

Global financial crime prevention, detection and mitigation

Building on progress, addressing evolving
priorities and achieving effective outcomes

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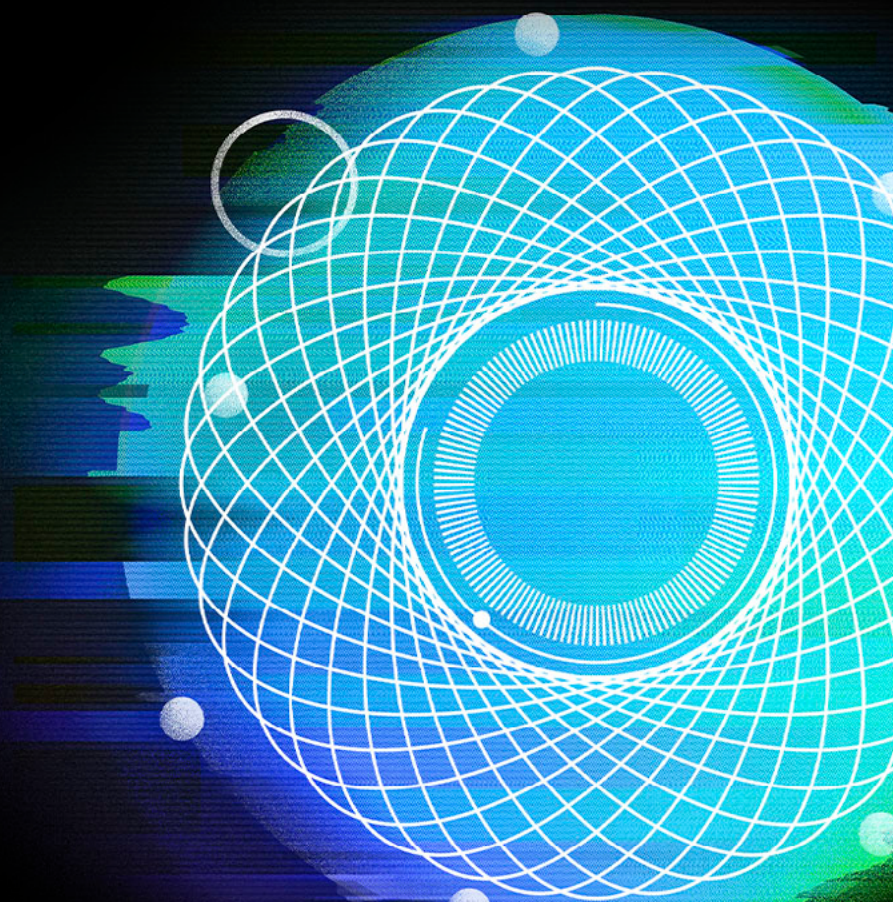
Executive summary

In order to continue to provide a constructive assessment of the state of the global anti-financial crime framework, the Institute of International Finance (IIF) and Deloitte have collaborated in a third-in-series white paper to offer insights on the state of financial crime risk management reform at the international, regional, and national levels. In this paper, we consider updated reflections and recommendations on how the public and private sectors can continue to collectively improve effective outcomes in combatting illicit financial flows whilst addressing evolving capabilities, risks, and priorities.

Our previous reports in this series of whitepapers can be accessed through the following links:

[A global framework for fighting financial crime \(2021\)](#)

[The effectiveness of financial crime risk management reform and next steps on a global basis \(2019\)](#)



Background

Since 2019 the IIF and Deloitte have collaborated through the publication of strategic white papers to examine key issues relating to the effectiveness of global financial crime prevention, detection, and mitigation.¹ Every two years, we have re-evaluated the issues historically raised and considered the current landscape, with a view toward assessing progress and offering updated recommendations in line with evolving priorities and capabilities.

For this third paper we have again canvassed the views of experts at financial institutions (FIs) as well as policymakers, regulators and law enforcement authorities across Africa, the Americas, Asia, Europe, and the Middle East. This process has elicited feedback on a number of core areas of continued focus for the global financial crime community which include, inter alia, increasing asset recovery, improving fraud detection and prevention, enhancing the use of financial intelligence, deepening existing and creating further partnerships and collaboration domestically and internationally, managing data privacy, and advancing capacity and capability building.

More broadly, the review found that work remains to define and measure 'effectiveness' across the 'whole system' view of the financial crime lifecycle. This area remains a priority for both the public and private sectors where more needs to be done in areas such as the definition and implementation of clear priorities and the development of robust system leadership.

Many of these issues are not unfamiliar, however, as regulatory, legal, and technological processes and thinking evolves, new methods for driving improvement have emerged which are worthy of further discussion by policymakers in concert with FIs and other key stakeholders. These issues also need to be viewed in the context of geopolitical developments and prospective risks which can contribute to the propagation of illicit financial flows, while recognizing the potential impact of conflicting national security priorities.

As such, this 2023 research report offers an opportunity to consider both the opportunities and challenges for financial crime reform further to our 2019 and 2001 papers through two lenses of focus:

Part one:

Progress on financial crime risk management reform and the intersection with emerging priority areas and risks; and

Part two:

Issues and recommendations for measuring and achieving effective outcomes throughout the lifecycle of financial crime prevention, detection, and mitigation.

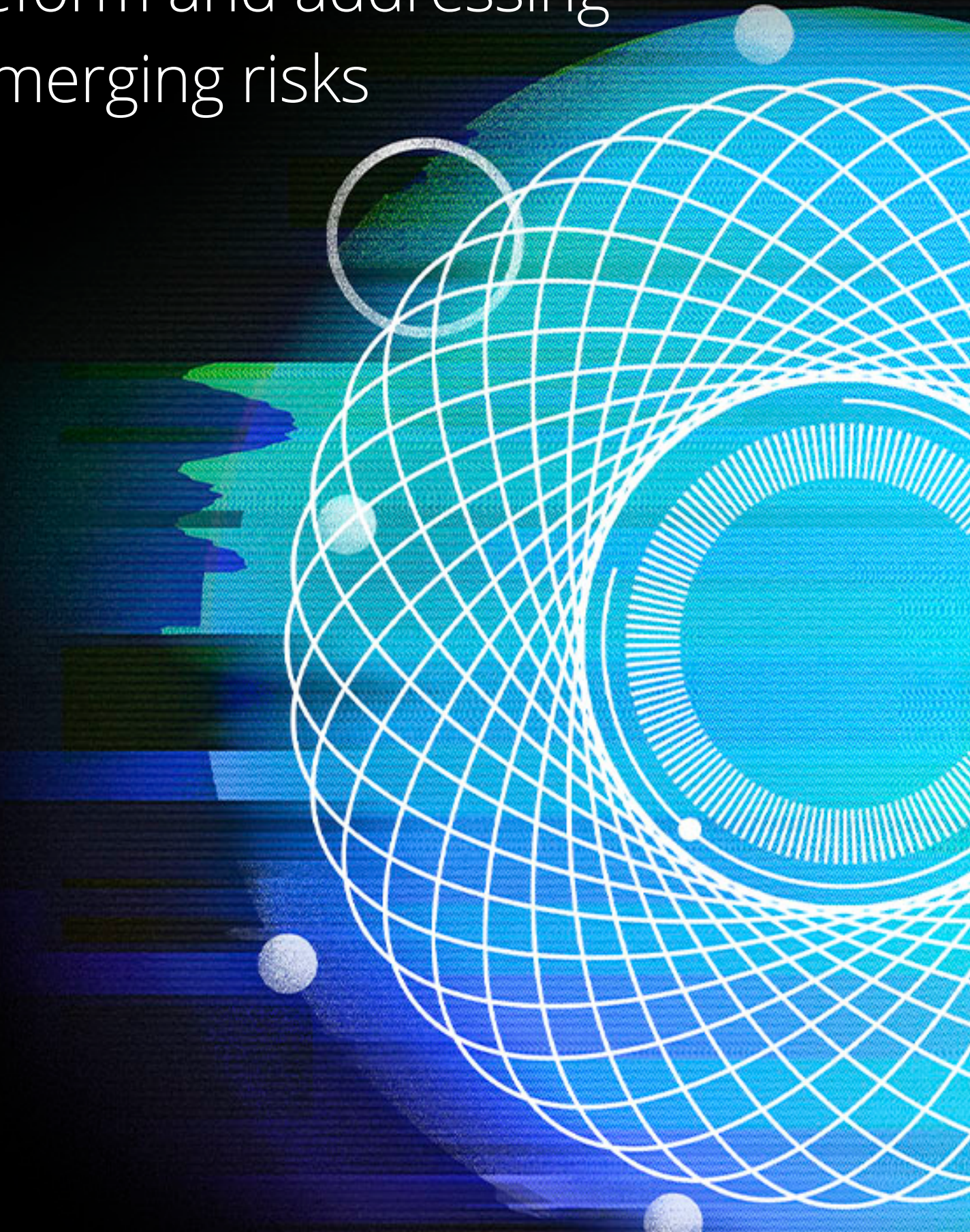
As emphasized in the first two papers in the series, there is a vital need for continued collective efforts in this policy area. An estimated USD\$800 billion-\$2 trillion is still laundered globally every year and the impact of financial crime is felt across all segments of society.²

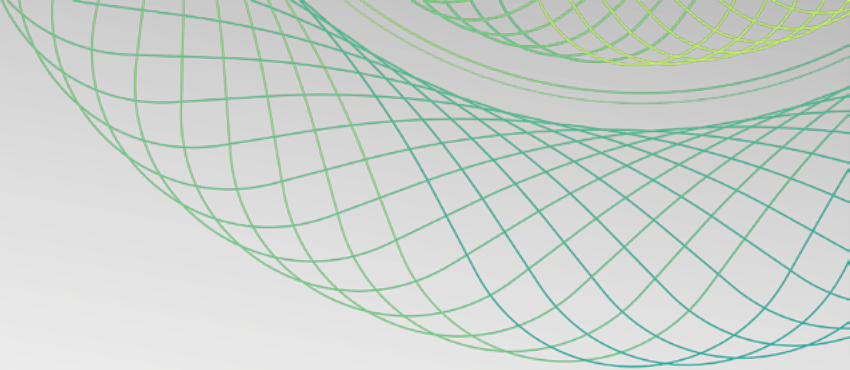
The ongoing and lamentable circumstances of armed conflict in different regions of the world have highlighted the deleterious consequences of criminal and terrorist financing along with the concomitant evasion of financial sanctions. Such conflicts also raise the complication of potentially divergent national perspectives. Delivering

on the promise of reform and going further in a globally consistent and coordinated manner remains a priority for the financial services industry and those in the public sector tasked with both protecting the integrity of the financial system and defending citizens from the harm caused by illicit finance.

