances of information received from foreign Flus       No. of instances of information received from foreign Flus       No. of instances of information received from foreign Flus         5.28       No. of instances of information received from foreign Flus       No. of instances of information received from foreign Flus       No. of instances of information received from foreign Flus         5.29       No. of instances of information received from foreign Flus       No. of instances of information received from foreign Flus       No. of instances of information received from fo	Lim	edicat									
Data (ear:       Indicator       Data (ear:       Indicator         5.2.1       No. of outgoing requests sent to foreign 5.2.2       No. of outgoing requests sent to foreign FIUs       Drug trafficking 0rganised crime         5.2.2       No. of outgoing requests to foreign fills       No. of outgoing requests sent to foreign fills       No. of outgoing requests sent to foreign fills       No. of outgoing requests sent to foreign fills         5.2.2       Pending       No. of outgoing requests to foreign FIUs       Sexual exploitation         5.2.3       from on outgoing requests approved and fereign FIUs       Sexual exploitation         5.2.4       No. of outgoing requests approved and fereign FIUs       Arms trafficking foreign FIUs         5.2.4       from on outgoing requests approved and fereived)       No. of outgoing requests approved and fereived)         5.2.4       foreign FIUs       No. of instances of unsolicited       No. of instances of unsolicited         5.2.4       foreign FIUs       No. of instances of unsolicited       No. of instances of unsolicited         5.2.5       foreign FIUs       No. of instances of unsolicited       No. of instances of unsolicited         5.2.6       information       5.2.7       foreign FIUs       No. of instances of unsolicited         5.2.7       Arerage no. of days outgoing requests       No. of instances of information       No. of instances	2	Pre	Fraud								
Data Rear:       Indicator         5.2.1       Flus         5.2.2       Flus         5.2.3       Flus         5.2.4       Flus         5.2.1       Flus         5.2.2       Flus         5.2.3       Flus         5.2.4       Flus         5.2.5       No. of outgoing requests sent to foreign Flus         5.2.4       Flus         5.2.3       No. of outgoing requests to foreign Flus         5.2.4       No. of outgoing requests denied by         5.2.4       No. of outgoing requests denied by         5.2.4       Accuted by foreign Flus         5.2.4       No. of instances of information         5.2.5       Information         5.2.6       Information         5.2.7       No. of instances of information         5.2.6       Information         5.2.7       Information         5.2.8       No. of instances of information         5.2.9       Information         5.2.1       Information         5.2.2       Information         5.2.3       Information         5.2.4       Acreage no. of days outgoing requests         5.2.5       Information											
Data Rear:       Indicator         5.2.1       No. of outgoing requests sent to foreign fear:       5.2.1         5.2.2       No. of outgoing requests sent to foreign fellos       Organised crime         5.2.3       No. of outgoing requests to foreign foreign FlUs       No. of outgoing requests to foreign fellos       No. of outgoing requests to foreign fellos         5.2.3       No. of outgoing requests to foreign foreign FlUs       No. of outgoing requests approved and received)       No. of outgoing requests approved and received       No. of instances of unsolicited         5.2.4       No. of instances of information received       No. of instances of information received from foreign FlUs       No. of instances of unsolicited         5.2.4       No. of instances of information received from foreign FlUs       No. of instances of information received from foreign FlUs       No. of instances of information received from foreign FlUs         5.2.4       Average no. of fays outgoing requests       No       No       No         5.2.4       Average no. of fays outgoing requests       No       No       No         5.2.4       Average no. of fays outgoing requests       No       No       No         5.2.4       Average no. of fays outgoing requests       No       No       No         5.2.4       Average no. of fays outgoing requests       No       No       No <td>8</td> <td></td>	8										
Data Rear:       Indicator         5.2.1       No. of outgoing requests sent to foreign FlUs       No. of outgoing requests sent to foreign FlUs       No. of outgoing requests sent to foreign FlUs         5.2.2       No. of outgoing requests to foreign FlUs       No. of outgoing requests to foreign FlUs       No. of outgoing requests to foreign FlUs         5.2.3       No. of outgoing requests to foreign flus       No. of outgoing requests approved and received       No. of outgoing requests denied by flus       No. of outgoing requests denied by flus         5.2.4       No. of outgoing requests approved and received       No. of outgoing requests denied by fluormation       No. of instances of unsolicited information       No. of instances of unsolicited and unsolicited)         5.2.4       Average no. of days outgoing requests to foreign FlUs were pending       No. of instances of information         5.2.8       Names of the three countries that       No. of instances of information         5.2.8       Names of the three countries that       No. of instances of information         5.2.8       Names of the three countries that       No         5.2.9       Names of the three countries that       No			Arms trafficking								
