# PROCESS AND PROCEDURES

## FOR THE GIABA THIRD ROUND OF AML/CFT/CPF MUTUAL EVALUATIONS AND FOLLOW-UP PROCEDURES

## (GIABA PROCEDURES°)

August 2024

The Inter-Governmental Action Group against Money Laundering (GIABA) is a specialized institution of ECOWAS and a FATF Style Regional Body that promotes policies to protect member States financial system against money laundering, terrorist financing and the financing of the proliferation of weapons of mass destruction. The FATF Recommendations are recognised as the global anti-money laundering (AML) and counter terrorist financing (CTF) standard.

For more information about GIABA, please visit the website: www.giaba.org

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## LIST OF ABBREVIATIONS AND ACRONYMS

| | |
|---|---|
| **A/MEJG** | Africa/Middle East Joint Group |
| **AML/CFT** | Anti-Money Laundering and Countering the Financing of Terrorism (also used for Combating the Financing of Terrorism) |
| **C** | Compliant |
| **CFT** | Countering the Financing of Terrorism |
| **CPF** | Countering the Financing of Proliferation of Weapons of Mass Destruction |
| **DAR** | Detailed Assessment Report |
| **DNFBP** | Designated Non- Financial Business and Profession |
| **ECG** | Evaluation and Compliance Group |
| **ECOWAS** | Economic Community of West African States |
| **ES** | Executive Summary |
| **FATF** | Financial Action Task Force |
| **FIU** | Financial Intelligence Unit |
| **FSAP** | Financial Sector Assessment Program |
| **FSRB** | FATF-Style-Regional Body |
| **GIABA** | Inter-Governmental Action Group Against Money Laundering in West Africa |
| **GMC** | GIABA Ministerial Committee |
| **ICRG** | International Corporation Review Group |
| **IFI** | International Financial Institution |
| **IMF** | International Monetary Fund |
| **IO** | Immediate Outcome |
| **JG** | Joint Group |
| **KRA** | Key Recommended Action |
| **LC** | Largely Compliant |
| **MDA** | Ministries, Departments and Agencies |
| **MEQ** | Mutual Evaluation Questionnaire |
| **MER** | Mutual Evaluation Report |
| **ML** | Money Laundering |
| **MVTS** | Money or Value Transfer Service |
| **NC** | Non-Compliant |
| **PC** | Partially Compliant |
| **PEP** | Politically Exposed Person |
| **Q&C** | Quality and Consistency |
| **ROSC** | Report on Observance of Standards and Codes |
| **RUR** | Recommendations Under Review |
| **SRB** | Self-Regulatory Body |

| | |
|---|---|
| **TC** | Technical Compliance |
| **TCRR** | Technical Compliance Re-Rating |
| **TF** | Terrorist Financing |

## I. INTRODUCTION

1. The Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) will conduct assessments[1] for its member States based on the Financial Action Task Force (FATF) Standards[2] and the *FATF Methodology for Assessing Technical Compliance with the FATF Recommendations and the Effectiveness of AML/CFT/CPF Systems* (*FATF Methodology),* as amended from time *to time.* In principle, *GIABA's AML/CFT/CPF Mutual Evaluations and Follow-up Procedures* (*GIABA Procedures*) should be read in conjunction with the FATF *Universal Processes and Procedures for AML/CFT/CPF Mutual Evaluations and Follow-up* (*Universal Procedures*). There will be some flexibility in the procedural arrangements. However, there will be a set of principles which GIABA would apply as noted in the *High-Level Principles and Objectives for the Relationship between the FATF and the FSRBs (HLPOs).*[3]

2. This document sets out the *Procedures* that are the basis for the mutual evaluations (ME) and follow-up conducted by GIABA. GIABA would periodically review these procedures to identify on-going challenges and update these procedures to address those challenges. When the *GIABA Procedures* are updated, the FATF Secretariat will check the changes against the *Universal Procedures*. When the *Universal Procedures* are updated, e.g., after the *FATF Procedures* are changed, GIABA's procedures would be updated within a reasonable amount of time and will be checked against the updated *Universal Procedures*. It is expected that before updating the *Universal Procedures*, the FATF would consider the impact of any changes on the FATF-Style Regional Bodies (FSRBs). Where the GIABA Procedures continues to be inconsistent with the *Universal Procedures*, the FATF Secretariat would provide a paper to allow for a discussion by FATF's Evaluation and Compliance Group (ECG).

### (a) Scope, principles and objectives for mutual evaluations and follow-up

3. As set out in the *FATF Methodology*, the scope of mutual evaluations will involve two interrelated components for technical compliance and effectiveness. The technical compliance component assesses whether the necessary laws, regulations or other required measures are in force and effect, and whether the supporting anti-money laundering (AML)/countering the financing of terrorism (CFT) / countering the financing of proliferation of weapons of mass destruction (CPF) institutional frameworks are in place. The effectiveness component assesses whether the AML/CFT/CPF systems are working, and the extent to which the country[4] is achieving the defined set of outcomes.

