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THE RUSSIAN PRESIDENTIAL ACADEMY
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2020 G20 Riyadh Summit Interim Compliance Report

Prepared by

Kaylin Dawe, Mary Noh and the G20 Research Group

University of Toronto

Toronto

and

Alexander Ignatov and the Center for International Institutions Research

Russian Presidential Academy of National Economy and Public Administration,

Moscow

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

We encourage readers to send comments to

G20@utoronto.ca

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8. Crime and Corruption: Threats

“We reiterate our strong commitment to tackle all sources, techniques and channels of these threats.”

G20 Riyadh Leaders’ Declaration

Assessment

	No Compliance	Partial Compliance	Full Compliance
Argentina	-1		
Australia			+1
Brazil			+1
Canada			+1
China			+1
France			+1
Germany			+1
India		0	
Indonesia			+1
Italy	-1		
Japan		0	
Korea		0	
Mexico		0	
Russia		0	
Saudi Arabia		0	
South Africa	-1		
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.40 (70%)	

Background

Addressing money laundering and terrorism financing is a well-established goal of the G20 as it is a serious economic and societal concern. The International Monetary Fund (IMF) states that “these activities generate financial flows that involve the diversion of resources away from economically- and socially-productive uses—and these diversions can have negative impacts on the financial sector and external stability of member states.”¹⁷⁷² Therefore, is it essential to implement effective anti-money laundering and anti-terrorist financing regimes in order to alleviate the corruptive effects these activities have, and to promote and protect the stability and integrity of the financial markets.¹⁷⁷³

At the 1989 G7 Paris Summit, the Financial Action Task Force (FATF) was founded to set a global standard for anti-money laundering and anti-terrorist financing.¹⁷⁷⁴ It is a 33-member organization

¹⁷⁷² Anti-Money Laundering/Combating the Financing of Terrorism – Topics, International Monetary Fund (Washington) n.d. Access Date: 1 March 2021. <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm#financingterrorism>

¹⁷⁷³ Anti-Money Laundering/Combating the Financing of Terrorism – Topics, International Monetary Fund (Washington) n.d. Access Date: 1 March 2021. <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm#financingterrorism>

¹⁷⁷⁴ Anti-Money Laundering/Combating the Financing of Terrorism – Topics, International Monetary Fund (Washington) n.d. Access Date: 1 March 2021. <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm#financingterrorism>

and works closely with the IMF, the World Bank, the United Nations, and other key international organizations.¹⁷⁷⁵

At the 2008 Washington Summit, G20 members reaffirmed their support for the continuation of the FATF in its efforts against money laundering and terrorist financing, along with their support of the World Bank-UN Asset Recovery (StAR) Initiative.¹⁷⁷⁶

At the 2009 Pittsburgh Summit, G20 leaders committed to maintain their momentum and results in combating money laundering and terrorist financing and continued their support for the efforts made by the FATF.¹⁷⁷⁷

At the 2010 Toronto Summit, the G20 members reiterated their support for the FATF and encouraged the FATF to continue “monitoring and enhancing global compliance with the anti-money laundering and counter-terrorism financing international standards.”¹⁷⁷⁸ Furthermore, G20 members encouraged FATF to keep states accountable through regularly updating a public list of jurisdictions that have strategic deficiencies in this area.¹⁷⁷⁹

At the 2011 Cannes Summit, G20 members supported the efforts made by the FATF of identifying and engaging jurisdictions that have deficiencies with their Anti-Money Laundering/Counter-Financing of Terrorism (AML/CFT).¹⁷⁸⁰ G20 urged all states that were lacking in sufficient progress or compliance to strengthen their AML/CFT systems in alignment with the FATF.¹⁷⁸¹ Furthermore, G20 members called for the implementation of the FATF standards for transparency in areas such as cross-border wires, beneficial ownership, customer due diligence, and due diligence.¹⁷⁸²

At the 2012 Los Cabos Summit, G20 members affirmed their support for the renewal of the FATF mandate, and adopted the revised standards of the FATF.¹⁷⁸³

At the 2013 St. Petersburg Summit, G20 members reiterated their commitment to the FATF’s efforts to fight money laundering and terrorist financing and stated that one of their priorities was to identify and monitor high risk jurisdictions that have deficiencies in their AML/CFT strategies, while recognizing states that have made positive progress towards the FATF’s standards.¹⁷⁸⁴

¹⁷⁷⁵ Anti-Money Laundering/Combating the Financing of Terrorism – Topics, International Monetary Fund (Washington) n.d. Access Date: 1 March 2021. <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm#financingterrorism>

¹⁷⁷⁶ Declaration of the Summit on Financial Markets and the World Economy, G20 Information Centre (Toronto) 15 November 2008. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2008/2008declaration1115.html>

¹⁷⁷⁷ G20 Leaders Statement: The Pittsburgh Summit, G20 Information Centre (Toronto) 25 June 2009. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2009/2009communique0925.html>

¹⁷⁷⁸ The G20 Toronto Summit Declaration, G20 Information Centre (Toronto) 27 June 2010. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2010/to-communique.html>

¹⁷⁷⁹ The G20 Toronto Summit Declaration, G20 Information Centre (Toronto) 27 June 2010. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2010/to-communique.html>

¹⁷⁸⁰ Cannes Summit Final Declaration – Building Our Common Future: Renewed Collective Action for the Benefit of All, G20 Information Centre (Toronto) 4 November 2011. Access Date: 1 March 2021. [g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html](http://www.g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html)

¹⁷⁸¹ Cannes Summit Final Declaration – Building Our Common Future: Renewed Collective Action for the Benefit of All, G20 Information Centre (Toronto) 4 November 2011. Access Date: 1 March 2021. [g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html](http://www.g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html)

¹⁷⁸² Cannes Summit Final Declaration – Building Our Common Future: Renewed Collective Action for the Benefit of All, G20 Information Centre (Toronto) 4 November 2011. Access Date: 1 March 2021. [g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html](http://www.g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html)

¹⁷⁸³ G20 Leaders Declaration Los Cabos, G20 Information Centre (Toronto) 19 June 2012. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2012/2012-0619-loscabos.html>

¹⁷⁸⁴ G20 Leaders’ Declaration, G20 Information Centre (Toronto) 6 September 2013. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2013/2013-0906-declaration.html#aml>

The 2016 Hangzhou Summit called upon G20 members, the IMF, and the World Bank Group to “intensify their support for domestic capacity building to help countries improve their compliance with global anti-money laundering and countering the financing of terrorism and prudential standards.”¹⁷⁸⁵

At the 2017 Hamburg Summit, G20 members committed to advance the effective implementation of the global standards of transparency and beneficial ownership of legal persons and arrangements in order to continue combating money laundering and terrorism financing.¹⁷⁸⁶

At the 2018 Buenos Aires Summit, G20 members committed to regulate crypto-assets for anti-money laundering and countering terrorist financing in a way that is aligned with the FATF’s standards.¹⁷⁸⁷

At the 2019 Osaka Summit, G20 members reaffirmed their commitment of the full, effective, and swift implementation of the amended FATF standards to virtual assets, such as crypto-assets, as well as related providers for anti-money laundering and combating terrorist financing.¹⁷⁸⁸

At the 2020 Riyadh Summit, G20 members affirmed their support of the AML/CFT policy that was outlined in the FATF’s report on COVID-19.¹⁷⁸⁹ G20 members reaffirmed their support for the FATF and the global standard it has set out to prevent and combat money laundering, terrorist financing and proliferation financing.¹⁷⁹⁰ G20 members also reaffirmed their commitment to strengthen “the FATF’s Global Network of regional bodies, including by supporting their expertise in mutual evaluations, and call for the full, effective and swift implementation of the FATF standards worldwide” alongside their strong commitment “to tackle all sources, techniques and channels of these threats.”¹⁷⁹¹

Commitment Features

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

To “reiterate” is understood as “commitments that have been established in the past. It should not be considered a new initiative; however, new efforts in the area should be made.”¹⁷⁹² In the context of this commitment, it entails that the G20 members will make further efforts and improvements to the previously established commitments from past summits, including their work with the FATF.

¹⁷⁸⁵ G20 Leaders' Communiqué: Hangzhou Summit, G20 Information Centre (Toronto) 5 September 2016. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2016/160905-communication.html>

¹⁷⁸⁶ G20 Leaders' Declaration: Shaping an Interconnected World, G20 Information Centre (Toronto) 8 July 2017. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2017/2017-G20-leaders-declaration.html>

¹⁷⁸⁷ G20 Leaders' Declaration: Building Consensus for Fair and Sustainable Development, G20 Information Centre (Toronto) 1 December 2018. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2018/2018-leaders-declaration.html>

¹⁷⁸⁸ G20 Osaka Leaders' Declaration, G20 Information Centre (Toronto) 29 June 2019. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2019/2019-g20-osaka-leaders-declaration.html>

¹⁷⁸⁹ Leaders' Declaration, G20 Information Centre (Toronto) 21 November 2020. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2020/2020-g20-leaders-declaration-1121.html>

¹⁷⁹⁰ Leaders' Declaration, G20 Information Centre (Toronto) 21 November 2020. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2020/2020-g20-leaders-declaration-1121.html>

¹⁷⁹¹ Leaders' Declaration, G20 Information Centre (Toronto) 21 November 2020. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2020/2020-g20-leaders-declaration-1121.html>

¹⁷⁹² Compliance Coding Manual for International Institutional Commitments, G7 and G20 Research Groups (Toronto) 12 November 2020. Access Date: 1 March 2021. http://www.g7.utoronto.ca/compliance/Compliance_Coding_Manual_2020.pdf

“Strong commitment” is understood as “effective or efficient especially in a specified direction.”¹⁷⁹³ In the context of this commitment, it entails that the G20 members will take concrete actions to address crime and corruption.

“Tackle” is understood as “to seize, take hold of, or grapple with especially with the intention of stopping or subduing.”¹⁷⁹⁴ For this commitment, it refers to “preventing and combating money laundering, terrorist financing and proliferation financing.”¹⁷⁹⁵

“All” is understood as “the whole amount, quantity, or extent of.”¹⁷⁹⁶ For this commitment, it entails comprehensive action to address sources, techniques and channels of money laundering and terrorist financing.

“Sources” is understood as “the place something comes from or starts at, or the cause of something.”¹⁷⁹⁷ In the context of this commitment, it refers to identifying “a point of origin or procurement” of the money that is involved in money-laundering or terrorist financing.¹⁷⁹⁸ Sources of money laundering include, but are not limited to “white collar crimes...and drug related crimes...internet-based frauds and other use of internet technologies in fraudulent predicate activities...smuggling of goods and contraband.”¹⁷⁹⁹ Sources of terrorist financing include, but are not limited to “legitimate sources, including through abuse of charitable entities or legitimate businesses and self-financing, criminal activity, state sponsors and activities in failed states and other safe havens” as well as, “small cash-intensive businesses.”¹⁸⁰⁰

“Techniques” is understood as “a method of accomplishing a desired aim.”¹⁸⁰¹ In the context of this commitment, it refers to preventing and combating methods of money-laundering and terrorist financing. Methods of money laundering include but are not limited to, “the use of the international trade regime, cash couriers, alternative remittance systems and complex corporate structures.”¹⁸⁰² Methods of terrorist financing are similar to those of money laundering, including, but not limited to, “the use of the financial system...the physical movement of money...[as well as] through the international trade system.”¹⁸⁰³

¹⁷⁹³ Strong, Merriam Webster Dictionary (Springfield) n.d. Access Date: 1 March 2021. <https://www.merriam-webster.com/dictionary/strong>

¹⁷⁹⁴ Tackle, Merriam Webster Dictionary (Springfield) n.d. Access Date: 1 March 2021. <https://www.merriam-webster.com/dictionary/tackle>

¹⁷⁹⁵ Leaders' Declaration, G20 Information Centre (Toronto) 21 November 2020. Access Date: 1 March 2021. <http://www.g20.utoronto.ca/2020/2020-g20-leaders-declaration-1121.html>

¹⁷⁹⁶ All, Merriam Webster Dictionary (Springfield) n.d. Access Date: 1 March 2021. <https://www.merriam-webster.com/dictionary/all>

¹⁷⁹⁷ Source, Cambridge Dictionary (Cambridge) n.d. Access Date: 1 March 2021. <https://dictionary.cambridge.org/dictionary/english/source>

¹⁷⁹⁸ Source, Merriam Webster Dictionary (Springfield) n.d. Access Date: 1 March 2021. <https://www.merriam-webster.com/dictionary/source>