Data Rear:       Indicator       Data Rear:       Indicator         5.2.1       No. of outgoing requests sent to foreign Flus       No. of outgoing requests sent to foreign Flus       No. of outgoing requests sent to foreign Flus       Indicator         5.2.3       No. of outgoing requests denied by foreign Flus         5.2.4       No. of instances of unsolicited information       No. of instances of unsolicited and unsolicited)       No. of instances of information received from foreign Flus       No. of instances of information received from foreign Flus         5.2.4       No. of instances of information received from foreign Flus       No. of instances of information received from foreign Flus       No. of instances of information received from foreign Flus         5.2.4       Average no. of days outgoing requests       No       No       No         5.2.7       Average no. of days outgoing requests       No       No       No         5.2.8       Names of the three countries that       No       No       No         5.2.8       Rames of the three countries that       No       No       No         5.2.9       Rames of the three countries that       No       No       No         5.2.9       Rames of the most outgoing requests </td <td></td> <td></td> <td>Drug trafficking</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>			Drug trafficking								
Data Rear:       Indicator       Data Rear:       Indicator         5.2.1       No. of outgoing requests sent to foreign FlUs       No. of outgoing requests sent to foreign FlUs       Organised crime         5.2.2       No. of outgoing requests to foreign FlUs       No. of outgoing requests to foreign flUs       Image flus         5.2.3       foreign FlUs       No. of outgoing requests denied by foreign FlUs       Image flus         5.2.4       executed by foreign FlUs       Image flus       Image flus         5.2.5       foreign FlUs       Information       Image flus         5.2.6       No. of instances of unsolicited       Image flus       Image flus         5.2.5       foreign FlUs       Information       Information         5.2.6       No. of instances of unsolicited       Information       Information         5.2.6       No. of instances of information       Information       Information         5.2.6       foreign FlUs       Information       Information         5.2.7       foreign FlUs       Information       Information         5.2.8       foreign FlUs       Information       Information         5.2.9       foreign FlUs       Information       Information         5.2.8       foreign FlUs       Information       Inform	ì   -										
Data Rear:       Indicator       Data         5.2.1       No. of outgoing requests sent to foreign FIUs       No. of outgoing requests sent to foreign FIUs         5.2.2       No. of outgoing requests to foreign FIUs       Organised crime         5.2.3       foreign FIUs       Imorian         5.2.4       No. of outgoing requests denied by       Solution         5.2.3       foreign FIUs       Imorian         5.2.4       No. of outgoing requests approved and received       Imorian         5.2.5       Information       Imorian         5.2.6       Information       Imorian         5.2.4       No. of instances of unsolicited       Imorian         5.2.5       Information       Imore and received from foreign FIUs (requested         5.2.4       Average no. of fays outgoing requests       Imore and received from foreign FIUs (requested         5.2.7       Average no. of fays outgoing requests       Imore and the most outgoing requests         5.2.8       Names of the three countries that       Image of the most outgoing requests											
Data Rear:     Indicator       5.2.1     No. of outgoing requests sent to foreign Flus       5.2.2     No. of outgoing requests sent to foreign Flus       5.2.3     foreign Flus       No. of outgoing requests denied by pending       5.2.3     foreign Flus       No. of outgoing requests denied by       5.2.4     executed by foreign Flus       No. of outgoing requests approved and received)       5.2.5     Information       5.2.5     Information received from foreign Flus       5.2.6     no. of instances of unsolicited information       5.2.6     No. of instances of information       5.2.7     Total no. of instances of information       5.2.8     Names of the three countries that       5.2.8     Names of the three countries that											
Data     Indicator       Data     Indicator       7(ear:     No. of outgoing requests sent to foreign FIUs       5.2.1     No. of outgoing requests sent to foreign FIUs       5.2.2     No. of outgoing requests denied by       5.2.3     foreign FIUs       No. of outgoing requests denied by       5.2.4     executed by foreign FIUs (information received)       5.2.5     No. of instances of unsolicited information       5.2.6     Information received from foreign FIUs (information received from foreign FIUs (information received from foreign FIUs (information received from foreign FIUs (requested and unsolicited)       5.2.7     Average no. of days outgoing requests and unsolicited)       5.2.8     Names of the three countries that received the most outgoing requests			Organised crime		S						
Data Indicati Year: Indicati 20			5	utgoing requests sent to foreig	utgoing requests to foreign FIU.	utgoing requests denied by FIUs	utgoing requests approved and d by foreign FIUs (information ()	istances of unsolicited tion received from foreign FIUs	. of instances of information 1 from foreign FIUs (requested olicited)	e no. of days outgoing requests In FIUs were pending	of the three countries that I the most outgoing requests
Data Year: 5.2.2 5.2.2 5.2.2 5.2.2 5.2.2 5.2.2 5.2.2 5.2.2			Indicat								
			Data Year: 20	5.2.1							5.2.8