4. The follow-up process, including the FATF ICRG process, is intended to: (i) encourage members' implementation of the FATF Standards; (ii) provide regular monitoring and up-to-date information on countries' compliance with the FATF Standards (including the effectiveness of their AML/CFT/CPF systems and progress against Key Recommended Actions (KRA)); and (iii) apply sufficient peer pressure and accountability. Although the ICRG process applies to all the Global Network, it remains an FATF-led process. As such, procedures related to ICRG are set out in the FATF Procedures in Appendix 6 of these Procedures. The procedures for GIABA assessment would:

a) Require application of the peer review principle in all mutual evaluation and follow-up processes.
b) Produce objective and accurate reports of a high standard in a timely way.

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[1] Mutual evaluations and follow-up monitoring.
[2] The FATF Standards comprise the Recommendations themselves and their Interpretive Notes, together with the applicable definitions in the Glossary. References to an individual Recommendation includes reference to any Interpretive Note or relevant Glossary definition.
[3] *HLPOs :* www.fatf-gafi.org/publications/fatfgeneral/documents/high-levelprinciplesfortherelationshipbetweenthefatfandthefatf-styleregionalbodies.html
[4] All references in the Procedures to *country* or *countries* apply equally to territories or jurisdictions.

c) Ensure that there is a level playing field, whereby mutual evaluation reports (MERs), including the Key Recommended Actions and Roadmap (KRA Roadmap) and executive summaries, are consistent, especially with respect to findings, recommendations and ratings.

d) Ensure that there is transparency and equality of treatment, in terms of the assessment, and follow-up processes, for all countries assessed.

e) Seek to ensure that the evaluation and follow-up exercises conducted by GIABA are equivalent to those conducted by FATF and other FSRBs, and of a high standard.

f) Facilitate mutual evaluation, and follow-up processes that:

(i) are clear and transparent,

(ii) encourage the implementation of higher standards,

(iii) identify and promote good and effective practices, and

(iv) alert governments and the private sector to areas that need strengthening.

g) Be sufficiently streamlined and efficient to ensure that there are no unnecessary delays or duplication in the process and that resources are used effectively.

### (b) Changes in the FATF Standards

5. As a dynamic process, on-going work within the FATF could lead to further changes to the FATF Standards and/or the Methodology. To ensure equality of treatment, and to protect the international financial systems, technical compliance with any FATF Standards that have been revised after the date the country's ME technical compliance submission is due will be assessed as part of the follow-up process if they have not been assessed as part of the mutual evaluation.

6. All countries will be evaluated based on the FATF Standards and the FATF Methodology as they exist at the date the country's mutual evaluation (ME) technical compliance submission is due. For regular or enhanced follow-up, countries shall be evaluated based on the FATF Methodology as it exists at the date the country's submission is due for its follow-up report. The report shall state clearly whether an assessment has been made against recently amended Standards.

7. From time to time, the FATF Plenary makes decisions regarding interpretation of the Standards and application of the *FATF* Methodology and *Procedures*. These decisions are recorded in the FATF Summary Record[5] of the Plenary where the decision is made, take effect immediately and GIABA would apply them to all its subsequent reports. However, such decisions do not constitute changes to the FATF Standards or the *FATF Methodology* and do not trigger automatic reassessment as part of the follow-up process.

8. As necessary, GIABA may take up issues pertinent to the interpretation and implementation of the FATF standards through the mechanism established by the FATF for this purpose. Where a horizontal issue cannot be resolved at the GIABA level, the GIABA Secretariat shall raise the issue with the FATF Secretariat and keep the GIABA Plenary informed of such exchanges. The Plenary may then decide to raise an issue more formally with the FATF. In this case the issue should present important and relevant procedural or substantive matters stemming from one or multiple MERs or FURs, and on which there has been no clear interpretation by the FATF. The Director General of GIABA shall write to the FATF at the appropriate level outlining the issue and requesting a formal interpretation from the FATF. Based on Plenary considerations, the GIABA Secretariat shall prepare a background analysis to accompany the request, outlining the impact that the issue, if left unaddressed, could have on the mutual evaluation process of GIABA.

### (c) Scheduling mutual evaluations

9. The schedule for the third round of mutual evaluations and the number of evaluations to be prepared each year is primarily governed by GIABA's resources and number of MERs that can be discussed at each Plenary[6] meeting and by the need to complete the entire round in the prescribed timeframe. The GIABA Ministerial

[5] All Summary Records of non-confidential items are available to all assessment bodies.

[6] "Plenary" refers to the body of technical senior officials representing member States.

Committee and ECOWAS Authorities will ensure that GIABA has the necessary resources to complete the entire round in the prescribed timeframe.