¹⁷⁹⁹ Global Money Laundering & Terrorist Financing Threat Assessment, Financial Action Task Force (Paris) July 2010. Access Date: 1 March 2021. <https://www.fatf-gafi.org/media/fatf/documents/reports/Global%20Threat%20Assessment.pdf>

¹⁸⁰⁰ Global Money Laundering & Terrorist Financing Threat Assessment, Financial Action Task Force (Paris) July 2010. Access Date: 1 March 2021. <https://www.fatf-gafi.org/media/fatf/documents/reports/Global%20Threat%20Assessment.pdf>

¹⁸⁰¹ Technique, Merriam Webster Dictionary (Springfield) n.d. Access Date: 1 March 2021. <https://www.merriam-webster.com/dictionary/technique>

¹⁸⁰² Money Laundering, The United Nations Office on Drugs and Crime (Vienna) n.d. Access Date: 1 March 2021. <https://www.unodc.org/westandcentralafrica/en/newrosenwebsite/anti-corruption/money-laundering.html>

¹⁸⁰³ Financial Action Task Force: Terrorist Financing (Paris) 29 February 2008. Access Date: 1 March 2021. p. 21. <https://www.fatf-gafi.org/media/fatf/documents/reports/FATF%20Terrorist%20Financing%20Typologies%20Report.pdf>

“Channel” is understood as “a way of communicating with people or getting something done.”¹⁸⁰⁴ In the context of this commitment, it refers to the avenues groups and organizations involved in money-laundering or terrorist financing crimes go through for communication or action. Channels of money-laundering or terrorist financing include, but are not limited to, the financial and trade systems, corporate structures, as well as technological and digital mechanisms.^{1805,1806,1807}

“Threat” is understood as “the possibility that something unwanted will happen, or a person or thing that is likely to cause something unwanted to happen.”¹⁸⁰⁸ In the context of this commitment, it refers to global “money laundering, terrorist financing and proliferation financing.”¹⁸⁰⁹

Money laundering refers to the act of concealing the illicit origin of large amounts of illegally acquired profits through crimes.¹⁸¹⁰ Terrorist financing “involves the solicitation, collection or provision of funds with the intention that they may be used to support terrorist acts or organizations.”¹⁸¹¹ These funds may come from both legal and illegal sources.¹⁸¹² It should be noted that “the primary goal of individuals or entities involved in the financing of terrorism is therefore not necessarily to conceal the sources of the money but to conceal both the financing and the nature of the financed activity.”¹⁸¹³

Since the methods used in money laundering and the financing of terrorism are in many cases identical, “[a]n effective anti-money laundering/counter financing of terrorism framework must therefore address both risk issues: it must prevent, detect and punish illegal funds entering the financial system and the funding of terrorist individuals, organizations and/or activities.”¹⁸¹⁴

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

¹⁸⁰⁴ Channel, Cambridge Dictionary (Cambridge) n.d. Access Date: 1 March 2021.

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

¹⁸⁰⁵ Financial Action Task Force: Terrorist Financing, Financial Action Task Force (Paris) 29 February 2008. Access Date: 1 March 2021. p. 21. <https://www.fatf-gafi.org/media/fatf/documents/reports/FATF%20Terrorist%20Financing%20Typologies%20Report.pdf>

¹⁸⁰⁶ Money Laundering, The United Nations Office on Drugs and Crime (Vienna) n.d. Access Date: 1 March 2021.

<https://www.unodc.org/westandcentralafrica/en/newrosenwebsite/anti-corruption/money-laundering.html>

¹⁸⁰⁷ Global Money Laundering & Terrorist Financing Threat Assessment, Financial Action Task Force (Paris) July 2010. Access Date: 1 March 2021. p. 8. <https://www.fatf-gafi.org/media/fatf/documents/reports/Global%20Threat%20Assessment.pdf>

¹⁸⁰⁸ Threat, Cambridge Dictionary (Cambridge) n.d. Access Date: 1 March 2021.

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

¹⁸⁰⁹ Leaders' Declaration, G20 Information Centre (Toronto) 21 November 2020. Access Date: 1 March 2021.

<http://www.g20.utoronto.ca/2020/2020-g20-leaders-declaration-1121.html>

¹⁸¹⁰ Anti-Money Laundering/Combating the Financing of Terrorism – Topics, International Monetary Fund (Washington) n.d. Access Date: 1 March 2021 <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm#financingterrorism>

¹⁸¹¹ Anti-Money Laundering/Combating the Financing of Terrorism – Topics, International Monetary Fund (Washington) n.d. Access Date: 1 March 2021 <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm#financingterrorism>

¹⁸¹² Anti-Money Laundering/Combating the Financing of Terrorism – Topics, International Monetary Fund (Washington) n.d. Access Date: 1 March 2021 <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm#financingterrorism>

¹⁸¹³ Anti-Money Laundering/Combating the Financing of Terrorism – Topics, International Monetary Fund (Washington) n.d. Access Date: 1 March 2021 <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm#financingterrorism>

¹⁸¹⁴ Anti-Money Laundering/Combating the Financing of Terrorism – Topics, International Monetary Fund (Washington) n.d. Access Date: 1 March 2021 <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm#financingterrorism>

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

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

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

Scoring Guidelines

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

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

Argentina: -1

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

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

Thus, Argentina receives a score of -1.¹⁸¹⁵

Analyst: Beatrice McLeod

Australia: +1

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

On 10 December 2020, both Houses of Parliament in Australia motioned to pass the Anti-Money Laundering and Counter-Terrorism Financing and Other Legislation Amendment Act 2020 (The Amendment Act).¹⁸¹⁶ The act aims to “implement incremental reform” most relevantly in the areas of customer due diligence and correspondent banking relationships.^{1817,1818}

¹⁸¹⁵ This non-compliance was determined after searching the following websites: <https://www.argentina.gob.ar/>, <https://www.clarin.com/>, <https://www.lanacion.com.ar/> and <https://www.bbc.com>, <https://www.cancilleria.gob.ar/en/search>, <https://www.economia.gob.ar/en/>, <https://www.loc.gov/law/help/cryptocurrency/argentina.php>, <https://iclg.com/practice-areas/lending-and-secured-finance-laws-and-regulations/argentina>, <https://thelawreviews.co.uk/title/the-anti-bribery-and-anti-corruption-review/argentina>, https://uk.practicallaw.thomsonreuters.com/5-521-1293?_lrTS=20210203140659598, <https://www.argentina.gob.ar/jefatura>, <http://www.cancilleria.gov.ar/>, www.bcra.gov.ar, batimes.com.ar, www.ambito.com.ar.

¹⁸¹⁶ Australia moves – incrementally – towards AML/CTF compliance, Allen & Overy LLP (New York) 24 December 2020. Access Date: 23 March 2021. <https://www.jdsupra.com/legalnews/australia-moves-incrementally-towards-51891/>

¹⁸¹⁷ Australia moves – incrementally – towards AML/CTF compliance, Allen & Overy LLP (New York) 24 December 2020. Access Date: 23 March 2021. <https://www.jdsupra.com/legalnews/australia-moves-incrementally-towards-51891/>

On 17 December 2020, the Amendment Act received royal assent and the Australian Government officially passed the act.^{1819,1820} The Amendment Act “gives effect to the recommendations from the Financial Action Task Force...[and] introduced changes to...customer identification procedures, correspondent banking relationships, tipping-off offences, access to information, and the cross-border movements of money.”¹⁸²¹ The majority of these changes are expected to come into effect on 18 June 2021, with a few coming into effect by 18 June 2022.¹⁸²²

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

Thus, Australia has received a score of +1.

Analyst: Burhan Anees Khan

Brazil: +1

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

On 9 December 2020, President Jair Bolsonaro launched Brazil’s Anti-Corruption Plan to combat money laundering and terrorist financing between 2020-2025.¹⁸²³ The plan specifically addresses facets of money laundering or terrorist financing by establishing international cooperation between public officials responsible for detecting acts of corruption, creating whistleblower protections, and supporting research that allows for the dissemination of knowledge on anti-corruption.¹⁸²⁴

On 11 March, 2021, Brazil’s Financial Activities Control Council published two new regulations that aims to regulate “the form of adoption of policies, procedures and internal controls to prevent money laundering (AML), terrorist financing (CTF) and financing the proliferation of weapons of mass destruction (WMD) that allow compliance with the provisions of”¹⁸²⁵ the federal Money Laundering Prevention Laws.¹⁸²⁶ These newly proposed regulations also emphasize a greater attention

¹⁸¹⁸ Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1), Federal Register of Legislation (Canberra) 30 November 2020. Access Date: 14 May 2021. <https://www.legislation.gov.au/Details/F2020C01058>

¹⁸¹⁹ Australia moves – incrementally – towards AML/CTF compliance, Allen & Overy LLP (New York) 24 December 2020. Access Date: 23 March 2021. <https://www.jdsupra.com/legalnews/australia-moves-incrementally-towards-51891/>

¹⁸²⁰ Changes to Australia’s anti-money laundering and terrorism financing framework, Ashurst Australia (Sydney) 12 January 2021. Access Date: 14 May 2021. <https://www.ashurst.com/en/news-and-insights/legal-updates/changes-to-australias-anti-money-laundering-and-terrorism-financing-framework/>

¹⁸²¹ Changes to Australia’s anti-money laundering and terrorism financing framework, Ashurst Australia (Sydney) 12 January 2021. Access Date: 14 May 2021. <https://www.ashurst.com/en/news-and-insights/legal-updates/changes-to-australias-anti-money-laundering-and-terrorism-financing-framework/>

¹⁸²² Changes to Australia’s anti-money laundering and terrorism financing framework, Ashurst Australia (Sydney) 12 January 2021. Access Date: 14 May 2021. <https://www.ashurst.com/en/news-and-insights/legal-updates/changes-to-australias-anti-money-laundering-and-terrorism-financing-framework/>

¹⁸²³ Anti-Corruption Plan launched for the period 2020 to 2025, Government of Brazil (Brasília) 9 December 2020. Access Date: 21 March 2021. <https://www.gov.br/casacivil/pt-br/assuntos/noticias/2020/dezembro/lancado-plano-anticorruptcao-para-oo-periodo-de-2020-a-2025>

¹⁸²⁴ Anti-Corruption Plan Diagnosis and Actions of the Federal Government, Interministerial Committee to Combat Corruption (Brasília) 9 December 2020. Access Date: 19 March 2021. <https://www.gov.br/cgu/pt-br/anticorruptcao/plano-anticorruptcao.pdf>

¹⁸²⁵ COAF Resolution No. 36, of March 10, 2021, Financial Activities Control Council (Brasilia) 11 March 2021. Access Date: 14 May 2021. <https://www.in.gov.br/en/web/dou/-/resolucao-coaf-n-36-de-10-de-marco-de-2021-307765911>

¹⁸²⁶ COAF Resolution No. 36, of March 10, 2021, Financial Activities Control Council (Brasilia) 11 March 2021. Access Date: 14 May 2021. <https://www.in.gov.br/en/web/dou/-/resolucao-coaf-n-36-de-10-de-marco-de-2021-307765911>

to new technologies and products, and the role they may play in AML/CTF/WMD activities.¹⁸²⁷ These regulations are proposed to come into force on 1 June 2021.¹⁸²⁸

On 18 March 2020, the government of Brazil moderated a global webinar, held by the Financial Action Group, on the theme of money laundering through the use of trade.¹⁸²⁹ More than two thousand representatives from both private and the public sector attended this event to discuss current challenges that authorities face when combating money laundering within trade.¹⁸³⁰

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

Thus, Brazil receives a score of +1.