<sup>2</sup> Add as many columns as necessary to include all categories of predicate offences.

	Data Year: Indicator 20	5.3.1 No. of incoming requests received from foreign LEAs	5.3.2 No. of incoming requests from for each of the foreign LEAs pending	5.3.3 No. of incoming requests from for end for the form	No. of incoming requests from 5.3.4 foreign LEAs approved and executed (information sent)	5.3.5 No. of instances of unsolicited information sent to foreign LEAs	5.3.6 Total no. of instances of information bent to foreign LEAs (requested and unsolicited)	5.3.7 Average no. of days incoming requests from foreign LEAs were pending	5.3.8 Names of the three countries that sent the most incoming requests
	Indicator	No. of incoming requests from foreign LEAs	No. of incoming requests foreign LEAs pending	No. of incoming request foreign LEAs denied	No. of incoming request foreign LEAs approved a (information sent)	No. of instances of uns information sent to fore	Total no. of instances o sent to foreign LEAs (re unsolicited)	Average no. of days in requests from foreign I pending	Names of the three cousent the most incoming
		received	s from	s from	is from and executed	olicited eign LEAs	f information squested and	coming LEAs were	untries that g requests
	Organised crime								
	Terrorism								
	Human trafficking								
	Sexual exploitation								
	Drug trafficking								
	Arms trafficking Trafficking in stolen								
	spoob								
	Corruption/bribery								
Prec	Fraud								
Predicate Offences Categories	Counterfeiting of currency								
Offer	Counterfeiting and piracy of products								
) saor	Environmental crime								
Categ	Murder, grievous Murder, grievous								
ories	Kidnapping								
	Robbery/theft								
	gnilggum2								
	гэх сгітез								
	Extortion								
	Еогдегу								
	Рігасу								
	Insider trading and market manipulation								
	Other offence categories (add²)								
	ML only								
	TF								
	Total Predicat Offence ML / TF								
		Total Predicate Jy ML / TF							

<sup>1</sup> To avoid duplications, the data are recorded by only one primary predicate offence related to the request. <sup>2</sup> Add as many columns as necessary to include all categories of predicate offences.