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Part one: Progress on financial
crime risk management
reform and addressing
emerging risks





As recognized throughout this research process, while ongoing work is still vital, good progress has been made in reforming financial crime risk management standards and practices, in particular through timely updates to the recommendations and guidance of the Financial Action Task Force (FATF), along with key jurisdictional initiatives to address systemic deficiencies and align rules with global standards. Our 2021 white paper laid out a thorough review of many of these efforts; however, it is also worth noting developments in various regions and at the international level alongside an exploration of where issues still need to be addressed.

While not an exhaustive list, the examples herein illustrate important opportunities to coordinate reform efforts and deliver sound practices across jurisdictions in order to avoid fragmented approaches which can be exploited by criminal and terrorist financiers. Natural competition between jurisdictions can lead to positive systemic enhancements, and so further dialogue on these reforms between countries would be beneficial to assess what is working well and what could be improved.

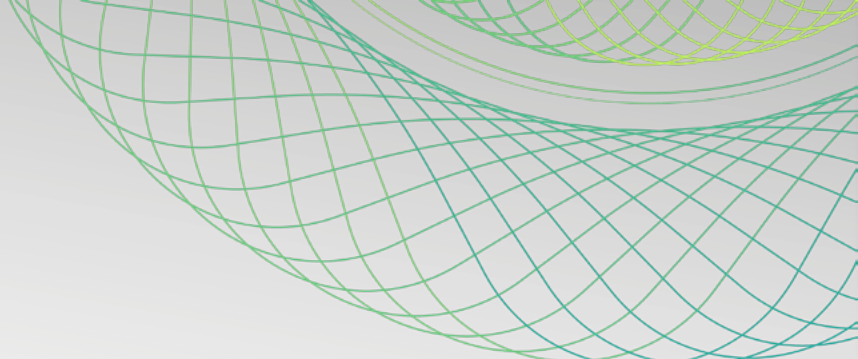
Global reform overview

- **International Standard Setting Bodies:** The FATF continues to prioritize many of the important issues which enable a globally consistent anti-financial crime framework. The current Singaporean Presidency of the FATF has selected priorities relating to strengthening asset recovery, countering cyber-enabled fraud and its proceeds and increasing the effectiveness of global anti-money laundering (AML) measures - all areas highlighted in our research and expanded upon in part two of this paper. This work has been coupled with a further strengthening of the oversight of virtual asset service providers; increasing beneficial ownership transparency; developing and refining the FATF Standards; and evaluating and supporting the assessment of countries within the FATF Global Network. Importantly, the FATF also continues to evaluate unintended consequences which may arise from the FATF standards and work on increasing capacity building within jurisdictions.

The Basel Committee on Banking Supervision (BCBS) is updating its Core Principles for Effective Banking Supervision which aim to address the abuse of financial services, to better align requirements with the latest FATF recommendations and to explicitly require group-wide programs to address money laundering and the proliferation of terrorist financing. The Bank for International Settlements' (BIS) 'Project Aurora' on technology and collaboration on combatting money laundering has further demonstrated the value of cross-border information sharing and the potential for technical solutions to help enable and accelerate real world progress in this field.³

The Financial Stability Board (FSB), Committee on Payments and Market Infrastructures (CPMI) and the BCBS, as well as the FATF, continue to work on a roadmap at the behest of the G20 to enable 'faster, cheaper, more transparent, and more inclusive cross-border payment services.' As part of the building blocks on how payment system enhancements could be achieved, these bodies are considering issues including the application of consistent antimoney laundering (AML) and combating the financing of terrorism (CFT) rules internationally, fostering Know-Your-Customer (KYC) and identity information-sharing and, in conjunction with AML/CFT requirements, reviewing the interaction between data frameworks and data protection. The FATF is specifically reviewing Recommendation 16 (cross-border and domestic wire transfers) in terms of its applicability to the current payments landscape.

- **The United States (US):** In 2021, the AML Act of 2020 (US AMLA) became law, and reinforced and codified a risk-based approach for AML/CFT programs. For instance, the US AMLA required FinCEN to establish national AML/CFT priorities for FIs to incorporate into their AML/CFT programs, and for regulators and examiners to incorporate into rules, guidance, and examinations. There is continuing work to define national priorities in sufficient detail for them to be implemented in FIs' control frameworks. It is vital that this remains an area of focus and that clear priorities are

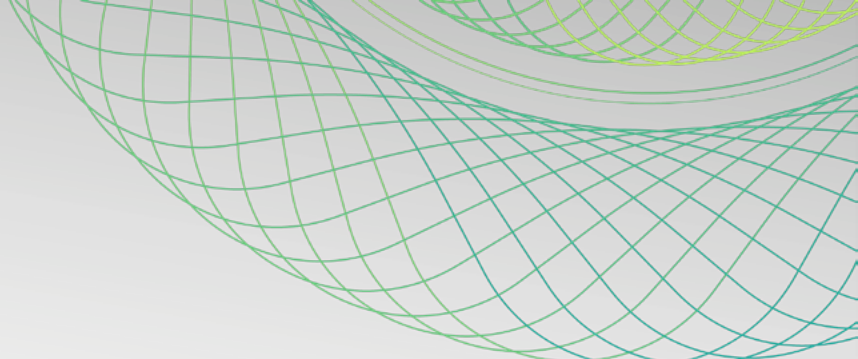


soon agreed if the principles laid out in the US AMLA are to achieve their full potential. Detailed considerations regarding the implementation and supervision of national priorities are included in our second white paper.⁴ Subsequently, work on establishing a US beneficial ownership registry per the US Corporate Transparency Act has persisted via FinCEN and the US Treasury published their report on De-Risking, as mandated by the US AMLA.⁵ Finally, the impact of potentially unintended consequences, such as on information sharing arising from the enhanced AML and new sanctions whistleblower bounty programs that incentivize individuals to report potential violations to FinCEN through potentially significant financial gain, awaits further analysis pending the release of the proposed regulations for the programs.

- **The European Union (EU):** The European Commission's (EC) 2020 AML Action Plan sets out six areas of focus including the creation of a single rule book, standardization of AML supervision through the creation of an EU level supervisory body, the development of public/private cooperation and enhanced coordination between Financial Intelligence Units (FIUs).⁶ In 2021, the EC issued a legislative proposal taking forward many of the priorities set out in the Action Plan with a separate consultation which ultimately developed guidance on public private partnerships (PPPs) and their role in combatting financial crime across the bloc.⁷ The majority of the AML legislative package is currently under negotiation between the Commission, Parliament and Council with amendments pending which are focused on, inter alia, the further establishment of information sharing mechanisms within the EU and the selection of entities that will fall within the supervisory ambit of the new central Anti-Money Laundering Authority.
- **The United Kingdom (UK):** The UK has continued to drive enhancements to its financial crime framework through the delivery of actions set out in its first Economic Crime Plan (ECP) and the publication of the second ECP. Significant investments are slated, including efforts to

build FIU capacity and capability, and to bolster the capabilities of the national fraud reporting service; however, these investments come against a backdrop of significant increases in SAR volumes and reported frauds. The second ECP also telegraphs a number of innovative concepts, including the development of a national Data Strategy, consideration of a shared (public-private) workforce strategy and a stronger corporate registry, the development of which will be informative to monitor. The UK has also published a national Fraud Strategy and passed a number of new pieces of legislation which should help fight financial crime, including reforms to Companies House, enhancements to the sanctions framework, the introduction of a (limited) 'failure to prevent fraud' offence, and enhancements to information sharing legislation. HM Treasury recently consulted on structural reforms to AML and CFT supervision and a separate consultation on changes to the Money Laundering Regulations is planned.

- **Singapore:** The Monetary Authority of Singapore (MAS) announced in 2021 that it would implement a digital platform and an enabling regulatory framework for FIs to share relevant information on customers and transactions to prevent money laundering (ML), terrorist financing (TF), and proliferation finance (PF). The new digital platform, named COSMIC, for 'Collaborative Sharing of ML/TF Information & Cases,' will enable FIs to securely share information on customers or transactions where they cross material risk thresholds. It aims to support FIs to identify and disrupt illicit networks and enhance SARs. Legislation to enable COSMIC to operate was passed in May 2023 through amendments to the Financial Services and Markets Act. COSMIC's impact in facilitating information sharing between stakeholders in that partnership will be important for policymakers to study.
- **Other International Examples:** In Australia, the Fintel Alliance continues to bring together increasing numbers of banks, remittance service providers, and gambling operators, as well as law enforcement and security agencies to share intelligence and develop solutions on preventing



and disrupting financial crime. The government also recently consulted on potential amendments to AML regulations to reduce complexity and increase efficiency within the regulated sector. Such consultations are important but should be considered in conjunction with consideration of wider reforms focused on delivering fundamental improvements in effectiveness.

In Canada, the Cullen Report was published in 2022 and includes analysis and regulatory recommendations that target industries vulnerable to money laundering in the province of British Columbia.⁸ The government has followed this more broadly with a 2023 consultation to examine ways to improve Canada's AML/CFT Regime at the national level. Encouraging developments are in progress in a number of key areas including transparency of beneficial ownership and the creation of a ringfenced economic crime enforcement capability.