Analyst: Keab Sharma

Canada: +1

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

On 30 November 2020, the Department of Finance Canada released its “Fall Economic Statement.”¹⁸³¹ In this document, the department proposed an increase of CAD606 million in the next five years to fund the hiring of more auditors to address offshore tax havens.¹⁸³² Furthermore, the document proposed some of this funding will be used to “strengthen its ability to fight tax crimes such as money laundering and terrorist financing (ML/TF) by upgrading tools and increasing international cooperation.”¹⁸³³ Finally, the document suggests revisions to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) to “strengthen criminal penalties and the registration framework for money services businesses,” amongst other changes.¹⁸³⁴

On 8 December 2020, the Financial Transaction and Reports Analysis Centre of Canada (FINTRAC) issued new ML/TF indicators, which can be used to identify potential red flags that may initiate

¹⁸²⁷ COAF Resolution No. 36, of March 10, 2021, Financial Activities Control Council (Brasilia) 11 March 2021. Access Date: 14 May 2021. <https://www.in.gov.br/en/web/dou/-/resolucao-coaf-n-36-de-10-de-marco-de-2021-307765911>

¹⁸²⁸ COAF Resolution No. 36, of March 10, 2021, Financial Activities Control Council (Brasilia) 11 March 2021. Access Date: 14 May 2021. <https://www.in.gov.br/en/web/dou/-/resolucao-coaf-n-36-de-10-de-marco-de-2021-307765911>

¹⁸²⁹ Gafi Webinar: Money laundering through trade is still a global threat, Federal Government of Brazil (Brasilia) 23 March 2021. Access Date: 14 May 2021. <https://www.gov.br/coaf/pt-br/assuntos/noticias/ultimas-noticias/webinar-gafi-lavagem-de-dinheiro-por-meio-do-comercio-ainda-e-ameaca-mundial>

¹⁸³⁰ Gafi Webinar: Money laundering through trade is still a global threat, Federal Government of Brazil (Brasilia) 23 March 2021. Access Date: 14 May 2021. <https://www.gov.br/coaf/pt-br/assuntos/noticias/ultimas-noticias/webinar-gafi-lavagem-de-dinheiro-por-meio-do-comercio-ainda-e-ameaca-mundial>

¹⁸³¹ Supporting Canadians and Fighting Covid 19: Fall Economic Statement 2020, Department of Finance Canada (Ottawa) 20 November 2020. Access Date: 24 March 2021. <https://www.budget.gc.ca/fes-eea/2020/report-rapport/toc-tdm-en.html>

¹⁸³² Supporting Canadians and Fighting Covid 19: Fall Economic Statement 2020, Department of Finance Canada (Ottawa) 20 November 2020. Access Date: 24 March 2021. <https://www.budget.gc.ca/fes-eea/2020/report-rapport/toc-tdm-en.html>

¹⁸³³ Supporting Canadians and Fighting Covid 19: Fall Economic Statement 2020, Department of Finance Canada (Ottawa) 20 November 2020. Access Date: 24 March 2021. <https://www.budget.gc.ca/fes-eea/2020/report-rapport/toc-tdm-en.html>

¹⁸³⁴ Supporting Canadians and Fighting Covid 19: Fall Economic Statement 2020, Department of Finance Canada (Ottawa) 20 November 2020. Access Date: 24 March 2021. <https://www.budget.gc.ca/fes-eea/2020/report-rapport/toc-tdm-en.html>

suspicious financial transactions.¹⁸³⁵ These new indicators are applicable to all reporting entities, and are subjected to the PCMLTFA.¹⁸³⁶ The indicators also requires reporting entities to submit any suspicious transactions involving “banks, cryptoasset businesses, money service businesses, and other forms of financial institutions,”¹⁸³⁷ for example, to the PCMLTFA.¹⁸³⁸

On 11 December 2020, Minister of Public Safety Bill Blair announced that CAD98.9 million would be spent on new law enforcement units designed to address money laundering within Ontario, British Columbia, Quebec, and Alberta.¹⁸³⁹ In addition, Minister Blair announced the creation of the “Counter Illicit Finance Alliance” within British Columbia.¹⁸⁴⁰ These measures will help regulate possible financial crimes within casinos and other industries that are frequently targeted by money launderers.¹⁸⁴¹

On 19 April 2021, the Federal Government released its 2021 Budget.¹⁸⁴² This document states that CAD4.6 million will be spent on the FINTRAC so it can “build its expertise related to virtual currency...and develop and administer a cost recovery scheme for its compliance activities.”¹⁸⁴³ Furthermore, the budget includes legislative proposals focused on reducing the use of charitable organizations as channels of terrorist financing.¹⁸⁴⁴ These legislative changes would: “allow for the immediate revocation of charitable status for organizations listed as a terrorist entity,”¹⁸⁴⁵ “prevent individuals with a known history of supporting terrorism from becoming a director, trustee, or similar official of a registered charity,”¹⁸⁴⁶ and “allow for the revocation of charitable status when a charity provides false statements for the purpose of maintaining their registration.”¹⁸⁴⁷

¹⁸³⁵ Money laundering and terrorist financing indicators – Virtual currency transactions, Financial Transaction and Reports Analysis Centre of Canada (Ottawa) 8 December 2020. Access Date: 14 May 2021. https://www.fintrac-canafe.gc.ca/guidance-directives/transaction-operation/indicators-indicateurs/vc_mltf-eng

¹⁸³⁶ Money laundering and terrorist financing indicators – Virtual currency transactions, Financial Transaction and Reports Analysis Centre of Canada (Ottawa) 8 December 2020. Access Date: 14 May 2021. https://www.fintrac-canafe.gc.ca/guidance-directives/transaction-operation/indicators-indicateurs/vc_mltf-eng

¹⁸³⁷ Crypto Regulatory Affairs: Canada Issues Money Laundering and Terrorist Financing Indicators For Cryptoassets, Elliptic Enterprises Limited (London) 8 December 2020. Access Date: 14 May 2021.

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

¹⁸³⁸ Crypto Regulatory Affairs: Canada Issues Money Laundering and Terrorist Financing Indicators For Cryptoassets, Elliptic Enterprises Limited (London) 8 December 2020. Access Date: 14 May 2021.

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

¹⁸³⁹ Feds launching new anti-money laundering units in B.C., Alberta, Ontario, Quebec, Global News (Toronto) 11 December 2020. Access Date: 24 March 2021. <https://globalnews.ca/news/7517509/new-federal-anti-money-laundering-units/>

¹⁸⁴⁰ Feds launching new anti-money laundering units in B.C., Alberta, Ontario, Quebec, Global News (Toronto) 11 December 2020. Access Date: 24 March 2021. <https://globalnews.ca/news/7517509/new-federal-anti-money-laundering-units/>

¹⁸⁴¹ Feds launching new anti-money laundering units in B.C., Alberta, Ontario, Quebec, Global News (Toronto) 11 December 2020. Access Date: 24 March 2021. <https://globalnews.ca/news/7517509/new-federal-anti-money-laundering-units/>

¹⁸⁴² Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience, Department of Finance Canada (Ottawa) 19 April 2021. Access Date: 1 May 2021. Page 309. <https://www.budget.gc.ca/2021/home-accueil-en.html>

¹⁸⁴³ Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience, Department of Finance Canada (Ottawa) 19 April 2021. Access Date: 1 May 2021. Page 309. <https://www.budget.gc.ca/2021/home-accueil-en.html>

¹⁸⁴⁴ Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience, Department of Finance Canada (Ottawa) 19 April 2021. Access Date: 1 May 2021. Page 309. <https://www.budget.gc.ca/2021/home-accueil-en.html>

¹⁸⁴⁵ Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience, Department of Finance Canada (Ottawa) 19 April 2021. Access Date: 1 May 2021. Page 309. <https://www.budget.gc.ca/2021/home-accueil-en.html>

¹⁸⁴⁶ Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience, Department of Finance Canada (Ottawa) 19 April 2021. Access Date: 1 May 2021. Page 309. <https://www.budget.gc.ca/2021/home-accueil-en.html>

¹⁸⁴⁷ Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience, Department of Finance Canada (Ottawa) 19 April 2021. Access Date: 1 May 2021. Page 309. <https://www.budget.gc.ca/2021/home-accueil-en.html>

On 4 May 2021, FINTRA published its 2021 version of the Compliance program Requirements, which is set to come into force on 1 June 2021.¹⁸⁴⁸ This updated guide's objective is to ensure all REs comply with the PCMLTFA, as well as any other associated regulations.¹⁸⁴⁹ These requirements entails all reporting entities to establish and implement a compliance program, with elements such as appointing compliance officers or conducting risk assessment when necessary, in order to identify possible sources of money laundering or terrorist financing.¹⁸⁵⁰

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

Thus, Canada has received a score of +1.

Analyst: Nathan Ye

China: +1

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

On 4 January 2021, the People's Bank of China (PBOC) issued an amended draft of the "Financial Institution Anti-money Laundering Anti-terrorist Financing Supervisory Administrative Measures."¹⁸⁵¹ This measure aims to "preventing and dissolving financial risk, raising the effectiveness of anti-money laundering regulation and raising the level of financial institution anti-money laundering work."¹⁸⁵² This draft also seeks to restructure anti-money laundering (AML) efforts in China in accordance with the assessment the Financial Action Task Force made in 2019, and to resolve the range of inadequacies that the assessment had highlighted.¹⁸⁵³

On 5 February 2021, China's economic decision makers signed the "Memorandum of Understanding on the Launch of Cross-boundary Wealth."¹⁸⁵⁴ In Provision 9 of the document, the PBOC, "agrees to provide guidance to Mainland banks to comply with obligations relating to...anti-money laundering and counter-financing of terrorism in accordance with relevant legal requirements."¹⁸⁵⁵

¹⁸⁴⁸ Compliance program requirements, Financial Transactions and Reports analysis Centre of Canada (Ottawa) 4 May 2021. Access Date: 14 May 2021. <https://www.fintrac-canafe.gc.ca/guidance-directives/compliance-conformite/Guide4/4-eng>

¹⁸⁴⁹ Compliance program requirements, Financial Transactions and Reports analysis Centre of Canada (Ottawa) 4 May 2021. Access Date: 14 May 2021. <https://www.fintrac-canafe.gc.ca/guidance-directives/compliance-conformite/Guide4/4-eng>

¹⁸⁵⁰ Compliance program requirements, Financial Transactions and Reports analysis Centre of Canada (Ottawa) 4 May 2021. Access Date: 14 May 2021. <https://www.fintrac-canafe.gc.ca/guidance-directives/compliance-conformite/Guide4/4-eng>

¹⁸⁵¹ PBOC Releases Draft Version of Amended Anti-money Laundering, Anti-terrorist Financing Regulations, China Banking News (N/A) 4 January 2021. Access Date: 14 May 2021. <https://www.chinabankingnews.com/2021/01/04/pboc-releases-draft-version-of-amended-anti-money-laundering-anti-terrorist-financing-regulations/>

¹⁸⁵² PBOC Releases Draft Version of Amended Anti-money Laundering, Anti-terrorist Financing Regulations, China Banking News (N/A) 4 January 2021. Access Date: 14 May 2021. <https://www.chinabankingnews.com/2021/01/04/pboc-releases-draft-version-of-amended-anti-money-laundering-anti-terrorist-financing-regulations/>

¹⁸⁵³ PBOC Releases Draft Version of Amended Anti-money Laundering, Anti-terrorist Financing Regulations, China Banking News (N/A) 4 January 2021. Access Date: 14 May 2021. <https://www.chinabankingnews.com/2021/01/04/pboc-releases-draft-version-of-amended-anti-money-laundering-anti-terrorist-financing-regulations/>

¹⁸⁵⁴ Memorandum of Understanding on supervisory cooperation under the Cross-boundary Wealth Management Connect, Hong Kong Monetary Authority (Hong Kong) 5 February 2021. Access Date: 21 March 2021. <https://www.hkma.gov.hk/media/eng/doc/key-information/press-release/2021/20210205e4a1.pdf>

¹⁸⁵⁵ Memorandum of Understanding on supervisory cooperation under the Cross-boundary Wealth Management Connect, Hong Kong Monetary Authority (Hong Kong) 5 February 2021. Access Date: 21 March 2021. <https://www.hkma.gov.hk/media/eng/doc/key-information/press-release/2021/20210205e4a1.pdf>

On 11 February 2021, Premier Li Keqiang signed a decree that unveiled new regulation on prevention and handling of illegal fundraising, which will come in place on 1 May 2021.¹⁸⁵⁶ This new regulation aims to remove a source of corruption in China, by decreasing the number of illegal fundraising cases.¹⁸⁵⁷

On 25 February 2021, China held a virtual meeting on money laundering.¹⁸⁵⁸ The meeting highlighted past successes and future steps, including China's goals in advancing amendments to the AML law, enhancing coordination amongst AML departments, strengthening the risk-based AML supervision, and participating in global AML governance.¹⁸⁵⁹

On 26 March 2021, the China Banking and Insurance Regulatory Commission issued a notice on “preventing the illegal flow of loans for business purposes into the real estate sector.”¹⁸⁶⁰ This notice aims to urge banking institutions to revamp their operations by strengthening client reviews and clearly defining a “blacklist” of violations.