		$\Box \succ \circ$		S	A3J ng	from Fore	n Received	nformation	1 4.8	
		Data Year: 20	5.4.1	5.4.2	5.4.3	5.4.4	5.4.5	5.4.6	5.4.7	5.4.8
		Indicator	No. of outgoing requests sent to foreign LEAs	No. of outgoing requests to foreign LEAs pending	No. of outgoing requests denied by foreign LEAs	No. of outgoing requests approved and executed by foreign LEAs (information received)	No. of instances of unsolicited information received from foreign LEAs	Total no. of instances of information received from foreign LEAs (requested and unsolicited)	Average no. of days outgoing requests to foreign LEAs were pending	Names of the three countries that
		Organised crime								
		Terrorism								
		Human trafficking								
		Sexual exploitation								
		Drug trafficking								
		Arms trafficking								
		Trafficking in stolen goods								
		Corruption/bribery								
	ā	Fraud								
Prir	redica	Counterfeiting of								
nary (	te Off	Counterfeiting and								
Singl	ence	piracy of products Environmental crime								
Primary (Single) <sup>1</sup> Underlying Offence	Predicate Offences Categories	Murder, grievous								
derly	gorie	Kidnapping Kidnapping								
ing Ot	~	Robbery/theft								
fence		Smuggling								
		Tax crimes								
		Extortion								
		Forgery								
		Бігасу								
		Insider trading and market manipulation								
		Other offence categories (add <sup>2</sup> )								
		y only								
		Total Predicate Offence / ML / TF								

# International Cooperation: AMI /CET Information Exchanges with Foreign I aw Enforcement Agencies (I FAs)

<sup>1</sup> To avoid duplications, the data are recorded by only one primary predicate offence related to the request. <sup>2</sup> Add as many columns as necessary to include all categories of predicate offences.

## International Co-operation: Extradition Requests

		マトロ	st	sənbəy	l noitib	ertx3 pnir	uooul g	i'G	st	sənbəy	l noitib	ertx3 pnic	ogtu0 ð	'G
		Data Year: 20	5.5.1	5.5.2	5.5.3	5.5.4	5.5.5	5.5.6	5.6.1	5.6.2	5.6.3	5.6.4	5.6.5	5.6.6
		Indicator	No. of incoming extradition requests received	No. of incoming extradition requests pending	No. of incoming extradition requests denied	No. of incoming extradition requests approved and executed (extradition completed)	Average no. of days executed incoming requests were pending	Names of the three countries that sent the most incoming requests	No. of outgoing extradition requests sent	No. of outgoing extradition requests pending	No. of outgoing extradition requests denied	No. of outgoing extradition requests approved and executed (extradition completed)	Average no. of days executed outgoing requests were pending	Names of the three countries that received the most outgoing requests
		Organised crime												
		Terrorism												
		Human trafficking												
		Sexual exploitation												
		Drug trafficking												
		Arms trafficking Trafficking in stolen												
		spoob												
		Corruption/bribery												
	Pred	Fraud Counterfeiting of												
rimai	icate	Counterfeiting of currency												
ry (Sii	Offen	Counterfeiting and piracy of products												
ngle) <sup>1</sup>	ces C	Environmental crime												
Primary (Single) <sup>1</sup> Underlying Offence	Predicate Offences Categories	Murder, grievous bodily injury												
lying	ies	Kidnapping						<u> </u>						
Offen		Robbery/theft												
e		gnilggum2												
		zax crimes												
		Extortion												
		Forgery												
		Piracy Insider trading and market manipulation Other offence												
		categories (add <sup>2</sup> )												
		only												
		Total Predicate Offence / ML / TF												
		0 >												

<sup>1</sup> To avoid duplications, the data are recorded by only one primary predicate offence related to the request. <sup>2</sup> Add as many columns as necessary to include all categories of predicate offences.