In the United Arab Emirates (UAE), an Executive Office was established in 2021 to oversee the implementation of the UAE's National AML/CFT Strategy and National Action Plan, the program of reforms designed to strengthen the UAE's anti-financial crime system. Elsewhere in the Middle East, North Africa, and Sub-Saharan Africa, there is a continued focus on technical assistance and training through organizations such as the Middle East and North Africa Financial Action Task Force (MENAFATF) and on building information sharing capabilities.

PPPs continue to expand globally, and further considerations relating to partnerships are discussed in part two of this paper. Since the inception of the UK's Joint Money Laundering Intelligence Taskforce (JMLIT) in 2014, the presence and reach of PPPs has continued to grow, with partnerships being established across Europe, the Americas, Africa, and Asia Pacific.

Notable advancements include the expansion of the Europol Financial Intelligence Public Private Partnership (EFIPPP) which now encompasses multilateral cooperation across the EU, US, UK, Canada, and Australia. EFIPPP's focus is on key areas of emerging risks including the sharing of Open-Source Intelligence (OSINT) in relation to the ongoing conflict between Russia and Ukraine and sanctions circumvention issues therein. While EFIPPP is able to share typological data, work remains to enable the sharing of case specific or tactical intelligence.

It is encouraging to see the number of jurisdictions that are considering or delivering reforms to their national AML frameworks focused on increasing effectiveness. It is noticeable too that approaches and priorities vary, reflecting a wide range of factors including, for example, the maturity of the AML framework, legal parameters, and political appetite. It is important to note that in designing and delivering reform approaches we maintain a high degree of harmonization in standards and regulations at the global level to avoid the unintentional creation of regulatory loopholes which could be abused by criminals.

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Emerging risks and current priorities

All the reform efforts outlined in the previous section of this paper are commendable and - to varying degrees - can lead to more effective outcomes as remaining gaps are addressed. However, it is well recognized that more work needs to be done, including to target emerging risks and to ensure the whole system responds rapidly and flexibly, for example, to changing geopolitical threats.

As seen during the COVID-19 crisis, speed and flexibility were key when addressing risks posed by changing methods and modes of criminal behavior. Likewise, the risks posed by technological developments evolve quickly. If policymakers do not have a full picture and understanding of new developments alongside the opportunities and the threats they may create, there is a significant risk that policy reform will not keep pace or will only be effective briefly. The increasing focus on threats posed via cyber incidents, trends linked to fraud and other types of malfeasance concerning the use of Artificial Intelligence (AI), for example, must all be considered on a global scale.⁹

The regulation and oversight of virtual assets and virtual asset service providers remains an area of potential weakness in the global financial crime framework. While the FATF is actively focusing on this area (for example issuing an interpretive note and recently updating Recommendation 15), in practice global implementation of the standards is neither thorough nor consistent.¹⁰ This creates weak points that can be exploited by criminals. It is important that the FATF continues to drive improvements. This might include for example, strengthening the 'travel rule' to enable more effective asset tracing and clarifying the scope of standards to make clear it applies to all VASPs regardless of size or of the type of assets they deal with. Enhancements in guidance can be supported with technical assistance but countries must ultimately be held to account through the Mutual Evaluation process. Addressing these issues will enhance efforts to ensure technologies and businesses can continue to grow and innovate in a responsible way while addressing money laundering and other financial crime threats.

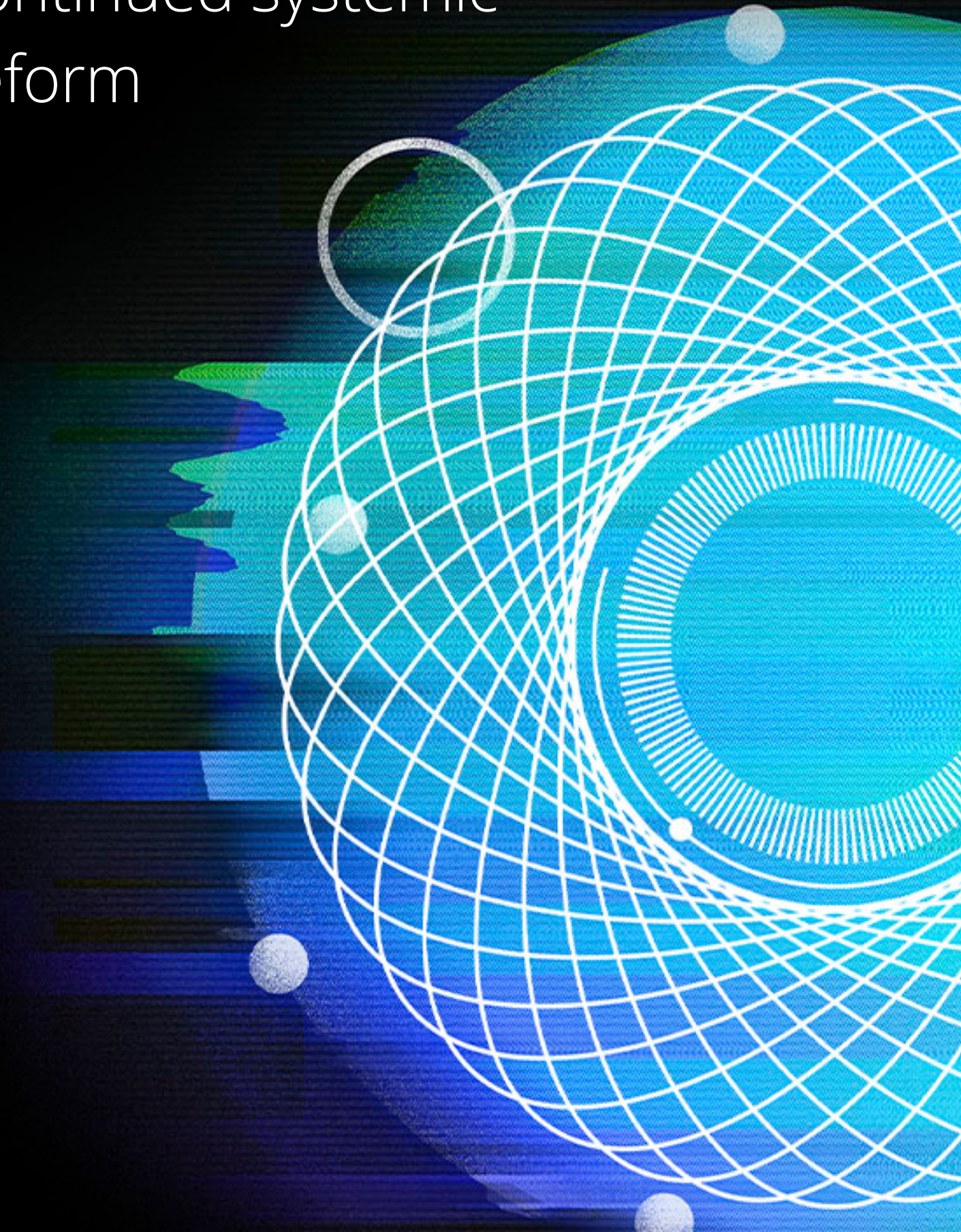
Likewise, the architecture of the global payments system needs to keep pace with innovation and regulatory developments. This highlights the FATF's efforts to reform Recommendation 16 (R.16) to reflect changes concerning ISO20022 in order to allow for, inter alia, a more consistent interpretation and implementation of the standard and its more effective use in the fight against financial crime, whilst critically avoiding any unintended consequences in the design of the standard which could negatively impact the end-users of payments system providers.

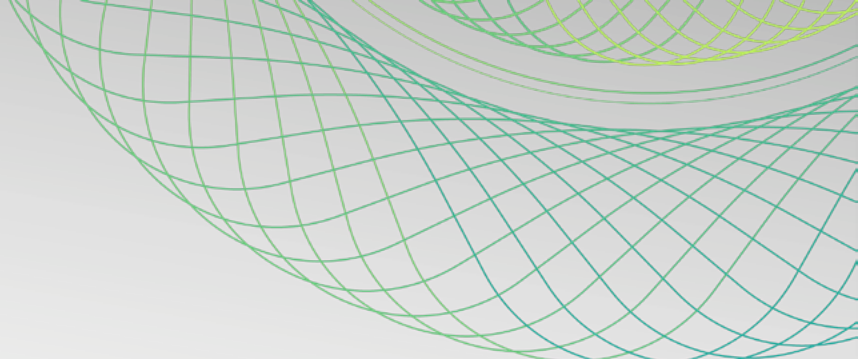
Lastly - and ever more timely given the critical nature of the issues at hand for geopolitical stability and security - the money laundering risk arising from attempts to evade applicable financial sanctions and export controls imposed in response to Russia's invasion of Ukraine makes clear the need for a globally coordinated response to fix systemic gaps which enable sanctions circumvention. A structure that does not prevent illicit financial flows encourages and finances transnational criminal activity and will ultimately be a system where the efficacy of sanctions regimes, however devised, will always be called into question.¹¹

Recent armed conflicts also shine a renewed light on the need to keep a clear focus on addressing terrorist financing activities and networks. In particular, enhanced terrorist financing investigations and prosecutions, with a concomitant focus on convictions and asset forfeiture must be considered. This coupled with growing challenges related to facilitating humanitarian assistance in conflict zones and the merger between financial sanctions, trade finance, and export controls will all likely grow in importance in the near term.

As threats and priorities change, it is critical that we focus collectively on the development and improvement of the underlying capabilities of both the public and private sectors. This is addressed in part two of this paper. The focus of investment should be on building capabilities that enable a more timely, efficient, and successful response to any type of financial crime, regardless of what issues await over the horizon.