On 16 April 2021, the PBOC released “Measures for the Supervision of Anti-Money Laundering and Counter-Terrorist Financing of Financial Institutions,” which will be in effect 1 August 2021.¹⁸⁶¹ This document specifies the AML requirements for financial institutions, will require institutions to conduct self-assessments and establish internal control systems.¹⁸⁶² This document will also include micro-credit companies and wealth management subsidiaries as obliged AML actors.¹⁸⁶³

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

Thus, China has received a score of +1.

Analyst: Veniamin Veselovsky

France: +1

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

¹⁸⁵⁶ Premier Signs Decree Unveiling the Regulation on Prevention and Handling of Illegal Fundraising, China Banking and Insurance Regulatory Commission (Beijing) 11 February 2021. Access Date: 21 March 2021. <https://www.chinadaily.com.cn/a/202102/10/WS6023ee87a31024ad0baa8aa4.html>

¹⁸⁵⁷ Premier Signs Decree Unveiling the Regulation on Prevention and Handling of Illegal Fundraising, China Banking and Insurance Regulatory Commission (Beijing) 11 February 2021. Access Date: 21 March 2021. <https://www.chinadaily.com.cn/a/202102/10/WS6023ee87a31024ad0baa8aa4.html>

¹⁸⁵⁸ PBC Holds 2021 Anti-Money Laundering Virtual Work Conference, The People's Bank of China (Beijing) 26 February 2021. Access Date: 21 March 2021. <http://www.pbc.gov.cn/en/3688241/3688777/3688780/4197750/index.html>

¹⁸⁵⁹ PBC Holds 2021 Anti-Money Laundering Virtual Work Conference, The People's Bank of China (Beijing) 26 February 2021. Access Date: 21 March 2021. <http://www.pbc.gov.cn/en/3688241/3688777/3688780/4197750/index.html>

¹⁸⁶⁰ The General Office of the China Banking and Insurance Regulatory Commission, the General Office of the Ministry of Housing and Urban-Rural Development, and the General Office of the People's Bank of China issued the “Notice on Preventing the Illegal Flow of Loans for Business Purposes into the Real Estate Sector, China Banking and Insurance Regulatory Commission (Beijing) 26 March 2021. Access Date: 1 May 2021. <http://www.cbirc.gov.cn/cn/view/pages/ItemDetail.html?docId=973377&itemId=915&generalType=0>

¹⁸⁶¹ China: Central Bank issues measures for supervision and administration of AML/CFT, OneTrust DataGuidance (London) 19 April 2021. Access Date: 14 May 2021. <https://www.dataguidance.com/news/china-central-bank-issues-measures-supervision-and>

¹⁸⁶² China: Central Bank issues measures for supervision and administration of AML/CFT, OneTrust DataGuidance (London) 19 April 2021. Access Date: 14 May 2021. <https://www.dataguidance.com/news/china-central-bank-issues-measures-supervision-and>

¹⁸⁶³ China: Central Bank issues measures for supervision and administration of AML/CFT, OneTrust DataGuidance (London) 19 April 2021. Access Date: 14 May 2021. <https://www.dataguidance.com/news/china-central-bank-issues-measures-supervision-and>

On 9 December 2020, Minister for Economy, Finance, and Recovery Bruno Le Maire announced that France will make Know Your Client procedures compulsory for all cryptocurrency transactions in the country.¹⁸⁶⁴ Such changes are part of France's larger effort to fight money laundering and terrorist financing after arresting 29 individuals in September linked to a financing scheme of Islamist extremists in Syria using cryptocurrencies.¹⁸⁶⁵ Le Maire's proposal is meant "to strengthen the control of financial funds" because "cryptocurrencies pose a real problem of terrorist financing."¹⁸⁶⁶

On 6 March 2021, the French government passed an order to increase internal control on financial systems in the form of asset freezing measures to fight against money laundering and terrorist financing.¹⁸⁶⁷ The order granted the French Prudential Supervision and Resolution Authority increased jurisdiction over the banking, payment, and investment service sectors in ensuring they comply with anti-money laundering (AML) and counter terrorist financing (CTF) practices.¹⁸⁶⁸

On 23 March 2021, the French Government passed the action plan against Money Laundering and Terrorist Financing.¹⁸⁶⁹ The action plan included five priority axes: preventing risk in both the financial and non-financial sector by intensifying inspections; increasing transparency by further developing the national registry listing the financial assets of public associations; increasing the powers of France's intelligence service to detect, prosecute, and sanction suspicious activity; freezing assets with suspected links to money laundering or terrorism financing; strengthening national policies and playing a leading role in promoting international cooperation on the EU level.¹⁸⁷⁰

On 4 April 2021, the French government published Decree No. 2021-387 to counteract the anonymity of virtual assets.¹⁸⁷¹ The Decree amended the existing ALM and CFT regime by clarifying the prohibition on the use of anonymous electronic money for the purchase of digital assets and

¹⁸⁶⁴ France announces strict cryptocurrency KYC rules to fight money laundering and terrorist financing (Paris) 11 December 2020. Access date: 8 May 2021. <https://amlintelligence.com/2020/12/france-announces-strict-cryptocurrency-kyc-rules-to-fight-money-laundering-and-terrorist-financing/>

¹⁸⁶⁵ France announces strict cryptocurrency KYC rules to fight money laundering and terrorist financing (Paris) 11 December 2020. Access date: 8 May 2021. <https://amlintelligence.com/2020/12/france-announces-strict-cryptocurrency-kyc-rules-to-fight-money-laundering-and-terrorist-financing/>

¹⁸⁶⁶ France announces strict cryptocurrency KYC rules to fight money laundering and terrorist financing (Paris) 11 December 2020. Access date: 8 May 2021. <https://amlintelligence.com/2020/12/france-announces-strict-cryptocurrency-kyc-rules-to-fight-money-laundering-and-terrorist-financing/>

¹⁸⁶⁷ Decree of February 25, 2021 amending the decree of January 6, 2021 relating to the system and control in the fight against money laundering and the financing of terrorism and freezing of assets and prohibition of the provision or use of funds or economic resources (Paris) 6 March 2021. Access date: 26 April 2021.

<https://www.legifrance.gouv.fr/download/pdf?id=URjHGUS3Mla2ACFEemX493YeQ3-8TceGo4mVNW7rSU=>

¹⁸⁶⁸ Decree of February 25, 2021 amending the decree of January 6, 2021 relating to the system and control in the fight against money laundering and the financing of terrorism and freezing of assets and prohibition of the provision or use of funds or economic resources (Paris) 6 March 2021. Access date: 26 April 2021.

<https://www.legifrance.gouv.fr/download/pdf?id=URjHGUS3Mla2ACFEemX493YeQ3-8TceGo4mVNW7rSU=>

¹⁸⁶⁹ Fight against money laundering and terrorist financing: update of the government action plan (2021-2022), Ministry of the Economy and Finance (Paris) 23 March 2021. Access date: 8 May 2021.

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

¹⁸⁷⁰ Fight against money laundering and terrorist financing: update of the government action plan (2021-2022), Ministry of the Economy and Finance (Paris) 23 March 2021. Access date: 8 May 2021.

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

¹⁸⁷¹ Decree No. 2021-387 of April 2, 2021 relating to the fight against the anonymity of virtual assets and strengthening the national system for the fight against money laundering and the financing of terrorism (Paris) 4 April 2021. Access date: 26 April 2021. <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000043328577?r=9N7CtzLsO6>

imposing an obligation on digital asset service providers to identify their customers prior to any transaction.¹⁸⁷² The Decree became active on 1 May 2021.¹⁸⁷³

On 5 April 2021, the European Union's Global Facility on Anti-Money Laundering and Countering the Financing of Terrorism, of which Expertise France is a main implementing partner, met with United Arab Emirates' Ministry of Foreign Affairs and International Cooperation to explore various venues of implementing multi-agency AML and CFT programs to disrupt and dismantle illicit networks.¹⁸⁷⁴ Glenn McDowell from the EU AML/CFT Global Facility commented on the importance of creating a multi-agency, stating "financial crime is growing in sophistication and complexity, so we are delighted to be able to share our respective knowledge, skills, and experience with the UAE."¹⁸⁷⁵

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

Thus, France receives a score of +1.

Analyst: Darya Rabbar

Germany: +1

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

On 16 December 2020, the German Federal Ministry of Justice and Consumer Protection, Christine Lambrecht, presented a draft bill of the Financial Marketing Integrity Strengthening Act to reform the Federal Financial Supervisory Authority.¹⁸⁷⁶ The Act includes measures aiming to protect investors and consumers, and to combat terrorist financing (TF) and money laundering, and is planned to come into force on 1 July 2021.¹⁸⁷⁷

On 28 December 2020, the Federal Ministry of the Interior of Germany published a report, titled "Sectoral Risk Analysis," on the issue of TF through (the abuse of) non-profit organizations (NPOs) in Germany.¹⁸⁷⁸ This report intends to outline and investigate the risks of TF through the abuse of

¹⁸⁷² Decree No. 2021-387 of April 2, 2021 relating to the fight against the anonymity of virtual assets and strengthening the national system for the fight against money laundering and the financing of terrorism (Paris) 4 April 2021. Access date: 26 April 2021. <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000043328577?r=9N7CtzLsO6>

¹⁸⁷³ Decree No. 2021-387 of April 2, 2021 relating to the fight against the anonymity of virtual assets and strengthening the national system for the fight against money laundering and the financing of terrorism (Paris) 4 April 2021. Access date: 26 April 2021. <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000043328577?r=9N7CtzLsO6>

¹⁸⁷⁴ UAE, European Union host workshops on combating money laundering and terrorist financing (Abu Dhabi) 26 April 2021. Access date: 26 April 2021. <https://www.wam.ae/en/details/1395302929868>

¹⁸⁷⁵ UAE, European Union host workshops on combating money laundering and terrorist financing (Abu Dhabi) 26 April 2021. Access date: 26 April 2021. <https://www.wam.ae/en/details/1395302929868>

¹⁸⁷⁶ More 'Bite' for the Financial Supervisory Authority, Federal Ministry of Finance (Berlin) 2 February 2021. Access Date: 18 March 2021. https://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Financial_markets/Articles/2021-02-03-more-bite-for-the-financial-supervisory-authority.html

¹⁸⁷⁷ More 'Bite' for the Financial Supervisory Authority, Federal Ministry of Finance (Berlin) 2 February 2021. Access Date: 18 March 2021. https://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Financial_markets/Articles/2021-02-03-more-bite-for-the-financial-supervisory-authority.html

¹⁸⁷⁸ Sectoral risk analysis, Federal Ministry of the Interior (Berlin) 28 December 2020. Access Date: 14 May 2021. <https://www.bmi.bund.de/SharedDocs/downloads/DE/publikationen/themen/sicherheit/sectorale-risikoanalyse.html>

NPOs in detail, and also provides recommendations for action, such as urging for closer cooperation between financial and law enforcement authorities, as well as examining potential measures in the banking sector to counteract the risks of TF.¹⁸⁷⁹

On 10 February 2021, the German Federal Government adopted a draft of the Act to Amend the Anti-Money Laundering Transparency Register and Financial Information Act.¹⁸⁸⁰ This draft aims to “further improve the fight against money laundering under criminal law and even go beyond the minimum international requirements.”¹⁸⁸¹ The draft proposes the “all-crimes approach,” which expands the “basis of criminal activity that underpins money laundering.”¹⁸⁸² Under this draft, any activity related to trafficking illegally obtained assets, including objects, into the legal economy can be prosecuted, “meaning that money laundering can be penalized more frequently than in the past.”¹⁸⁸³

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

Thus, Germany receives a score of +1.

Analyst: Zhuojia Qiu

India: 0

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

On 18 March 2021, India and other members of the Shanghai Cooperation Organisation (SCO) announced at the 36th meeting of the Council of the Regional Anti-Terrorist Structure that a joint anti-terrorism exercise, “Pabbi-Antiterror-2021,” will be held during this calendar year.¹⁸⁸⁴ At the meeting, “[d]ecisions have been made to improve cooperation between the competent authorities of the SCO member states in identifying and suppressing channels that finance terrorist activities.”¹⁸⁸⁵

On 8 April 2021, India agreed to work jointly with Sri Lanka to combat terrorist entities.¹⁸⁸⁶ While continuing their actions against drug trafficking, the two states intend to strengthen the existing

¹⁸⁷⁹ Sectoral risk analysis, Federal Ministry of the Interior (Berlin) 28 December 2020. Access Date: 14 May 2021.