		Data Year: 20	5.7.1	5.7.2	5.7.3	5.7.4	5.7.5	5.7.6	5.8.1	5.8.2	5.8.3	5.8.4	5.8.5	
	<b>1</b>	Indicator	No. of incoming MLA requests received	No. of incoming MLA requests pending	No. of incoming extradition requests denied	No. of incoming extradition requests approved and executed (extradition completed)	Average no. of days executed incoming requests were pending	Names of the three countries that sent the most incoming requests	No. of outgoing extradition requests sent	No. of outgoing extradition requests pending	No. of outgoing extradition requests denied	No. of outgoing extradition requests approved and executed (extradition completed)	Average no. of days executed outgoing requests were pending	
		Organised crime												Ī
		Terrorism												t
		Human trafficking												t
		noitatiolqxa lauxa2												1
		Drug trafficking												
		Arms trafficking												
	-	Trafficking in stolen goods									<u> </u>			
		Corruption/bribery												
	Predi	Fraud Counterfeiting of												
rimary	cate 0	currency												
y (Sin	Offenc	Counterfeiting and piracy of products	1											
gle) <sup>1</sup>	es Ca	Environmental crime												
Primary (Single) <sup>1</sup> Underlying Offence	Predicate Offences Categories	Murder, grievous Modily injury												
ying (	es	Pridgenbix												
Offen		Robbery/theft												
e		gnilggum2	<u> </u>											
	-	Tax crimes												
		Extortion												
	-	Forgery												
	-	Piracy Insider trading and												
	-	market manipulation Other offence												
		categories (add²)												-
		ML												-
		TF only												
		Total Predicate Offence / ML / TF												

International Co-operation: Mutual Legal Assistance (MLA)

<sup>1</sup> To avoid duplications, the data are recorded by only one primary predicate offence related to the request. <sup>2</sup> Add as many columns as necessary to include all categories of predicate offences.

Names of the three countries that received the most outgoing requests

5.8.6

### **Regulated Sectors**

	Financial Ir	Banks Non-bank deposit takers Securities industry						
	Financial Institutions (FIs)	Insurance industry Money Services Businesses (MSBs) Other financial institutions (add)						
Categories		Total FIs Casinos						
Categories of Reporting Entities		Real estate agents Dealers in precious metals and stones Lawyers						
ties	DNFBPs	Notaries & auditors						
		Trust and company service providers Other DNFBPs (add)						
	Other	Total DNFBPs Other reporting entities (add) Total other entities						
		Total FIs, DNFBPs, and Other Entities						

Average value of accounts (in USD)

6.2.5

		Total FIs, DNFBPs, and Other Entities						
	۲.	Total other entities						
	Other	Other reporting entities (add)						
		2018 DNFBPs						
		Other DNFBPs (add)						
		Trust and company service providers						
		Accountants & auditors						
es	DNFBPs	Notaries						
g Entiti	-	rawyers						
portin		Dealers in precious metals and stones						
es of Re		Real estate agents						
Categories of Reporting Entities		sonissJ						
õ		zlA listoT						
	(sl	Other financial institutions (add)						
	tions (F	Roney Services Businesses (MSBs)						
	Financial Institutions (FIs)	Insurance industry						
	ancial	Securities industry						
	Fin	Non-bank deposit takers						
		Banks						
		Indicator	Total no. of customer transactions	No. of customer transactions in foreign branches or subsidiaries	Average no. of transactions per customer	Average value of customer transactions (in USD)	No. of customer transactions conducted in cash	Average value of customer transactions conducted in cash
		Data Year: 20	6.3.1	6.3.2	6.3.3	6.3.4	6.3.5	6.3.6
		Data 20		S	noit	JesnsıT	. 6'9	

**Regulated Sectors (continued)** 

NOTES

NOTES

NOTES

The Organization for Security and Co-operation in Europe works for stability, prosperity and democracy in 56 States through political dialogue about shared values and through practical work that makes a lasting difference.

How to find us

### Office of the Co-ordinator of OSCE **Economic and Environmental Activities**

Wallnerstrasse 6 1010 Vienna Austria

Tel: +43 1 514 36 6151 pm-ceea@osce.org

### osce.org/eea



facebook.com/osce.org

@osce



You Tube youtube.com/osce