Part two: Issues and
recommendations for
continued systemic
reform





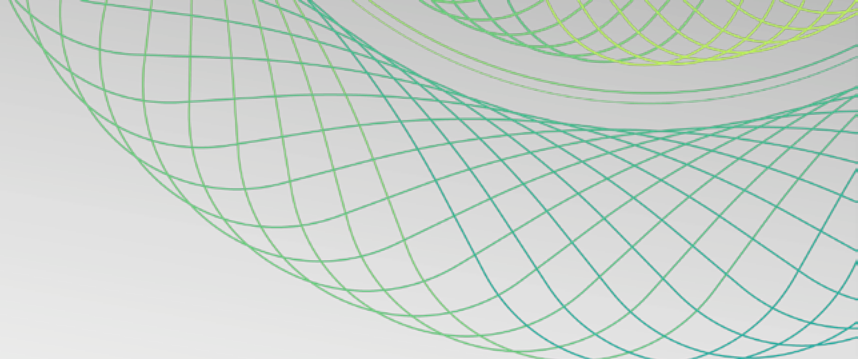
As noted in part one of this paper, there has been good progress on reform across jurisdictions. Many of these reforms have focused on key concerns and recommendations referenced in our 2019 and 2021 research, including the development of public/private cooperation, information sharing and risk prioritization. These topics are covered in more detail later in this section; however, many of the overarching issues raised in previous years remain relevant. For example:

- Further work is required to define, refine and achieve consensus on the key characteristics of an effective system and the associated metrics on delivering success. The perception remains that the system is focused too much on mandating compliance over the delivery of outcomes, such as providing highly useful information to law enforcement that leads for example, to arrests or the recovery of criminal assets. Clear system leadership to agree measures and coordinate system wide activity is critical. This must be supported by a supervisory framework that incentivizes high value activities and supports the whole system's capacity to be focussed on the delivery of outcomes.
- At the national level, fragmentation between stakeholders – regulators, policymakers, law enforcement, and the private sector – often continues to undermine the development of a coherent approach to financial crime risk management. There would be value in most cases in creating a clearer structure across set priorities, deconflicting competing legislative frameworks (e.g., privacy vs AML legislation), outlining performance objectives, and coordinating issues around data sharing concerning financial crime information. Fundamentally, a 'whole system' approach needs to be implemented across jurisdictions. Criminals do not operate in silos, and neither can the anti-financial crime architecture.
- There is consensus that the risk-based approach continues to be a critical driving principle and should remain a key area of focus of all stakeholders, in order to drive continued improvements in how it can be implemented more effectively, efficiently, and with confidence. Intelligence sharing, collective prioritization and coherence between policymakers and supervisors, alongside other concepts set out in this paper are the key enablers to this approach.

Fundamentally, a 'whole system' approach needs to be implemented across jurisdictions. Criminals do not operate in silos, and neither can the anti-financial crime architecture.

- A focus is still needed on addressing the mismatch between what is put into the system and the outcomes that are achieved. This is particularly true in relation to input from the private sector, where, for example, huge resources are mobilized to meet reporting obligations, but where FIUs often do not have the capacity to properly capitalize on the information provided. Many of the themes discussed in this paper – such as increased information sharing – have the potential to help ensure that better use is made of the capacity and capabilities across the breadth of the anti-financial crime ecosystem. They will only do so if implemented in conjunction with reforms that increasingly ensure supervision and examination is centered on identified and agreed measures of effectiveness.
- It remains important to continue to ensure that the building blocks of a strong anti-financial crime framework are addressed holistically. The FATF Global Network encompasses jurisdictions at different ends of the spectrum in terms of the maturity of capabilities available to achieve successful outcomes against crime, but the implementation of the fundamentals of AML/CFT and broader financial crime risk management as set out in the FATF standards are critical.

Ultimately, courage is needed to achieve greater success. Investment in time and material which only delivers the status quo can create its own inertia. However, there appears to be broad agreement that the global financial crime framework is still not fully delivering the required outcomes and this must drive continued resolution to change. We may also have to accept some hard truths, including that there will never be the resources needed to stop all crime, so we must ensure we enable more to be done with what is available collectively across the public and private sectors and across borders.



In that vein, we examine more closely the following areas where our 2023 research has identified enablers which should be considered in greater depth. Specifically, continuing and evolving issues for financial crime risk management reform in the following areas:

- standards for information sharing;
- data privacy considerations;
- multilateral cooperation on financial crime data;
- public private partnership;
- asset recovery;
- fraud detection and prevention;
- further whole system capabilities; and
- the measurement of effectiveness combined with prioritization in the anti-financial crime framework.

Continuing and evolving issues for financial crime risk management reform

a. Standards for information sharing

Facilitating the increased sharing of information and more effectively using financial activity, threat and risk data linked to crime and terrorism - both domestically and internationally - has been a consistent theme across our white paper research and continues to be recognized as a fundamental enabler of a more effective financial crime risk management system. Effective cross-institution, cross-sector, and cross-border data exchange must be the ambition, reflecting the reality of organized, international criminal activity.

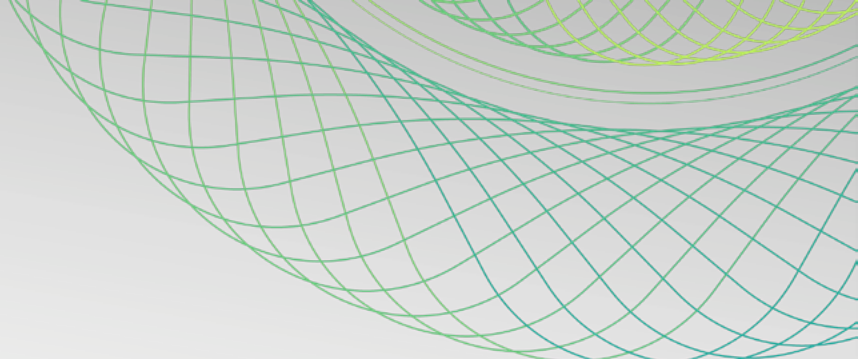
The FATF made substantive progress in this area when it adopted revisions to FATF Recommendation 2 (R.2) on national cooperation and coordination between AML and data privacy authorities and Recommendation 18 (R.18) on intra-group information sharing for FIs.¹² However, despite the changes, many still see challenges to group-wide sharing and there is inconsistency in the application of the standard across jurisdictions. Similarly, our research has shown that, though the R.2 principles are in place, the outcomes which should be derived concerning the greater ability to deconflict laws and share data are not always prevalent.

The opportunity remains for the FATF to better test the implementation status of R.18 through its Mutual Evaluation Report (MER) process and to consider the potential for future horizontal reviews of the practical application of intragroup information sharing. The implementation of R.2 could be similarly reviewed through the MER process, however, FATF should also consider revisions to the associated interpretative note (INR.2). The focus of this review should be to strengthen the basis for implementation and to ensure that increased cooperation and coordination between the financial crime and data privacy authorities genuinely leads to the development of operative information gateways in legislation or the clarification of existing rules.

Building on the work of the German FATF Presidency and its report “Partnering in the Fight Against Financial Crime: Data Protection, Technology and Private Sector Information Sharing”,¹³ it is time to consider further changes to the FATF standards to incorporate a new standard on establishing domestic and cross-border information sharing mechanisms as part of a key metric for an effective anti-financial crime system. Moving from non-binding to binding recommendations will set a global baseline that would help achieve better results by enabling stakeholders to see a fuller picture of financial criminal activity. This would go some way towards enabling FIs to achieve an even informational footing with the criminals whose activities they are trying to prevent and detect. This process should involve a continued review of sound practices across jurisdictions, where good examples of information sharing mechanisms can be consolidated and leveraged across countries.¹⁴

b. Information sharing and data privacy considerations

We recognize that even with enhancements to R.2 implementation, data privacy and security considerations must still be addressed when considering data exchange. The absence at times of a shared ‘literacy’ can be a challenge – Data Protection/Privacy (DPP) experts tend not to be experts in AML/CFT, and vice versa. This



is compounded by the fact that the nature of regulatory obligations in terms of 'share' versus 'protect' can attract differing outlooks to regulatory and supervisory oversight.

Though we continue to highlight that high standards for data protection and the sharing of relevant information for financial crime detection are not mutually exclusive, more must be done to achieve an operative balance and overcome the basic differences in understanding on these issues. As such, we continue to recommend that a senior AML/CFT and DPP Forum be organized through the auspices of the FATF, bringing together data protection and financial crime authorities across countries to work on ways to facilitate the cross-border exchange of information.

The outcome of such a process could drive principles that help reconcile differences in approach and develop solutions leading to determinations of equivalence, or in appropriate cases, mutual recognition of laws and regulations aiming to achieve the same purpose of protecting against financial criminality while upholding data protection and security. This could lead to an enhanced, meaningful exchange of financial crime information, not just between governments but also between FIs, between governments and FIs, and within FIs across jurisdictions.

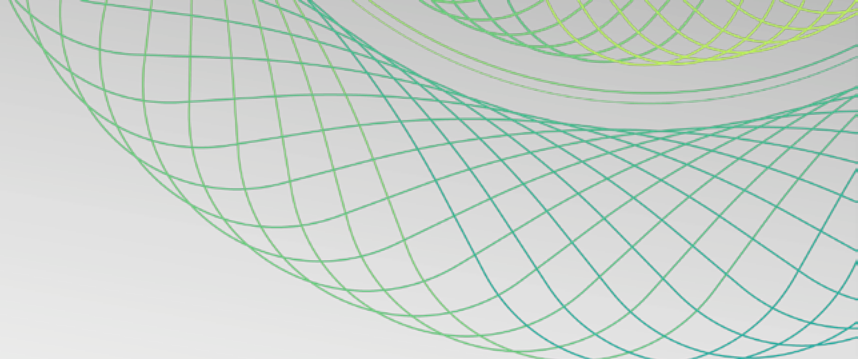
Going forward, it will be important to ensure these discussions are not conducted in a silo when it comes to the protection of customer data. The public and private sectors should engage with civil society in a proactive discourse on the benefits that can be derived from appropriately sharing information on financial crime matters within the context of DPP frameworks. The dialogue needs to address concerns relating to the potential financial exclusion of segments of society and the exacerbation of de-risking issues. A clear case must be made that enhanced information sharing will lead to a more targeted risk assessment and assist with financial inclusion rather than blanket reassessments of client or geographic coverage to manage the risks posed by inadequate data.

c. Multilateral cooperation on financial crime data

Though enhancements to standards and practices at the international level through the FATF are essential, a focus on other forms of multilateral or bilateral cooperation is warranted. For example, it is still not possible to file multijurisdictional Suspicious Activity Reports/Suspicious Transaction Reports (SAR/STR) – an issue that has been raised multiple times in the last ten years, including in this series of papers. The status quo traps information at borders, wastes capacity, undermines the efficacy of cross-border law enforcement and benefits no one but criminals.