<https://www.bmi.bund.de/SharedDocs/downloads/DE/publikationen/themen/sicherheit/sectorale-risikoanalyse.html>

¹⁸⁸⁰ Government draft of the Anti-Money Laundering Transparency Register and Financial Information Act published, Noerr (Munich) 18 February 2021. Access Date: 14 May 2021. <https://www.noerr.com/en/newsroom/news/governmentdraftoftheantimoneylaunderingtransparencyregisterandfinancialinformationactpublished>

¹⁸⁸¹ Combating Money Laundering Using an All-Crimes Approach. New Law in Germany Aims to Improve the Fight Against Money Laundering, Actico (Immenstaad) 18 February 2021. Access Date: 14 May 2021. <https://www.actico.com/blog-en/combating-money-laundering-in-germany-using-an-all-crimes-approach-new-law-improves-aml/>

¹⁸⁸² Combating Money Laundering Using an All-Crimes Approach. New Law in Germany Aims to Improve the Fight Against Money Laundering, Actico (Immenstaad) 18 February 2021. Access Date: 14 May 2021. <https://www.actico.com/blog-en/combating-money-laundering-in-germany-using-an-all-crimes-approach-new-law-improves-aml/>

¹⁸⁸³ Combating Money Laundering Using an All-Crimes Approach. New Law in Germany Aims to Improve the Fight Against Money Laundering, Actico (Immenstaad) 18 February 2021. Access Date: 14 May 2021. <https://www.actico.com/blog-en/combating-money-laundering-in-germany-using-an-all-crimes-approach-new-law-improves-aml/>

¹⁸⁸⁴ India, Pakistan, China to participate in SCO joint anti-terrorism exercise this year, The Economic Times (Mumbai) 21 March 2021. Access Date: 29 April 2021. <https://economictimes.indiatimes.com/news/defence/india-pakistan-china-to-participate-in-sco-joint-anti-terrorism-exercise-this-year/articleshow/81617992.cms>

¹⁸⁸⁵ India, Pakistan, China to participate in SCO joint anti-terrorism exercise this year, The Economic Times (Mumbai) 21 March 2021. Access Date: 29 April 2021. <https://economictimes.indiatimes.com/news/defence/india-pakistan-china-to-participate-in-sco-joint-anti-terrorism-exercise-this-year/articleshow/81617992.cms>

¹⁸⁸⁶ India and Sri Lanka agree to jointly work against terror groups, fugitives, The Economic Times (Mumbai) 8 April 2021. Access Date: 29 April 2021. <https://economictimes.indiatimes.com/news/defence/india-and-sri-lanka-agree-to-jointly-work-against-terror-groups-fugitives/articleshow/81970767.cms>

cooperation mechanisms, with an emphasis on sharing real time intelligence to designate “nodal points” for timely and effective handling of security challenges.¹⁸⁸⁷

On 8 April 2021, India and the Maldives agreed to enhance capacity building mechanisms to counter terror, as well as a de-radicalization effort, including efforts in combating terrorist financing.¹⁸⁸⁸ Such “cooperation will include assistance and capacity building for the security and law enforcement agencies and other relevant agencies of the Maldives as well as collaboration and the exchange of best practices in the areas of counter-terrorism.”¹⁸⁸⁹

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

Thus, the India receives a score of 0.

Analyst: Anna Ivanova

Indonesia: +1

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

On 14 January 2021, President Joko Widodo announced his commitment to strengthening the anti-money laundering and counter-terrorism financing strategies in Indonesia.¹⁸⁹⁰ The 2020-2024 National Strategy for the Countermeasure and Eradication of Money Laundering and Terrorism Funding Crimes has five main focuses: “improved ability of private sectors to detect indications or potential of money laundering, terrorism financing and funding for the proliferation of weapons of mass destruction by taking into account risk assessments; increased efforts to prevent money laundering and terrorism financing by taking into account risk assessment; greater effectiveness of eradication of money laundering and terrorism financing by taking into account risk assessments; optimizing asset recovery by taking into account risk assessments; and greater effectiveness of targeted financial sanctions in disrupting terrorist activities, terrorists, terrorist organizations, and proliferation of weapons of mass destruction.”¹⁸⁹¹

On 14 January 2021, Coordinating Minister of Economic Affairs Airlangga Hartarto presented the draft of the Bill on Restrictions on Currency Transactions and the Bill on Confiscation of Criminal Assets at Indonesia’s Annual Coordination Meeting for the Prevention and Eradication of Money

¹⁸⁸⁷ India and Sri Lanka agree to jointly work against terror groups, fugitives, The Economic Times (Mumbai) 8 April 2021. Access Date: 29 April 2021. <https://economictimes.indiatimes.com/news/defence/india-and-sri-lanka-agree-to-jointly-work-against-terror-groups-fugitives/articleshow/81970767.cms>

¹⁸⁸⁸ Joint Press Release on First Meeting of India-Maldives Joint Working Group on Counter Terrorism, Countering Violent Extremism and De-Radicalisation, Ministry of External Affairs (New Delhi) 8 April 2021. Access Date: 29 April 2021. <https://mea.gov.in/press-releases.htm?dtl/33782/Joint+Press+Release+on+First+Meeting+of+IndiaMaldives+Joint+Working+Group+on+Counter+Terrorism+Countering+Violent+Extremism+and+DeRadicalisation>

¹⁸⁸⁹ Joint Press Release on First Meeting of India-Maldives Joint Working Group on Counter Terrorism, Countering Violent Extremism and De-Radicalisation, Ministry of External Affairs (New Delhi) 8 April 2021. Access Date: 29 April 2021. <https://mea.gov.in/press-releases.htm?dtl/33782/Joint+Press+Release+on+First+Meeting+of+IndiaMaldives+Joint+Working+Group+on+Counter+Terrorism+Countering+Violent+Extremism+and+DeRadicalisation>

¹⁸⁹⁰ Gov’t to Boost Synergy to Eradicate Money Laundering, Terrorism Financing, Cabinet Secretariat of the Republic of Indonesia (Jakarta) 15 January 2021. Access date: 15 March 2021. <https://setkab.go.id/en/govt-to-boost-synergy-to-eradicate-money-laundering-terrorism-financing/>

¹⁸⁹¹ Gov’t to Boost Synergy to Eradicate Money Laundering, Terrorism Financing, Cabinet Secretariat of the Republic of Indonesia (Jakarta) 15 January 2021. Access date: 15 March 2021. <https://setkab.go.id/en/govt-to-boost-synergy-to-eradicate-money-laundering-terrorism-financing/>

Laundering and Terrorist Financing.¹⁸⁹² These bills are intended to become law in 2021.¹⁸⁹³ Both bills are focused on preventing money laundering and terrorist financing as extensions of the 2020-2024 National Strategy.¹⁸⁹⁴

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

Thus, Indonesia has received a score of +1.

Analyst: Alisha Bhimji

Italy: -1

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

On 25 March 2021, the Bank of Italy began the two-day webinar titled “Anti-Money Laundering: the Italian Experience.”¹⁸⁹⁵ This webinar aims to outline the existing Italian legislation on anti-money laundering (AML) and terrorist financing, as well as the AML regime, and the role the Financial Intelligence Unit will play in tackling AML.¹⁸⁹⁶

Italy has not taken significant action to tackle techniques and channels of money laundering and terrorist financing, as per the depth component of this commitment.

Thus, Italy receives a score of -1.¹⁸⁹⁷

Analyst: Beatrice McLeod

Japan: 0

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

On 7 February 2021, Japan’s Financial Services Agency announced plans to implement artificial intelligence systems to detect suspicious money-laundering or terrorist financing activities, within

¹⁸⁹² Coordinating Minister for the Economy: Support the Criminal Asset Confiscation Bill and the Bill on Limiting Currency Transactions as a Priority, Financial Transactions Reporting and Analysis Centre (Jakarta) 4 February 2021. Access date: 19 March 2021. <https://www.ppatk.go.id/news/read/1118/menko-perekonomian-dukung-ruu-perampasan-aset-tindak-pidana-dan-ruu-pembatasan-transaksi-uang-kartal-sebagai-prioritas.html>

¹⁸⁹³ Kick to Prevent Money Laundering: Restricted Currency Transactions, CBC Indonesia (Jakarta) 14 January 2021. Access date: 19 March 2021. <https://www.cnbcindonesia.com/news/20210114145914-4-215961/jurus-cegah-pencucian-uang-transaksi-uang-kartal-dibatasi>

¹⁸⁹⁴ This bill is important to strengthen anti-money laundering and prevention of terrorist financing, Kanton (Jakarta) 14 January 2021. Access date: 19 March 2021. <https://nasional.kontan.co.id/news/2-ruu-ini-penting-perkuat-anti-pencucian-uang-dan-pencegahaan-pendanaan-terorisme>

¹⁸⁹⁵ Webinar: "Anti-Money Laundering: the Italian Experience," Banca D'Italia (Rome) 25 March 2021. Access Date: 13 May 2021. <https://www.bancaditalia.it/media/notizia/webinar-anti-money-laundering-the-italian-experience/>

¹⁸⁹⁶ "Anti-Money Laundering: the Italian Experience," Banca D'Italia (Rome) 25 March 2021. Access Date: 13 May 2021. <https://www.bancaditalia.it/compiti/ricerca-economica/cooperazione-tecnica-internazionale/seminari-2021/seminario-2-2021/index.html>

¹⁸⁹⁷ This non-compliance was determined after searching the following websites: <https://www.governo.it/it/il-governo>, <https://www.nytimes.com/>, <https://www.giustizia.it/giustizia/>, and <https://www.bbc.com>, <https://amlintelligence.com/2021/01/exclusive-inside-italys-fight-against-money-laundering/>, <https://www.loc.gov/law/help/cryptoassets/italy.php>, <https://www.bancaditalia.it/>, <https://www.istat.it/it/cerca-nel-sito>, <https://www.cnel.it/>, <https://www.camera.it/leg18/1>, <https://www.oecd.org/italy/governmentofitalyusefullinks.htm>, <https://www.esteri.it/mae/it/>

fiscal 2021.¹⁸⁹⁸ These plans aim to prevent them suspicious financial activities at the source, and to strengthen measures against money laundering.¹⁸⁹⁹

On 26 March 2021, the Japanese Financial Services Agency issued a frequently asked questions (FAQs) about its anti-money laundering and counter terrorism financing (AML/CTF) guidelines.¹⁹⁰⁰ These FAQs are aimed to clarify and aid the understanding of AML/CTF guidelines that are already in place.¹⁹⁰¹

On 31 March 2021, The Japanese Financial Services Agency announced that it will adopt the travel rule set by the Financial Action Task Force (FATF), which were developed to combat money laundering, by April 2022.¹⁹⁰² When implemented, these legislations that require virtual asset service providers to disclose transaction data for both senders and recipients.^{1903,1904} These rules aim to provide “a number of measures to prevent cryptocurrencies from being used for money laundering and terrorist financing.”¹⁹⁰⁵

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

Thus, Japan received a score of 0.

Analyst: Aimaan Shergill

Korea: 0

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

On 23 March 2021, the Financial Services Commission (FSC) announced that Korea’s anti-money laundering safeguards for cryptocurrency businesses will “come into effect” on 25 March 2021.¹⁹⁰⁶ These safeguards, according to the Commission, will require Virtual Asset Service Providers to “file

¹⁸⁹⁸ Japan FSA banks on AI to bust money laundering. World News Monitor (Vienna) 07 February 2021. Access Date: 23 April 2021. <https://world-news-monitor.com/technology/2021/02/07/japan-fsa-banks-on-ai-to-bust-money-laundering/>

¹⁸⁹⁹ Japan FSA banks on AI to bust money laundering. World News Monitor (Vienna) 07 February 2021. Access Date: 23 April 2021. <https://world-news-monitor.com/technology/2021/02/07/japan-fsa-banks-on-ai-to-bust-money-laundering/>

¹⁹⁰⁰ Japan: FSA releases FAQ on AML/CFT guidelines, OneTrust DataGuidance (London) 29 March 2021. Access Date: 13 May 2021. <https://www.dataguidance.com/news/japan-fsa-releases-faq-amlcft-guidelines>

¹⁹⁰¹ About "Frequently Asked Questions (FAQ) about Maneron Terrorism Financing Countermeasure Guidelines," Japan Financial Services Agency (Tokyo) 26 March 2021. Access Date: 13 May 2021. https://www.fsa.go.jp/news/r2/2021_amlcft_faq/2021_amlcft_faq.html

¹⁹⁰² Financial Services Agency asks cryptocurrency industry group to introduce travel rules, Cointelegraph Japan (Tokyo) 1 April 2021. Access Date: 13 May 2021. <https://jp.cointelegraph.com/news/fatf-travel-rule-will-be-implemented-from-april-2022>

¹⁹⁰³ Notification of transfer source / destination information (travel rules) when transferring cryptographic assets, Financial Services Agency Japan (Tokyo) 31 March 2021. Access Date: 13 May 2021. <https://www.fsa.go.jp/news/r2/sonota/20210331.html>

¹⁹⁰⁴ Japan's FSA asks cryptocurrency industry group to introduce FATF travel rule, Cointelegraph (New York) 1 April 2021. Access Date: 13 May 2021. <https://cointelegraph.com/news/japan-s-fsa-asks-cryptocurrency-industry-group-to-introduce-fatf-travel-rule>

¹⁹⁰⁵ Japan's FSA asks cryptocurrency industry group to introduce FATF travel rule, Cointelegraph (New York) 1 April 2021. Access Date: 13 May 2021. <https://cointelegraph.com/news/japan-s-fsa-asks-cryptocurrency-industry-group-to-introduce-fatf-travel-rule>

¹⁹⁰⁶ South Korea's anti-money laundering rules to be live on 25 March, The Paypers (Seoul) 23 March 2021. Access Date: 23 March 2021. <https://thepappers.com/cryptocurrencies/south-koreas-anti-money-laundering-rules-to-be-live-on-25-march--1247920>

suspicious transaction reports with the FSC...subject themselves to compliance inspections...[and] verify their customers' identities.”¹⁹⁰⁷

On 22 April 2021, regulators from the Government of Korea announced that they will be creating guidelines to strengthen the monitoring of cross-border transactions connected with cryptocurrency.¹⁹⁰⁸ Authorities will monitor signs of illegal trading and team up with global institutions to “systematically deal with unlawful acts”¹⁹⁰⁹ made through overseas exchanges due to concern about a potential increase in money laundering and fraud risk.¹⁹¹⁰ The goal is to curb illicit overseas cryptocurrency transactions that take advantage of arbitrage trading opportunities.¹⁹¹¹

On 23 April 2021, the FSC announced that it now requires digital currency exchanges and other financial companies to strengthen their monitoring and oversight of transactions.¹⁹¹² According to the FSC, the new regulation is instituted to better identify the criminal use of agencies such as Bitcoin, and will also require exchanges to partner with local banking institutions.¹⁹¹³ Per the FSC, the goal will be to ensure that there will be “no illegal cryptocurrency transaction in the country.”¹⁹¹⁴

Korea has begun to take measures to tackle money laundering in terms of its channels and techniques, but lacks measures against its sources. Furthermore, the majority of Korea's actions are focused on money laundering, but did not address the concerns of terrorist financing.

Thus, Korea receives a score of 0.

Analyst: Burhan Anees Khan

Mexico: 0

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

On 30 November 2020, the Mexican Ministry of Finance (SHCP) released a list of requirements for the registrations of individuals and entities “that offer, on a professional basis, the exchange and custody of virtual assets with the Mexican Revenue Service [(SAT)].”¹⁹¹⁵ This list of requirements is a modification of the Anti-Money Laundering Act that was enacted in 2012, and now requires virtual currency exchanges and custody to be ultimately analyzed by the Financial Intelligence Unit of

¹⁹⁰⁷ South Korea's anti-money laundering rules to be live on 25 March, The Paypers (Seoul) 23 March 2021. Access Date: 23 March 2021. <https://thepappers.com/cryptocurrencies/south-koreas-anti-money-laundering-rules-to-be-live-on-25-march--1247920>

¹⁹⁰⁸ South Korea to Curb Illegal Cross-Border Crypto Trading, Crypto Briefing (Seoul) 22 April 2021. Access Date: 1 May 2021. <https://cryptobriefing.com/south-korea-to-curb-illegal-cross-border-crypto-trading/>

¹⁹⁰⁹ South Korea to Curb Illegal Cross-Border Crypto Trading, Crypto Briefing (Seoul) 22 April 2021. Access Date: 1 May 2021. <https://cryptobriefing.com/south-korea-to-curb-illegal-cross-border-crypto-trading/>

¹⁹¹⁰ South Korea to Curb Illegal Cross-Border Crypto Trading, Crypto Briefing (Seoul) 22 April 2021. Access Date: 1 May 2021. <https://cryptobriefing.com/south-korea-to-curb-illegal-cross-border-crypto-trading/>

¹⁹¹¹ South Korea to Curb Illegal Cross-Border Crypto Trading, Crypto Briefing (Seoul) 22 April 2021. Access Date: 1 May 2021. <https://cryptobriefing.com/south-korea-to-curb-illegal-cross-border-crypto-trading/>

¹⁹¹² South Korea pledges crackdown on money laundering via digital agencies, Coingeek (Seoul) 23 April 2021. Access Date: 1 May 2021. <https://coingeek.com/south-korea-pledges-crackdown-on-money-laundering-via-digital-currencies/>

¹⁹¹³ South Korea pledges crackdown on money laundering via digital agencies, Coingeek (Seoul) 23 April 2021. Access Date: 1 May 2021. <https://coingeek.com/south-korea-pledges-crackdown-on-money-laundering-via-digital-currencies/>

¹⁹¹⁴ South Korea pledges crackdown on money laundering via digital agencies, Coingeek (Seoul) 23 April 2021. Access Date: 1 May 2021. <https://coingeek.com/south-korea-pledges-crackdown-on-money-laundering-via-digital-currencies/>

¹⁹¹⁵ Mexican Government issues registration requirements to those who exchange and custody virtual assets, White and Case (New York) 1 December 2020. Access Date: 15 May 2021. <https://www.whitecase.com/publications/alert/mexican-government-issues-registration-requirements-those-who-exchange-and>

Mexico.¹⁹¹⁶ Through these requirements, the SHCP and the SAT hope to increase the focus on provisions of services involving virtual assets in order to prevent and combat against money laundering.¹⁹¹⁷

On 9 December 2020, Mexico's Senate approved a reform bill for the Bank of Mexico to acquire foreign currency from local banks that were excess from cash remittances and tourism.¹⁹¹⁸ The bill aimed to manage money laundering risks inherent in foreign currency transactions.¹⁹¹⁹

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

Thus, Mexico receives a score of 0.

Analyst: Keab Sharma

Russia: 0

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

On 10 January 2021, amendments to the Federal Law on anti-money laundering and terrorism financing came into force. From now on, Russia's financial watchdogs would receive all information regarding money withdrawal / lettering operations if a sum is more than RUB600,000 (approximately USD8,000). Also, all postal money transfers exceeding RUB100,000 (approximately USD1,300) would be put under control.¹⁹²⁰

On 20 January 2021, the State Duma's Committee on Financial Market approved the draft law imposing penalties on undeclared financial actives in cryptocurrencies. The fines vary from 300RUB (approximately USD5) for individuals to RUB50,000 (approximately USD680) for companies; in some cases the draft implies confiscation up to 40 percent of transferred money if it is done with a crypto wallet registered abroad.¹⁹²¹

On 19 February 2021, Russia's Federal Financial Monitoring (Rosfinmonitoring) announced establishment of a digital service to supervise transactions in cryptocurrencies that might be

¹⁹¹⁶ Mexican Government issues registration requirements to those who exchange and custody virtual assets, White and Case (New York) 1 December 2020. Access Date: 15 May 2021. <https://www.whitecase.com/publications/alert/mexican-government-issues-registration-requirements-those-who-exchange-and>

¹⁹¹⁷ Mexican Government issues registration requirements to those who exchange and custody virtual assets, White and Case (New York) 1 December 2020. Access Date: 15 May 2021. <https://www.whitecase.com/publications/alert/mexican-government-issues-registration-requirements-those-who-exchange-and>

¹⁹¹⁸ WSJ Mexico Working on an Alternative to Bill That Would Force Central Bank to Buy Dollars, Wall Street Journal (Mexico City) 22 January 2021. Access Date: 22 March 2021. <https://www.wsj.com/articles/mexico-working-on-alternative-to-bill-that-would-force-central-bank-to-buy-dollars-11611311401>

¹⁹¹⁹ Considerations about the account of the reform project for the Bank of Mexico to acquire foreign currency in cash, approved by the Senate, Bank of Mexico (Mexico City) 11 December 2020. Access Date: 22 March 2021. <https://www.banxico.org.mx/marco-normativo/d/%7B318AF7D5-846B-EE69-FC64-CC9445D76402%7D.pdf>

¹⁹²⁰ New Rules For Control Over Cash Transactions Entered Into Force In The Russian Federation, Izvestiya (Moscow) 10 January 2021. Access Date: 8 May 2021. <https://iz.ru/1109557/2021-01-10/v-rf-vstupili-v-silu-novye-pravila-kontroli-za-operatciami-s-nalichnymi>

¹⁹²¹ The Financial Market Committee Approves A Bill That Provides For Penalties For Hiding Funds In E-Wallets, Financial Market Committee of the State Duma (Moscow) 20 January 2021. Access Date: 8 May 2021. <http://www.komitet2-12.km.duma.gov.ru/Novosti-Komiteta/item/25071748/>

associated with criminal activities. Rosfinmonitoring's Director Yuri Chihanchin, called the new system "Prozrachnyi Monitoring" ("Transparent Monitoring") that is said to be capable of analyzing all kinds of transactions in cryptocurrencies. The system is planned to start functioning later in 2021.¹⁹²²

On 12 March 2021, the Advisory Council of the Interdepartmental Commission on Combating Laundering of Criminally Obtained Incomes, Financing of Terrorism and Financing the Proliferation of Weapons of Mass Destruction conducted a meeting with representatives from the National Council of the Financial Market, the Association of Russian Banks, the Association of Russian Banks, and the Federal Notary Chamber.¹⁹²³ During the meeting, Ilya Yasinky, the director of the Department for Financial Monitoring and Currency Control of the Bank of Russia, discussed the draft of the federal law no. 1116372-7 meant to amend certain legislative acts to better assess the risk of legal entities and individual entrepreneurs of suspicious transactions.¹⁹²⁴

On 23 March 2021, Rosfinmonitoring announced that it is policing crypto to fiat transactions.¹⁹²⁵ Rosfinmonitoring announced that they are working with the central bank to develop a framework to track suspicious crypto to fiat transactions.¹⁹²⁶ Deputy Chief of Rosfinmonitoring Herman Neglyad stated, "banks have already begun to pay attention to exchange operations, that is, when they see that an operation has come after the exchange of virtual assets for hard currency, they have already begun to evaluate them and actually inform us about these operations."¹⁹²⁷

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

Thus, Russia receives a score of 0.

Analyst: Darya Rabbar

Saudi Arabia: 0

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

On 26 November 2020, Executive Director of the United Nations Office on Drugs and Crime Ghada Waly and Saudi Arabia's President of Oversight and Anti-Corruption Authority Mazin Bin Ibrahim Al-Kahmous signed a USD10 million funding agreement in support of a global operational network of anti-corruption law enforcement authorities to limit money laundering activities.¹⁹²⁸ This agreement will support "anti-corruption law enforcement authorities to enhance informal

¹⁹²² Rosfinmonitoring Has Created A Service For Monitoring Criminal Transactions With Cryptocurrency, Kommersant (Moscow) 19 February 2021. Access Date: 8 May 2021. <https://www.kommersant.ru/doc/4701696>

¹⁹²³A Meeting of The Advisory Council At The IAC on AML/CFT/ Forum Was Held (Moscow) 12 March 2021. Access Date: 8 May 2021. <https://www.fedsfm.ru/releases/4978>

¹⁹²⁴A Meeting of The Advisory Council At The IAC on AML/CFT/ Forum Was Held (Moscow) 12 March 2021. Access Date: 8 May 2021. <https://www.fedsfm.ru/releases/4978>

¹⁹²⁵ Russia's money laundering watchdog monitoring crypto to ruble transactions (New York) 24 March 2021. Access Date: 8 May 2021. <https://cointelegraph.com/news/russia-s-money-laundering-watchdog-monitoring-crypto-to-ruble-transactions>

¹⁹²⁶ Russia's money laundering watchdog monitoring crypto to ruble transactions (New York) 24 March 2021. Access Date: 8 May 2021. <https://cointelegraph.com/news/russia-s-money-laundering-watchdog-monitoring-crypto-to-ruble-transactions>

¹⁹²⁷ Russia's money laundering watchdog monitoring crypto to ruble transactions (New York) 24 March 2021. Access Date: 8 May 2021. <https://cointelegraph.com/news/russia-s-money-laundering-watchdog-monitoring-crypto-to-ruble-transactions>

¹⁹²⁸ UNODC, Saudi Arabia's Nazaha Sign USD10 Million Funding Agreement for Global Anti-Corruption Law Enforcement Network, United Nations Office on Drugs and Crime (Vienna) 26 November 2020. Access Date: 19 March 2021.