Though it would be helpful for the FATF to promote progress here, it is recognized that a practical initial step would be for bilateral partners or groups of like-minded nations to collaborate on finding a way forward so that a greater proportion of the insight a global FI brings to the table can be more effectively leveraged.¹⁵ At the same time, the rules around 'tipping off' may need to be clarified in this context to help enable sharing and give confidence in participation, recognizing that there is a general sense of inhibition regarding the sharing of SAR/STR information for fear of falling foul of tipping off rules, which would be exacerbated in the context of a multilateral filing regime.

Individual jurisdictions should enhance cross-border dialogue on areas of cooperation which would enhance information exchange. This could be accomplished for example, through the use of existing mechanisms of international regulatory and supervisory cooperation which can help jurisdictions develop equivalence between frameworks acknowledged through mutual recognition determinations or Memoranda of Understanding (MOU). In addition, there are ongoing dialogues across multiple countries in the area of financial services.¹⁶ These could be leveraged to focus on specific issues where areas of cooperation could be maximized, such as data exchange and the clarification of data privacy rules across different legislative regimes, as noted above.¹⁷ Though the limitations arising from different legal, regulatory, or supervisory regimes



are recognized, where comity can be advanced it should be considered a priority of international dialogue and can help address the speed at which reforms can be undertaken.

d. Public private partnership

A key theme throughout our research has been the development and evolution of PPPs to share information and intelligence to tackle financial crime. This collaboration between FIs, law enforcement, policy makers and the regulatory community has become an increasingly important component of an effective financial crime framework, enabling silos between ecosystem stakeholders to be overcome and allowing capacity in the system to be better utilized.

Given the importance of PPP, understanding what we have learned in the ten years of their development to date and where further efforts should be prioritized to enhance their contribution is critical. Key recommendations have already been made in our 2019¹⁸ and 2021¹⁹ papers and in other reports by the authors.²⁰ We further build upon those recommendations in this paper. The value of PPP has evolved in such a way that it should now be considered an expectation not an aspiration.

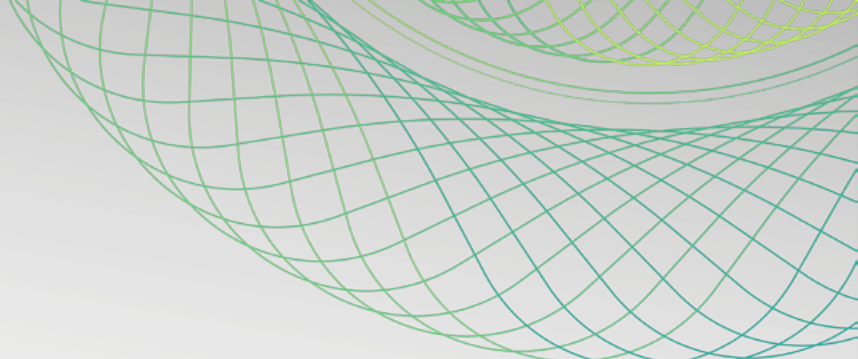
As such PPPs should become an explicit part of the FATF standards underlining their importance and encouraging both the public and private sector to either create or enhance public private collaboration. The standards should provide clear guidance about what effective PPP looks like, should include partnership across both tactical and typological information sharing and should also extend to the collaborative development of national AML policy. It should, critically, describe the key characteristics, capabilities, and outcomes of an effective PPP, which should then be formally measured, tested, and credited through the MER process. This evaluation of effectiveness is key to avoid the creation of PPP being considered an end-in-itself.

The standard should not mandate a particular PPP operating model as sufficient flexibility should be maintained to encourage innovation and to enable models to be tailored to local conditions, including varying threat landscapes and legal frameworks. However, the creation and implementation of a standard would help encourage countries to reach a minimum level of competence, while simultaneously creating a mechanism to encourage and accelerate the further development and improvement of PPPs where they already exist.

The value of PPP has evolved in such a way that it should now be considered an expectation not an aspiration.

As noted elsewhere in this paper, private sector capacity deployed against financial crime is already significant. The creation of a new FATF PPP standard should not create an additional regulatory burden on participants and participation should remain something that is encouraged on a voluntary basis. If a jurisdiction decided to mandate participation, this should only be undertaken in lockstep with a review to identify 'low value' activities which can be stopped, as part of an overarching policy objective that better use should be made of existing resources. This concept is developed further in section 2 of this paper.

While a new standard will help drive the creation and effective operation of PPPs globally, for established PPPs, the next challenge that must be overcome, is how to digitize and ensure they become data driven and able to operate at a pace and scale that is more commensurate with the threat.²¹ Relevant considerations and enablers in this regard continue to include the extended use of regulatory 'sandboxes,' clear incentivization and support amongst policy makers for innovation, and a more equitable distribution of development risk and cost between public and private sectors for innovations that benefit both groups.



It is notable that many of the challenges around the scaling of information sharing relate to the need to bring together siloed data. However, there are points in the ecosystem where data is already aggregated to varying degrees including, for example, the national payments architecture, national settlement systems, and the correspondent payments networks. In considering the digital evolution of PPPs, stakeholders in the financial crime ecosystem should collaborate through national data strategies to make better use of already aggregated data to run centralized financial crime analytics which could identify and disrupt illicit money flows and suspicious patterns of activity more efficiently and effectively – including patterns that could not be identified by analyzing data within organizational silos. Research conducted by the authors²² and others²³ in this area has demonstrated the potential value of better exploitation of the payments architecture in particular, an area that is expanded upon in more detail in the ‘further whole system capabilities’ section of this paper.

Stakeholders should also seek to identify data that is used as a common reference point by multiple stakeholders in the ecosystem in the execution of their financial crime responsibilities, such as the review of government identity documents. Steps should then be taken to explore how access to that data (with appropriate controls) could be provided as a service once on behalf of the many. Such access to reliable common data sets would release capacity and reduce duplicative processing.

PPPs should also facilitate the sharing of macro level data where it would help the regulated sector to enhance its response to financial crime. For example, national FIUs often share data about the total number of SARs/STRs submitted by sector, but generally that data is not broken down by predicate offence, the type of money laundering suspected, or by subsets of institutions. Sharing this additional level of detail would not breach any confidentiality and would be a useful data point which institutions could use to identify and assess any areas where there may be significant outliers in relation to financial crime.

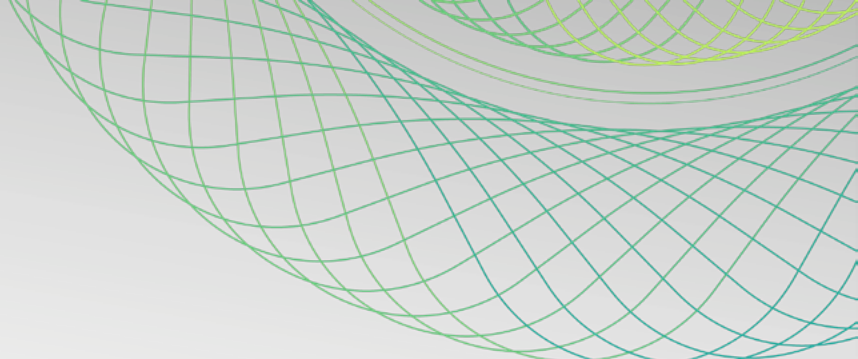
It is increasingly important that PPPs are able to collaborate with each other in tackling complex international misconduct. As such, there needs to be greater clarity in how tactical data can be shared cross border between PPPs and through multilateral PPPs, like the EFIPPP at Europol by executing the necessary legal and regulatory changes or clarifications which would enable such information exchange, as discussed in the ‘Global reform overview’ section of this paper.

Finally, considering the data and digitization reform opportunities noted herein, PPP stakeholders need to think differently about the skills contained within their partnerships. Historically, PPP members – on both the public and private sides – have been drawn from intelligence and investigations backgrounds. This threat knowledge is key. However, with an eye toward a future model, it is increasingly important to ensure we broaden the skillsets engaged within partnerships to include, for example, data science and bulk analytics in line with evolving policy permissions.

e. Fraud detection and prevention:

Fraud is an issue of growing international significance and the means by which criminals commit frauds are growing in complexity and reach, with new technologies and platforms providing an increasing number of threat vectors to exploit ever more potential victims.

Fraud has been described as a national security threat in some countries,²⁴ however, resources deployed by the public sector to tackle it do not generally reflect such a high priority status. In most countries, the law enforcement response to fraud is limited and a vast number of fraud cases are either not investigated or the outcomes in countering the criminality are inadequate. Reforms to legal frameworks in some jurisdictions, though well-intentioned, may exacerbate the situation by placing responsibility for the redress of fraud losses with FIs which can have the unintended consequence of causing victims of fraud to



potentially lower their guard whilst having no impact on criminals who retain the proceeds of their crimes. The effect of this policy position needs to be examined further in the context of the development of a more coherent response to fraud.

There is growing acknowledgement that for too long fraud has been considered a problem for FIs and citizens alone. Measures such as the creation of a 'failure to prevent fraud' offence to encompass a wide swathe of the private sector which have been established in some jurisdictions are in part a recognition of this issue.²⁵ Nevertheless, once a victim has been defrauded and funds are moving through the financial system – and especially across borders – it is often too late, with funds put out of the reach of law enforcement despite an increasing focus on asset recovery measures globally. Instead, detection and prevention at scale is key.

To enable this, it is vital that a wider set of ecosystem stakeholders be brought into the collective fight against fraud – specifically encompassing those sectors which can be abused by fraudsters to access their victims which would include, inter alia, social media platforms, telecoms, ephemeral messaging apps, and internet service providers. Recognition of this issue has evolved in discussions at the FATF, with a growing focus on the lifecycle of financial crime being a critical component to success in building a consistent and holistic international anti-financial crime framework.

Fraud, like money laundering, is inherently global in nature and requires a globally coordinated response. Specifically, the FATF's focus on cyber enabled fraud and the increasing scale and number of ransomware attacks, particularly in relation to the misuse of virtual assets allowing criminals to escape undetected with large amounts of money, is a welcome development.²⁶ Momentum has been maintained through the publication of a 2023 FATF report outlining how domestic coordination

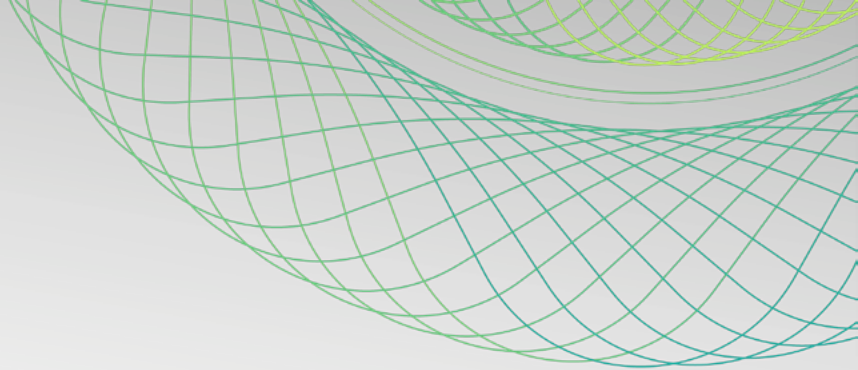
across the public and private sectors, multilateral international collaboration, and promoting awareness can help prevent and detect more fraud.²⁷

However, it is clear that if there is consensus that tackling fraud at a global level is important, global standards comparable to those already in place for money laundering and terrorist financing should be developed. This could be built within the FATF framework – or alongside it – applying lessons learned from the FATF's evolution and, in particular, the shift in focus to addressing the effectiveness of anti-crime measures.

Fraud, like money laundering, is inherently global in nature and requires a globally coordinated response.

The creation of such a framework would help establish global standards and expectations around all aspects of the fight against fraud – legislation, regulation, measurement, and enforcement – which could potentially be captured under an audit process aligned with the FATF's mutual Evaluation process. Such an effort would be ambitious but would ultimately help raise and standardize the response globally, creating a more hostile environment for criminals and preventing the risk of regulatory arbitrage where some countries push further and faster than others.

Lastly, it must be recognized that conduct risk measures and proper governance is needed to tackle fraud more broadly. Appropriate standards for identifying fraud (i.e., whistleblowing provisions) and holding those responsible accountable are a necessary part of the crime-prevention system, which also cuts across other areas of focus detailed in this paper.



f. Asset recovery

Given the covert nature of crime, it is inherently challenging to calculate precise figures regarding profits generated from illicit financial activity or of the total value of money laundered annually; however, estimates are universally large, as noted in part one of this paper. Approximations of the total volume of criminal assets recovered vary, but where they are calculated, they are invariably small.²⁸ It is noticeable that ‘recovering more assets’ is one of the few measures of effectiveness that almost everyone in the anti-financial crime ecosystem agrees is an important barometer of success. As such, it is critical that we redouble our focus on identifying how asset recovery rates can be increased – alongside the development of the preventative measures outlined in this paper – and the priority ascribed to the issue under Singapore’s presidency of the FATF is very much welcomed.²⁹

The variations in the estimates noted above represent a particular challenge in this area which needs to be addressed. As different jurisdictions use different methodologies to calculate assets recovered, it can be extremely challenging to fully understand the effectiveness of the global anti-financial crime regime at the macro level. This can undermine policymakers’ ability to identify which countries’ approaches are genuinely the most impactful, thus making it harder to recognize and replicate the more effective practices.

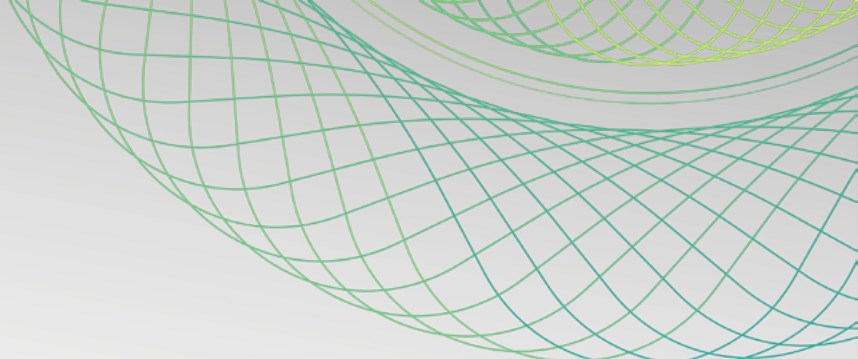
Consistency within the Mutual Evaluation process is also important, and some have identified room for improvement in this regard³⁰, but so too are common data collection standards and definitions. As such, there would be value in the FATF revisiting whether guidance could be strengthened in this area in terms of the Fifth Round of Mutual Evaluations, whilst also addressing the concern that common standards can be artificially manipulated.

Notwithstanding the data challenges noted above, there is consensus that outcomes could be improved through an increased focus on the implementation and effective application of non-conviction-based asset recovery (NCBAR) and confiscation.³¹ As such the recent announcement³² that the FATF recommendations will be amended to require all countries to establish NCBAR regimes is extremely significant.

Noting the accepted importance of increasing asset recovery as a positive indicator of effectiveness, the FATF should ensure an increased focus on Immediate Outcome (IO) 8.³³ Effectiveness should be considered through accepted definitions of total value (as noted above), and progress in the development and application of NCBAR legislation and processes at jurisdictional level where legally possible. Credit could be given within the Mutual Evaluation process for the implementation of innovative approaches to improve asset recovery outcomes within the criminal framework. This could include for example, embedding asset recovery obligations within national tasking mechanisms and the development of PPPs to trace more assets faster – alongside the provision of the appropriate resources assigned to these efforts.

The increase in instant payments provides further challenges and complexity to consider in the context of asset recovery. Faster payments allow criminals to move money in ways that far outpace law enforcement’s ability to intervene. When payments cross borders, law enforcement’s challenge becomes even greater. Policymakers in some jurisdictions are considering whether it would be desirable to allow certain payments to be slowed before they cross borders to better enable fraud prevention and detection. Such changes, alongside increased investigative capacity, are encouraged. They would also help drive up asset recovery by providing law enforcement and the regulated sector with more time to intervene before a high risk or suspicious transaction moves offshore. We believe these changes can be effected without undermining the commercial value of more rapid payment execution.

Approximations of the total volume of criminal assets recovered vary, but where they are calculated, they are invariably small.²⁸



Nevertheless, it is accepted that while tools such as the ability to slow cross border payments may help prevent illicit assets moving offshore, they will not stop them all. Accordingly, it is vital that we enhance our collective ability to track and trace assets globally in an expeditious manner. FATF R.38 notes that ‘Countries should have the authority to take expeditious action in response to requests by foreign countries to identify, freeze, seize, or confiscate³⁴ the proceeds of crime. The processes in place to support the objectives of R.38 are, however, slow and/or complex. This creates a significant inequality of arms between the criminals and the law enforcement body trying to trace and confiscate an asset overseas.

FATF and its member jurisdictions should consider how parts one and two of R.38 (identification and freezing) in particular, could be expedited. The FATF is already considering recommendations aimed at strengthening collaboration with the Asset Recovery Networks (ARINs)³⁵ and encouraging cross border collaboration through the FATF-INTERPOL Roundtable Engagements (FIRE).³⁶ However, consideration could be given, for instance, to exploration of how current processes to request information and flag risk may be automated to help jurisdictions collaborate at pace to trace the proceeds of crime cross-border. Existing data flows including cross-border payments’ messaging services and correspondent wires could be important enablers in this context, potentially helping to track the movement of a criminal asset through multiple steps, to the point where it has come to rest and could be frozen far more quickly than is currently possible.

In relation to cross-border asset recovery, we note the creation of INTERPOL’s Financial Crime and Anti-Corruption Centre (IFCACC) and its associated Expert Working Group which is mandated to consider a range of issues including the revival of the concept of the Silver Notice. The Silver Notice is a proposed addition to the suite of INTERPOL Notices specifically devoted to the tracing and recovery of criminal assets.

While the precise functioning of the Silver Notice is yet to be defined, its introduction could materially shift the dial on international asset recovery if it provided a mechanism that allowed an investigator to locate a criminal asset ‘at rest’ anywhere in the world through a single request. While freezing and recovery would require subsequent bilateral collaboration through other legal instruments, the Notice could provide an important catalyst to accelerate that process enabling more assets to be frozen.

Progress on the implementation of the Silver Notice should be accelerated, including early consideration of what data would be required to enable INTERPOL members to reliably identify whether there were assets within their jurisdiction covered by any Silver Notice, and how that data would be accessed. The cross-border payment mechanisms noted above could be a help here too. It would be important to ensure that appropriate safeguards around the use of the Silver Notice were implemented at an early stage to prevent their abuse and undermine their adoption.