<https://www.unodc.org/unodc/en/press/releases/2020/November/unodc-saudi-arabias-nazaha-sign-10m-funding-agreement-for-global-anti-corruption-law-enforcement-network.html>

cooperation through regular meetings; an online hub and secure communication platform; and knowledge- and capacity-building programmes and tools.¹⁹²⁹

On 2 December 2020, the Central Bank Governor Ahmed Alkholifey announced Saudi Arabia's strengthened regulatory and legislative framework which aims to combat money laundering and terrorist financing.¹⁹³⁰ This action was taken to enhance the kingdom's compliance with the international standards of the Financial Action Task Force, and will be "taking appropriate measures to prevent cybercrimes and is encouraging financial institutions to enhance electronic and digital payments amid the Covid-19 pandemic,"¹⁹³¹ as well as taking all necessary procedures and measures to manage the increased risks by developing appropriate policies.¹⁹³²

Saudi Arabia has taken actions to combat money laundering and terrorist financing in the channels and techniques but lacks action in regard to the sources of money laundering and terrorist financing.

Thus, Saudi Arabia receives a score of 0.

Analyst: Zhuojia Qiu

South Africa: -1

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

South Africa has taken minimal action and made no new commitments to address sources, techniques, and channels of money laundering and terrorist financing.

Thus, South Africa receives a score of -1.¹⁹³³

Analyst: Nathan Ye

Turkey: +1

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

On 27 December 2020, Turkey passed Law no. 7262 on Preventing Financing of Proliferation of Weapons of Mass Destruction.¹⁹³⁴ The law was enacted to comply with the United Nations Security

¹⁹²⁹ UNODC, Saudi Arabia's Nazaha Sign USD10 Million Funding Agreement for Global Anti-Corruption Law Enforcement Network, United Nations Office on Drugs and Crime (Vienna) 26 November 2020. Access Date: 19 March 2021. <https://www.unodc.org/unodc/en/press/releases/2020/November/unodc-saudi-arabias-nazaha-sign-10m-funding-agreement-for-global-anti-corruption-law-enforcement-network.html>

¹⁹³⁰ Saudi Arabia strengthens its regulatory framework to combat money laundering, The National News (Abu Dhabi) 2 December 2020. Access Date: 15 May 2021. <https://www.thenationalnews.com/business/economy/saudi-arabia-strengthens-its-regulatory-framework-to-combat-money-laundering-1.1121837>

¹⁹³¹ Saudi Arabia strengthens its regulatory framework to combat money laundering, The National News (Abu Dhabi) 2 December 2020. Access Date: 15 May 2021. <https://www.thenationalnews.com/business/economy/saudi-arabia-strengthens-its-regulatory-framework-to-combat-money-laundering-1.1121837>

¹⁹³² Saudi Arabia strengthens its regulatory framework to combat money laundering, The National News (Abu Dhabi) 2 December 2020. Access Date: 15 May 2021. <https://www.thenationalnews.com/business/economy/saudi-arabia-strengthens-its-regulatory-framework-to-combat-money-laundering-1.1121837>

¹⁹³³ This non-compliance was determined after searching the following websites: <http://www.treasury.gov.za/>, <https://www.bbc.com>, <https://www.gov.za/#>, <https://infobrics.org/>, <https://www.imf.org/en/Home>, <https://www.fatf-gafi.org/>, <https://www.timeslive.co.za/>, <https://www.fic.gov.za/media/Pages/mediareleases.aspx>, <https://apnews.com/hub/south-africa>, <https://www.reuters.com/>, <https://www.saps.gov.za/index.php>, <https://www.businesslive.co.za/bd/>, <http://www.thepresidency.gov.za/>, <http://www.treasury.gov.za/default.aspx>, <https://www.resbank.co.za/en/home/what-we-do/Prudentialregulation/anti-money-laundering-and-counteracting-the-financing-of-terrorism>

Council counterterrorism resolution, and in response to a 2019 report from the Financial Action Task Force.¹⁹³⁵ Six of the forty-three articles of the law are to combat the techniques and channels of terrorist financing and money laundering.¹⁹³⁶

On 16 April 2021, the Central Bank of Turkey announced a legislation that will ban the direct and indirect use of cryptocurrencies, as well as other digital assets, as a method of payment.¹⁹³⁷ This legislation was enacted due to the high risk these transactions may entail, as they are frequently used in money laundering and terrorist financing (ML/TF) crimes.¹⁹³⁸

On 1 May 2021, the government of Turkey published a presidential decree that announced that cryptocurrency exchanges are now included on a list of firms that is covered by Turkey's anti-money laundering and terrorist financing regulations, and immediately went into force following its publication in the Turkey Official Gazette.¹⁹³⁹ The decree requires crypto asset service providers to be responsible and ensure that their assets are not being used illegally in crimes such as ML/TF.¹⁹⁴⁰

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

Thus, Turkey receives a score of +1.

Analyst: Alisha Bhimji

United Kingdom: +1

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

On 17 December 2020, Her Majesty's Treasury and the Home Office published a major report assessing the national risk of money laundering and terrorist financing.¹⁹⁴¹ The report states that the UK will continue to build on several of its past anti-money laundering (AML)/combating terrorism financing (CTF) strategies.¹⁹⁴² Furthermore, the report acknowledges the increased risk in money

¹⁹³⁴ Turkey: Parliament Passes Law to Suppress Financing of Weapons of Mass Destruction Proliferation, Library of Congress (Washington D.C.) 27 December 2021. Access Date: 19 March 2021. <https://www.loc.gov/law/foreign-news/article/turkey-parliament-passes-law-to-suppress-financing-of-weapons-of-mass-destruction-proliferation/>

¹⁹³⁵ Turkey: Draft Law Threatens Civil Society, Human Rights Watch (New York) 24 December 2020. Access Date: 18 March 2021. <https://www.hrw.org/news/2020/12/24/turkey-draft-law-threatens-civil-society>

¹⁹³⁶ New bill covering finance, charities puts strain on Turkey's civil society and voters, Ahval News (Ankara) 20 December 2020. Access Date: 18 March 2021. <https://ahvalnews.com/turkish-parliament/new-bill-covering-finance-charities-puts-strain-turkeys-civil-society-and-voters>

¹⁹³⁷ Turkey to ban use of cryptocurrencies for buying goods, services, Daily Sabah (Istanbul) 16 April 2021. Access Date: 15 May 2021. <https://www.dailysabah.com/business/finance/turkey-to-ban-use-of-cryptocurrencies-for-buying-goods-services>

¹⁹³⁸ Turkey to ban use of cryptocurrencies for buying goods, services, Daily Sabah (Istanbul) 16 April 2021. Access Date: 15 May 2021. <https://www.dailysabah.com/business/finance/turkey-to-ban-use-of-cryptocurrencies-for-buying-goods-services>

¹⁹³⁹ Turkey adds cryptocurrency exchanges to terror funding rules, CTV News (Istanbul) 1 May 2021. Access Date: 15 May 2021. <https://www.ctvnews.ca/world/turkey-adds-cryptocurrency-exchanges-to-terror-funding-rules-1.5410206>

¹⁹⁴⁰ Turkey adds cryptocurrency exchanges to terror funding rules, CTV News (Istanbul) 1 May 2021. Access Date: 15 May 2021. <https://www.ctvnews.ca/world/turkey-adds-cryptocurrency-exchanges-to-terror-funding-rules-1.5410206>

¹⁹⁴¹ National risk assessment of money laundering and terrorist financing 2020, UK Parliament (London) December 2020. Access date: 20 March 2020. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/945411/NRA_2020_v1.2_FOR_PUBLICATION.pdf

¹⁹⁴² National risk assessment of money laundering and terrorist financing 2020, UK Parliament (London) December 2020. Access date: 20 March 2020. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/945411/NRA_2020_v1.2_FOR_PUBLICATION.pdf

laundering and terrorist financing crimes during the COVID-19 pandemic, and more emphasis was placed on emerging sectors such as Cryptoassets.¹⁹⁴³

On 16 March 2021, the Financial Conduct Authority launched criminal proceedings against the National Westminster Bank Plc, whose systems allegedly failed to monitor and scrutinize the movement of 365 GBP million.¹⁹⁴⁴ The goal of this policy decision is to reduce the sources of money laundering.

On 16 March 2021, UK's Cabinet Office published a policy paper that reaffirmed Britain's commitment to AML and CFT. Specifically, the UK will continue to "increase the number of trained financial investigators within [their] police forces; overhaul [their] Suspicious Activity Reports regime to ensure critical intelligence informs their investigations; and bolster the National Economic Crime Centre."¹⁹⁴⁵ Moreover, the UK will presently introduce new legislation to tackle economic crime, "including the use of UK corporate structures in facilitating high-end money laundering."¹⁹⁴⁶

On 25 March 2021, the UK Government amended their Money Laundering, Terrorist Financing and Transfer of Funds Regulation 2017 to change the definition of High-Risk Third Countries.¹⁹⁴⁷ This amendment will allow the UK to independently define high risk third world countries.¹⁹⁴⁸ The released list of high-risk countries aligns more closely with the Financial Action Task Force, which will "give effect to FATF [Financial Action Task Force] global standards on high-risk third countries."¹⁹⁴⁹

In March and April 2021, the UK's Revenue and Customs hosted a collection of training workshops, alongside the United Arab Emirates (UAE) Ministry of Foreign Affairs and International Cooperation, to raise exposure to AML/CFT in the UAE.¹⁹⁵⁰ These workshops "form a key part of the UAE's wide range of activities to prevent money laundering and terrorist financing, including initiatives to facilitate international and domestic cooperation."¹⁹⁵¹

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

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

Analyst: Veniamin Veselovsky

¹⁹⁴³ UK Government publishes its 2020 UK National Risk Assessment (NRA) of money laundering and terrorist financing, Norton Rose Fulbright, Financial Services: Regulation Tomorrow (London) 10 December 2020. Access Date: 15 May 2021. <https://www.regulationtomorrow.com/eu/uk-government-publishes-its-2020-uk-national-risk-assessment-nra-of-money-laundering-and-terrorist-financing/>

¹⁹⁴⁴ FCA starts criminal proceedings against NatWest Plc, Financial Conduct Authority (London) 16 March 2021. Access date: 22 March 2021. <https://www.fca.org.uk/news/press-releases/fca-starts-criminal-proceedings-against-natwest-plc>

¹⁹⁴⁵ FCA starts criminal proceedings against NatWest Plc, Financial Conduct Authority (London) 16 March 2021. Access date: 22 March 2021. <https://www.fca.org.uk/news/press-releases/fca-starts-criminal-proceedings-against-natwest-plc>

¹⁹⁴⁶ Global Britain in a Competitive Age: the Integrated Review of Security, Defence, Development and Foreign Policy, Cabinet Office (London) 16 March 2021. Access date: 22 March 2021. <https://www.gov.uk/government/publications/global-britain-in-a-competitive-age-the-integrated-review-of-security-defence-development-and-foreign-policy>

¹⁹⁴⁷ The Money Laundering and Terrorist Financing (Amendment) (High-Risk Countries) Regulation 2021, UK Government (London) 25 March 2021. Access Date: 1 May 2021. <https://www.legislation.gov.uk/uksi/2021/392/regulation/2/made>

¹⁹⁴⁸ The Money Laundering and Terrorist Financing (Amendment) (High-Risk Countries) Regulation 2021, UK Government (London) 25 March 2021. Access Date: 1 May 2021. <https://www.legislation.gov.uk/uksi/2021/392/regulation/2/made>

¹⁹⁴⁹ Explanatory Memorandum to the Money Laundering and Terrorist Financing (Amendment) (High-Risk Countries) Regulation 2021, UK Government (London) 25 March 2021. Access Date: 1 May 2021. https://www.legislation.gov.uk/uksi/2021/392/pdfs/uksiem_20210392_en.pdf