The concept of a multilateral SAR/STR regime raised in in the section titled ‘multilateral cooperation on financial crime data’ of this paper is also relevant in the context of asset recovery and could be one of the enablers of both the Silver Notice and the increasingly automated delivery of elements of FATF R.38. Stakeholders should consider whether a Global Reporting Centre could be established in this regard with the support of the FATF and the Egmont Group. At the same time, the FATF and the Egmont Group should focus on data standardization within a multilateral SAR/STR regime both as an enabler of enhanced and accelerated information sharing within current frameworks and in the context of the recommendations made herein.

g. Further whole system capabilities

Whilst the concerns of the anti-financial crime framework will inevitably evolve based on emerging risks and geopolitical changes, the development and enhancement of key 'whole system' capabilities will ultimately support the delivery of better outcomes irrespective of the threat landscape. Alongside the issues outlined above, stakeholders should continue to focus on the following capabilities as core to efforts at disrupting, mitigating, and preventing illicit financial flows:

- i. Improving corporate transparency: Identifying the true beneficial owner or individual exercising control in a business relationship is critical for both the public and private sectors in the fight against international financial crime. Access to current, reliable, verified, and accessible beneficial ownership information remains a global priority. The importance of this issue has been magnified by the role that inscrutable beneficial ownership regimes can play in undermining international sanctions in relation, for example, to the Russian invasion of Ukraine, and the wider impact such opacity can have in terms of enabling the circumvention of economic security measures.

It is still too easy for criminals and terrorist financiers to abuse company formation practices to hide illicit activities. In particular, inconsistencies in national or regional approaches to beneficial ownership information reporting and access create significant barriers to effectiveness. Alignment with standards at the FATF concerning recommendations 24 and 25 will help ensure common rules on transparency are applied across jurisdictions. Global harmonization will also help allow for greater interoperability in terms of access to beneficial ownership information ultimately kept in national or regional beneficial ownership registers.³⁷

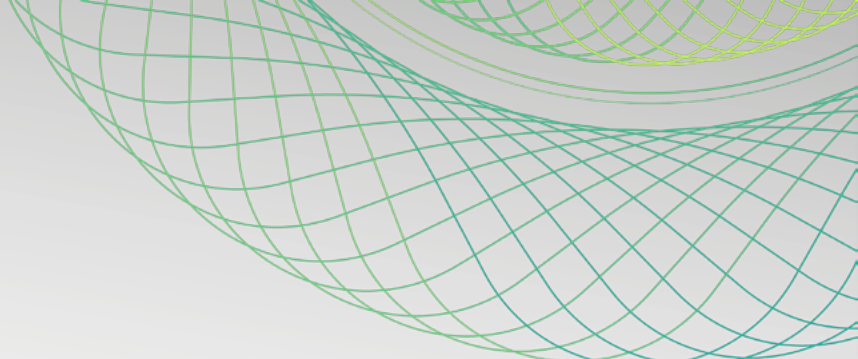
However, further work is still needed. Where beneficial ownership registries have been established, implementation should be reviewed by the appropriate national authority to ensure that data is accurate and reliable so

It is still too easy for criminals and terrorist financiers to abuse company formation practices to hide illicit activities.

that a greater degree of trust can be placed on their contents – potentially reducing duplicative whole system activities. Access should be made available first and foremost to those who have a legitimate purpose for needing this information, such as FIUs, the appropriate regulatory bodies, law enforcement and FIs.

Registries should also be encouraged to be more ambitious. It is not enough to act as a passive repository of erroneous data, which is often the case. Registries should be expected to have the skills, capability, and mandate to play an active role in the wider intelligence ecosystem. By enhancing this role, further cross cutting capabilities can be built and used to help prevent and detect the risks that are prioritized.

- ii. Making better use of payments data: As noted in the discussion around information sharing and PPPs earlier in this paper, the pooling and analysis of data from across multiple FIs and other regulated entities generates better insights into criminal money laundering networks and other types of financial crime than can be achieved through siloed data analysis. However, it is complex and time-consuming to agree the standards, protocols, and legal basis through which information sharing can take place. As such, existing points of data aggregation in the financial system, where data from across multiple FIs already resides in one place, may provide the opportunity to help realize the benefits of information-sharing utilities more quickly and should be considered as an alternative or complement to building greenfield data-pooling platforms.



Global and national payments architectures can present such points of aggregation and should be proactively explored as potential shared capabilities in the fight against financial crime. Noting the current work underway on payments transparency at a global level,³⁸ there is an opportunity to ensure that ‘success’ in the context of the design and operation of the payments architecture is not solely judged on the efficiency with which a payment can be moved but is also judged on the ability of the architecture to provide a meaningful capability in the fight against crime.

In addition to the enhanced use of the payments architecture noted above, it is critical to maintain a focus on improving payments transparency between institutions and across borders. Of particular importance is ensuring that new market entrants (which may not even be regulated) are held to the same financial crime standards and expectations as ‘traditional’ payments providers. A failure to ensure common standards across all market participants will create blind spots in payments flows which will be abused by criminals.

In this context the introduction of ISO 20022 presents a real opportunity to standardize and deepen the amount of information contained within payments messaging that could improve information sharing for anti-financial crime purposes both domestically and internationally. Ensuring a robust focus on standards to enable different payment rails to be interoperable will be critical. As such Wolfsberg Group’s recent publication of its revised payment transparency standards is timely.³⁹ The standard’s key principles should be carefully considered in the context of wider payments reform, including by the FATF in the respect of revisions to revisions to R.16.

- iii. Enhancing capacity and capability: Ensuring the building blocks of a sound and stable financial crime risk management environment remains a whole system enabler which requires priority attention. When viewed through the prism of the FATF Global Network, for example, there still remains a wide disparity in capabilities to

deliver effective outcomes for AML/CFT and wider financial crime priorities. Additional work should thus be considered on education, training, and technical assistance for both the public and private sectors.

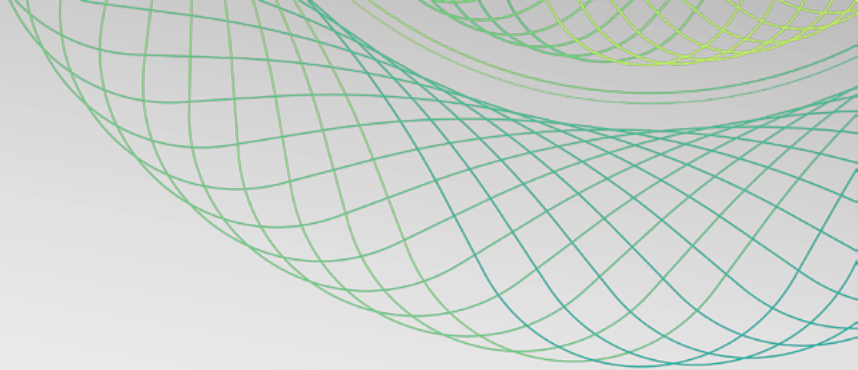
Specifically, an internationally led effort continues to be needed in the following three areas:

1. To take stock of current technical assistance programs initiated by the public and private sectors and evaluate their usefulness in achieving objectives on improving anti-financial crime outcomes.
2. Based on that exercise, the establishment of principles and practices that can be applied to technical assistance programs globally is needed, whilst taking account of national and regional specificities; and
3. Coordination amongst governments, international bodies (including the International Monetary Fund and the World Bank) and the private sector on establishing programs where they are required, and enhancing programs where needed, is necessary in line with the final principles. Proper public funding to provide countries with technical assistance is also a key factor to consider.

Measuring effectiveness and the importance of prioritization

As we have noted in this paper and throughout our white paper series since 2019, the relative maturity of financial crime frameworks across different jurisdictions varies, as do levels of trust and confidence between system stakeholders. In all jurisdictions, though, a focus should remain on ensuring the implementation of global standards in order to build a solid foundation for the risk-based approach and ensure consistency across countries. However, the implementation of standards alone does not necessarily equate to the creation of an effective system.

Defining what is meant by ‘effective’ throughout the lifecycle of financial crime is well-recognized as not being entirely straightforward. Nevertheless, the thinking is continuing to evolve in this regard. For



example, the FATF's measurement of Immediate Outcomes strives to ensure that through the FATF MER process, a country demonstrates, in the context of the risks to which it is exposed, that it has an effective framework to protect the financial system from abuse across eleven areas of focus.⁴⁰ In another example, the Wolfsberg Group has recommended that supervisors and/or relevant government agencies should assess the effectiveness of FIs AML/CFT programs based on whether they:

- Comply with AML/CFT laws and regulations;
- Provide highly useful information to relevant government agencies in defined priority areas; and
- Establish a reasonable and risk-based set of controls to mitigate the risks of an FI being used to facilitate illicit activity.⁴¹

These are all critically important contributions.

More broadly, however, it is important to have a framework that allows the wide range of issues and enablers discussed in this paper (along with the others in this series) - and in other publications of note - to be factored in, considered, and incentivized in the context of the degree to which they will contribute to the effectiveness of the whole anti-financial crime ecosystem. To do this, it is of course critical to reach a common consensus about the overarching goal or 'purpose' of that framework.

First, agreeing the overarching purpose sounds like a simple task, but views diverge. The FATF's objective focuses on 'setting standards and promoting the effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system'.⁴² This is highly important and has clear merit but has been challenged by the FATF itself⁴³ and the overarching objective of the anti-financial crime framework could be simplified and focused - i.e., to prevent, detect, and mitigate illicit financial flows so that we collectively stop more crime and recover more criminal property. This high-level purpose (or one similar to it, perhaps also linking as some have noted, to the UN's Sustainable Development Goals⁴⁴), should be reconsidered and restated - and the effectiveness and value of all financial crime related activities

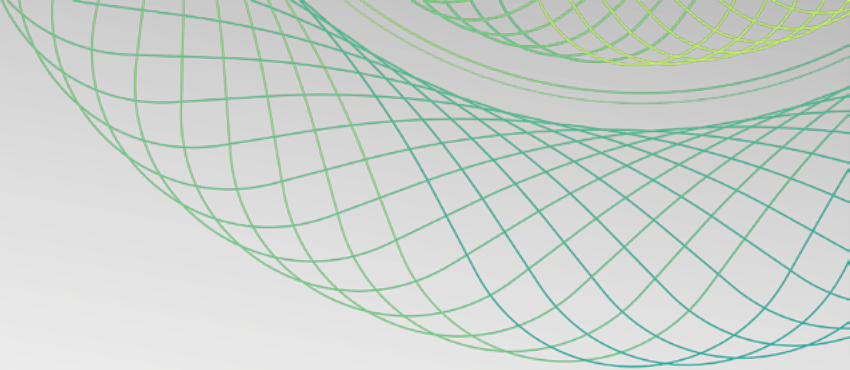
undertaken by stakeholders in the ecosystem should be judged by the degree to which they contribute to delivering upon it.

Second, whole system leadership is particularly important in reconsidering effectiveness and delivering on outcomes. There is increasing consensus⁴⁵ that there must be someone or some agency (a 'system leader') in each jurisdiction that is ultimately responsible for ensuring all parts of the financial crime ecosystem operate together in a coherent and coordinated manner towards the effective delivery of the agreed whole system goal. The system leader should also ensure cooperation across jurisdictions in this regard.

Third, crime fighting capacity in the system is precious and cannot be wasted. Where such capacity is being expended in any sector on activities that do not contribute meaningfully to the system objective, it is important to have the mechanisms in place to proactively question why those activities are being undertaken and whether they can be amended or stopped. Conversely, where activities are identified that are valuable in supporting the delivery of the whole system objective, they should be reaffirmed and extended using capacity 'recovered' by ceasing to perform activities that can be shown not to contribute.

An approach that might support this refocusing and rebalancing of effort could be for the system leader to drive the creation of anti-financial crime 'mandates' for each sector in the ecosystem (e.g., law enforcement, regulators, and FIs). These mandates would be agreed between sector representatives, other stakeholders, and the system leader, and would define the role and activities that that sector plays in contributing to the delivery of the overarching objective in line with clearly defined priorities. In this context, the effectiveness of each sector (and the stakeholders within it) would be judged by the extent to which they were able to contribute to the delivery of their sectoral 'mandates,' and the effectiveness of the system leader would be judged by the degree to which all sectoral mandates were fulfilled.

Taking the financial sector by way of example, an FI cannot arrest a criminal - that would not be in their mandate - but financial sector stakeholders could



ensure that they file high quality SAR/STRs or provide access to high quality data at pace as defined by set priorities (as suggested by the Wolfsberg Group and noted above). Such activities could be included and incentivized in the FI sector mandate because they are both activities that would in turn help law enforcement to deliver more effectively against their sectoral mandate, which would likely include, for example, making arrests and seizing assets. It is recognized that tensions could arise between mandates, (potentially for example, balancing law enforcement outcomes against the private sector's ambition to purge risk from their books). Where such tensions did arise, the system leader would have an important role to play facilitating dialogue to find a balanced outcome that remained aligned with the whole system objective.

Taking this concept further, it would be important to question whether potentially long-established activities continue to contribute to the overall system goal, especially where those activities consume significant system capacity. Activities such as 'regulatory lookbacks' for example, would be interesting to consider in this context. Regulatory mandated lookbacks are generally required where FIs have been shown to have failings in their control frameworks. There may be good reason to undertake such lookbacks if, in so doing, current issues are identified that continue to undermine the effectiveness of the FI's controls. However, it should also be recognized that responding to such lookbacks can consume a significant proportion of the FI's capacity, for example in managing historic remediations.

The system leader should be able to question whether that capacity is used to greatest effect in the delivery of the overarching purpose (to stop more crime and recover more assets) by being deployed in the remediation of historic issues. A more effective approach may be to use supervisory powers to direct capacity to focus on other potentially higher value activities (e.g., participation in PPPs, for instance) that would have greater impact on the delivery of outcomes.

Ultimately there is an inherent inertia in delivering 'business as usual' processes which we must guard against if we are to improve outcomes for the whole

system. It is important that leaders collaborate on the issue of effectiveness and do so with an open mind. Refining the mandate of sector stakeholders certainly does not mean abandoning core standards, many of which are likely to remain. But increased flexibility in approach is important and appropriate so long as that approach can be shown to deliver the relevant stakeholder mandate in the context of a whole system approach.

Finally, while reconsidering the approach to assessing effectiveness will take time, progress has already been made in several areas which could be subject to early further practical focus. A number of jurisdictions, as noted in section 1 of this paper, have recognized that capacity is finite and have created the concept of national priorities, something which was covered in detail in our 2021 white paper.⁴⁶

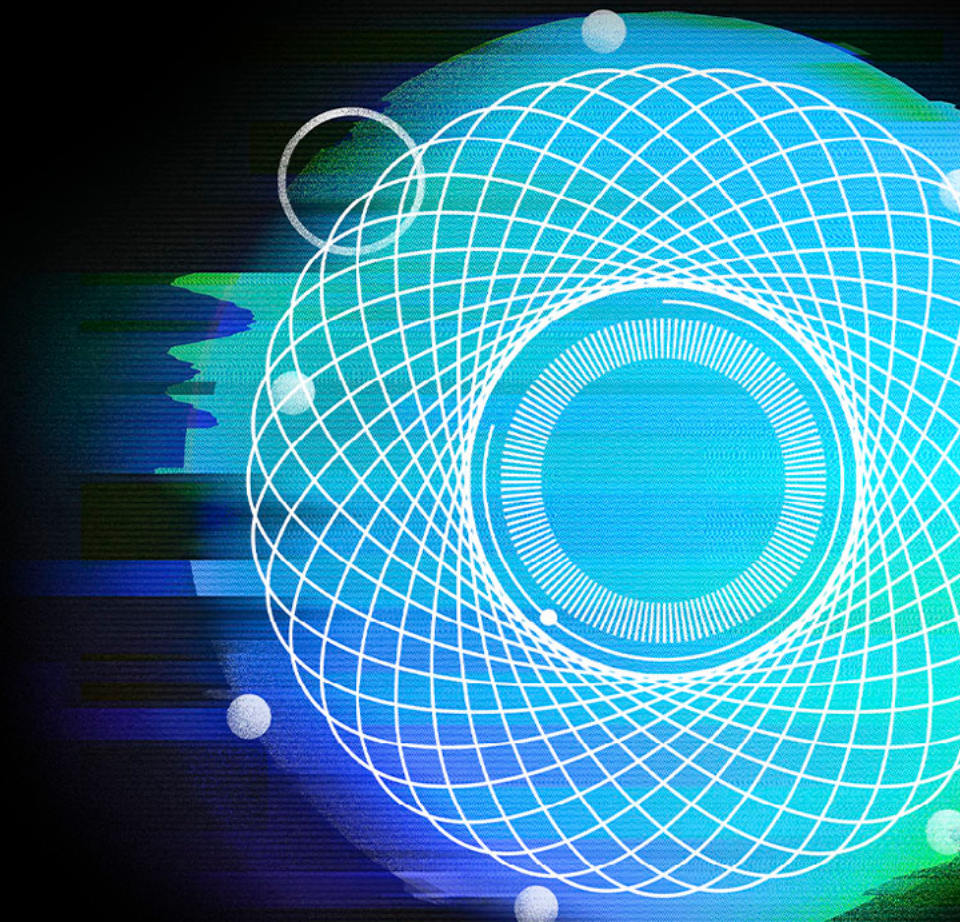
System leadership can be tested in setting those national priorities, as they must be bold and provide genuine clarity and detail of where focus needs to increase, and where it can be dialed down or even stopped. This is critical. It is easy to require stakeholders to do 'more,' but taking responsibility for reducing an area of focus is much more challenging. It is however a fundamental concept inherent in the risk-based approach and one that must be addressed given there is finite capacity and a focus on everything is a focus on nothing.

The introduction of national priorities must also be reflected in the supervisors' approach to examination. Examiners, auditors, and other program evaluators, including FIs themselves, must be on the same page in how to measure and evaluate financial crime risk management program effectiveness in the context of national priorities. System leadership will be critical in this regard.

Ultimately there is an inherent inertia in delivering 'business as usual' processes which we must guard against if we are to improve outcomes for the whole system.

Conclusion

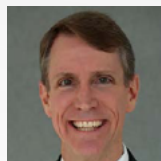
A robust, coordinated, outcomes-focused, and efficient global anti-financial crime framework is ultimately of undisputed benefit across countries and across populations. Establishing fundamental building blocks; addressing leadership, prioritization, and mandates at a system level; ensuring supervisory coherence in relation to those priorities and mandates; and focusing on outcomes over technical compliance needs to be clearly articulated and adopted in a uniform manner internationally. Although more effort is needed, by recognizing the challenges and addressing the enablers outlined throughout this White Paper series, progress can and will be achieved at pace, building on the good work undertaken thus far.



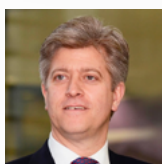
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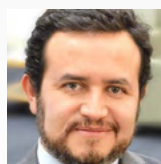
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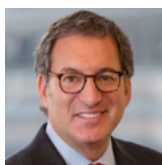
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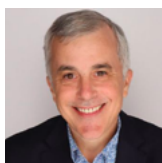
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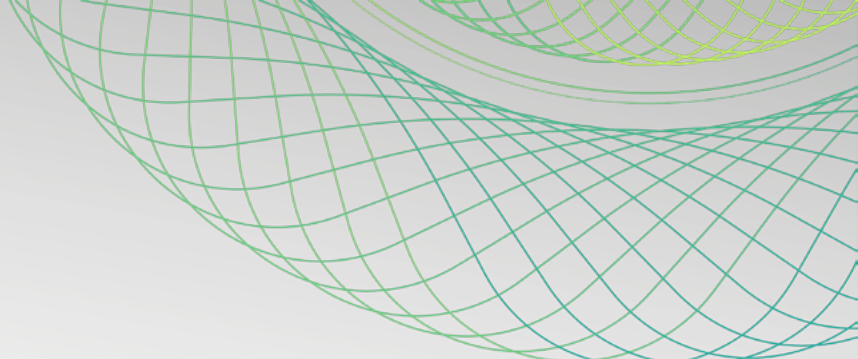
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End notes

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