¹⁹⁵⁰ UAE, UK host anti-money laundering training sessions, Gulf News (Dubai) 25 April 2021. Access Date: 1 May 2021. <https://gulfnews.com/business/banking/uae-uk-host-anti-money-laundering-training-sessions-1.1619337665262>

¹⁹⁵¹ UAE, UK host anti-money laundering training sessions, Gulf News (Dubai) 25 April 2021. Access Date: 1 May 2021. <https://gulfnews.com/business/banking/uae-uk-host-anti-money-laundering-training-sessions-1.1619337665262>

United States: +1

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

On 1 January 2020, the Congress passed the National Defense Authorization Act (NDAA) that requires financial institutions to enhance their “due diligence” regarding correspondent accounts established by foreign institutions and private banks that are maintained for non-US personal.¹⁹⁵² This act will increase scrutiny organizations such as Al-Qaeda’s use of money laundering to fund its terrorist activities.¹⁹⁵³ This act also includes the Anti-Money Laundering Act of 2020 (AML Act), which seeks to codify the risk-based approach to anti-money laundering/countering terrorism financing (AML/CTF) compliance, modernize AML/CTF systems, “coordination, cooperation, and information-sharing among financial institutions, U.S. financial regulators and foreign financial regulators,”¹⁹⁵⁴ as well as expand enforcement and investigation-related power of the United States Department of the Treasury’s Financial Crimes Enforcement Network (FinCEN).¹⁹⁵⁵

On 1 January 2021, the Congress passed the NDAA, which aims to broaden anti-money laundering reforms, mainly through the Corporate Transparency Act (CTA), which is embedded in this larger legislation.¹⁹⁵⁶ The CTA creates a beneficial ownership registry with the FinCEN, and requires all reporting companies to disclose information on their beneficial owners to FinCEN.¹⁹⁵⁷ The goal of this registry is to “crack down on anonymous shell companies, which have long been the vehicle of choice for money launderers, terrorists, and criminals.”¹⁹⁵⁸

On 2 March 2021, the Department of State released the 2021 edition of the “International Narcotics Control Strategy Report, Volume II: Money Laundering.”¹⁹⁵⁹ This report focuses on outlining the threats specific to narcotics-related money laundering in various countries around the globe, and reviews the actions these countries have taken, as well as their vulnerabilities.¹⁹⁶⁰

¹⁹⁵² New legislation may portend wave of anti-money laundering enforcement. 19 April 2021. Access Date: 30 April 2021 <https://www.forbes.com/sites/insider/2021/04/19/new-legislation-may-portend-wave-of-anti-money-laundering-enforcement/?sh=1f526b36259f>

¹⁹⁵³ New legislation may portend wave of anti-money laundering enforcement. 19 April 2021. Access Date: 30 April 2021 <https://www.forbes.com/sites/insider/2021/04/19/new-legislation-may-portend-wave-of-anti-money-laundering-enforcement/?sh=1f526b36259f>

¹⁹⁵⁴ The Anti-Money Laundering Act of 2020: Congress Enacts the Most Sweeping AML Legislation Since Passage of the USA PATRIOT Act, *The National Law Review* (Chicago) 19 January 2021. Access Date: 15 May 15, 2021. <https://www.natlawreview.com/article/anti-money-laundering-act-2020-congress-enacts-most-sweeping-aml-legislation-passage>

¹⁹⁵⁵ The Anti-Money Laundering Act of 2020: Congress Enacts the Most Sweeping AML Legislation Since Passage of the USA PATRIOT Act, *The National Law Review* (Chicago) 19 January 2021. Access Date: 15 May 15, 2021. <https://www.natlawreview.com/article/anti-money-laundering-act-2020-congress-enacts-most-sweeping-aml-legislation-passage>

¹⁹⁵⁶ New Legislation May Portend Wave of Anti-Money Laundering Enforcement, *Forbes* (Jersey City) 19 April 2021. Access Date: 15 May 2021. <https://www.forbes.com/sites/insider/2021/04/19/new-legislation-may-portend-wave-of-anti-money-laundering-enforcement/?sh=5cd24621259f>

¹⁹⁵⁷ New Legislation May Portend Wave of Anti-Money Laundering Enforcement, *Forbes* (Jersey City) 19 April 2021. Access Date: 15 May 2021. <https://www.forbes.com/sites/insider/2021/04/19/new-legislation-may-portend-wave-of-anti-money-laundering-enforcement/?sh=5cd24621259f>

¹⁹⁵⁸ New Legislation May Portend Wave of Anti-Money Laundering Enforcement, *Forbes* (Jersey City) 19 April 2021. Access Date: 15 May 2021. <https://www.forbes.com/sites/insider/2021/04/19/new-legislation-may-portend-wave-of-anti-money-laundering-enforcement/?sh=5cd24621259f>

¹⁹⁵⁹ International Narcotics Control Strategy Report, Volume II: Money Laundering, United States Department of State Bureau of International Narcotics and Law Enforcement Affairs (Washington DC) 2 March 2021. Access Date: 15 May 15, 2021. https://www.state.gov/wp-content/uploads/2021/02/21-00620-INLSR-Vol2_Report-FINAL.pdf

¹⁹⁶⁰ International Narcotics Control Strategy Report, Volume II: Money Laundering, United States Department of State Bureau of International Narcotics and Law Enforcement Affairs (Washington DC) 2 March 2021. Access Date: 15 May 15, 2021. https://www.state.gov/wp-content/uploads/2021/02/21-00620-INLSR-Vol2_Report-FINAL.pdf

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

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

Analyst: Aimaan Shergill

European Union: +1

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

On 8 December 2020, the European Investment Bank (EIB) released a comprehensive Anti-Money Laundering and Combating Financing of Terrorism Framework.¹⁹⁶¹ This framework contains key anti-money Laundering and combating terrorist financing (AML/CTF) principles that are applicable to EIB activities.¹⁹⁶² This framework aims to prevent EIB Group, as well as its governing bodies, from being associated or used for crimes involving money laundering and terrorist financing (ML/TF).¹⁹⁶³

On 9 December 2020, the European Commission adopted a new Counter-Terrorism Agenda for the European Union.¹⁹⁶⁴ This agenda sets out a way forward for actions to counter terrorism at the EU level, looking to better anticipate, prevent, protect and respond to terrorist threats.¹⁹⁶⁵ The Counter-Terrorism Agenda aims at anticipating, preventing, protecting and responding to attacks by identifying vulnerabilities and subsequently preventing attacks addressing radicalization, reducing vulnerability of cities and people, a stronger mandate for Europol, stepping up operational support and prosecution and victims' rights to better respond to attacks.¹⁹⁶⁶

On 5 February 2021, European Council renewed the EU terrorist list for a further six months.¹⁹⁶⁷ This list sets out persons, groups, and entities subject to restrictive measures, including the freezing

¹⁹⁶¹ Anti-Money Laundering and Combating Financing of Terrorism Framework, European Investment Bank (Luxembourg) 8 December 2020. Access Date: 15 May 2021. <https://www.eib.org/en/publications/eib-group-anti-money-laundering-policy-and-combating-finance-of-terrorism-framework>

¹⁹⁶² Anti-Money Laundering and Combating Financing of Terrorism Framework, European Investment Bank (Luxembourg) 8 December 2020. Access Date: 15 May 2021. <https://www.eib.org/en/publications/eib-group-anti-money-laundering-policy-and-combating-finance-of-terrorism-framework>

¹⁹⁶³ Anti-Money Laundering and Combating Financing of Terrorism Framework, European Investment Bank (Luxembourg) 8 December 2020. Access Date: 15 May 2021. <https://www.eib.org/en/publications/eib-group-anti-money-laundering-policy-and-combating-finance-of-terrorism-framework>

¹⁹⁶⁴ A Counter-Terrorism Agenda for the EU: Anticipate, Prevent, Protect, Respond, European Commission (Brussels) 9 December 2020. Access Date: 21 March 2021. https://ec.europa.eu/home-affairs/sites/homeaffairs/files/pdf/09122020_communication_commission_european_parliament_the_council_eu_agenda_counter_terrorism_po-2020-9031_com-2020_795_en.pdf

¹⁹⁶⁵ A Counter-Terrorism Agenda for the EU: Anticipate, Prevent, Protect, Respond, European Commission (Brussels) 9 December 2020. Access Date: 21 March 2021. https://ec.europa.eu/home-affairs/sites/homeaffairs/files/pdf/09122020_communication_commission_european_parliament_the_council_eu_agenda_counter_terrorism_po-2020-9031_com-2020_795_en.pdf

¹⁹⁶⁶ Security Union: A Counter-Terrorism Agenda and stronger Europol to boost the EU's resilience, European Commission (Brussels) 9 December 2020. Access Date: 21 March 2021. https://ec.europa.eu/commission/presscorner/detail/en/ip_20_2326

¹⁹⁶⁷ Fight against terrorism: Council renews the EU terrorist list for a further six months, European Council (Brussels) 5 February 2021. Access Date: 21 March 2021. <https://www.consilium.europa.eu/en/press/press-releases/2021/02/05/fight-against-terrorism-council-renews-the-eu-terrorist-list-for-a-further-six-months/>

of their financial assets in the EU and prohibiting EU operators from making funds and economic resources available to them.¹⁹⁶⁸

On 24 February 2021, the European Economic and Social Committee (EESC) adopted the “Package for Fair and Simple Taxation.”¹⁹⁶⁹ Within this package, the EESC “proposed launching a European pact to effectively combat tax fraud, evasion and avoidance and money laundering.”¹⁹⁷⁰

On 29 March 2021, the European Parliament published its Anti-Money-Laundering Package 2021: titled “Strengthening the Framework.”¹⁹⁷¹ This package is “an action plan for a new single EU Anti-money-laundering system,” and outlines areas for future actions and proposals.^{1972,1973} Furthermore, this package focuses on a proposal to partially transfer the existing anti-money laundering (AML) Directive into regulation, which will be directly application to all Member States of the EU.¹⁹⁷⁴ There is also a focus on an EU-wide AML supervisor system, as well as improving coordination and support mechanism for each Member States’ Financial Intelligence Units.¹⁹⁷⁵

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

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

Analyst: Anna Ivanova

¹⁹⁶⁸ Council Decision (CFSP) 2021/142, Official Journal of the European Union (Brussels) 8 February 2021. Access Date: 21 March 2021. <https://eur-lex.europa.eu/eli/dec/2021/142>

¹⁹⁶⁹ Package for fair and simple taxation, European Economic and Social Committee (Brussels) 24 February 2021. Access Date: 15 May 2021. <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/package-fair-and-simple-taxation>

¹⁹⁷⁰ Package for fair and simple taxation, European Economic and Social Committee (Brussels) 24 February 2021. Access Date: 15 May 2021. <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/package-fair-and-simple-taxation>

¹⁹⁷¹ Anti-money-laundering pack 2021: Strengthening the framework, European Parliament Research Service (Brussels) 29 March 2020. Access Date: 15 May 2021.

[https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/662624/EPRS_BRI\(2021\)662624_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/662624/EPRS_BRI(2021)662624_EN.pdf)

¹⁹⁷² Anti-money-laundering pack 2021: Strengthening the framework, European Parliament Research Service (Brussels) 29 March 2020. Access Date: 15 May 2021.

[https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/662624/EPRS_BRI\(2021\)662624_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/662624/EPRS_BRI(2021)662624_EN.pdf)

¹⁹⁷³ Anti-money-laundering pack 2021: Strengthening the framework, European Parliament Research Service (Brussels) 29 March 2020. Access Date: 15 May 2021.

[https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/662624/EPRS_BRI\(2021\)662624_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/662624/EPRS_BRI(2021)662624_EN.pdf)

¹⁹⁷⁴ Anti-money-laundering pack 2021: Strengthening the framework, European Parliament Research Service (Brussels) 29 March 2020. Access Date: 15 May 2021.

[https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/662624/EPRS_BRI\(2021\)662624_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/662624/EPRS_BRI(2021)662624_EN.pdf)

¹⁹⁷⁵ Anti-money-laundering pack 2021: Strengthening the framework, European Parliament Research Service (Brussels) 29 March 2020. Access Date: 15 May 2021.

[https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/662624/EPRS_BRI\(2021\)662624_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/662624/EPRS_BRI(2021)662624_EN.pdf)