10. Plenary will decide on the sequence of mutual evaluations based on several risk-related considerations. These considerations shall include the following factors:

a) As the primary consideration, the date of the country's last MER with a view to, ideally, not exceeding a maximum of 11 years or minimum of 5 years since the previous evaluation.

b) General AML/CFT risk, as determined by the country's follow-up status, including whether the country remains in the ICRG process.[7]

c) The relative size of the economy and relative size of the financial sector in comparison to the economy[8]

11. The Plenary may consider requests to volunteer for an earlier position in the sequence, provided that sufficient time has passed since the requesting country's previous mutual evaluation, and that the current sequencing is practicable and convenient for the assessment body and other affected member States.

12. GIABA will maintain a schedule of mutual evaluations showing the fixed or proposed date of the on-site visit and the date for the Plenary discussion of the MER. Any proposed changes to mutual evaluation scheduling will require Plenary approval.

13. The sequence of evaluations shall retain some flexibility to ensure that the evaluation process can respond appropriately and in a timely fashion to the needs of the membership and to concerns in the global network of AML/CFT/CPF assessment bodies. The Chairperson of the Technical Commission/Plenary and the Director General should be informed by the respective delegation where such concerns arise.

**CO-ORDINATION WITH THE FSAP PROCESS**

14. The FATF Standards are recognised by the IFIs as one of 12 key standards and codes, for which Reports on the Observance of Standards and Codes (ROSCs) are prepared, often in the context of a Financial Sector Assessment Programme (FSAP). Under current FSAP policy, every FSAP and FSAP update should incorporate timely and accurate input on AML/CFT/CPF. Where possible, this input should be based on a comprehensive quality AML/CFT/CPF assessment, and in due course, on a follow-up assessment conducted against the prevailing standard. When there is a reasonable proximity between the date of the FSAP mission and that of a mutual evaluation or follow-up assessment conducted under the prevailing methodology, the IFI allows for the key findings (including the KRA Roadmap) of that evaluation or follow-up assessment to be reflected in the FSAP[9].

15. The basic products of the evaluation process are the MER, KRA Roadmap and the Executive Summary (for the FATF) and the DAR and, if requested, ROSC (for the IFIs)5. Where possible, the KRA Roadmap and Executive Summary, whether derived from a MER or follow-up assessment report, will form the basis of the ROSC. Following the Plenary, and after the finalisation of the Executive Summary, the summary is provided by the Secretariat to the IMF or World Bank so that a ROSC can be prepared, following a pro forma review.

16. The substantive text of the draft ROSC will be the same as that of the Executive Summary, though the following formal paragraph will be added at the beginning:

[7] The country's level of implementation of the FATF Standards is informed by the MER results, follow up status (i.e., existing enhanced follow-up (EFU) or regular follow up (RFU) and follow-up outcomes, resulting in a general understanding of residual risk). Risk-based sequencing should take such residual risk into account. When considering a country' status in the ICRG process, GIABA would consider allowing at least 12 months between the expiration of the country's ICRG Action Plan and the date on which the country's TC submission is due to avoid overlap of ME and ICRG processes to the extent possible. However, if the country has not exited ICRG before the TC submission is due, the ICRG and ME processes may run concurrently.

[8] This is informed by the country's GDP and size of financial sector relative to its GDP.

[9] Or 5th year follow-up assessment, if one was conducted.

17. This Report on the Observance of Standards and Codes for the FATF Recommendations and Effectiveness of AML/CFT Systems was prepared by the Financial Action Task Force (FATF). The report provides a summary of [the/certain]6 AML/CFT measures in place in [Jurisdiction] as at [date], the level of compliance with the FATF Recommendations, the level of effectiveness of the AML/CFT system, and contains recommendations on how the latter could be strengthened. The views expressed in this document have been agreed by the FATF and [Jurisdiction], but do not necessarily reflect the views of the Boards or staff of the IMF or World Bank.

## II. JOINT MUTUAL EVALUATIONS WITH THE FATF

18. Mutual evaluations of GIABA countries which are also members of the FATF shall be undertaken jointly by FATF and GIABA pursuant to the procedures agreed by the FATF (Procedures for the FATF 5th round of AML/CFT evaluations).[10] These evaluations will be scheduled by the FATF in consultation with GIABA.[11]

19. Generally, the FATF will be the principal organiser, while assessors will be provided by both parties for the assessment. The FATF and GIABA Secretariats will participate. Reviewers should be provided by the FATF, GIABA and another assessment body. To ensure adequate attention is given to consistency, a joint evaluation may use additional ME reviewers beyond the three set out in this Process and Procedures. The GIABA Secretariat shall ensure that the relevant evaluation documents are circulated to all GIABA countries for comments and input and that the comments received shall be shared with the FATF. The first discussion of the MER shall take place at the FATF Plenary meetings, unless otherwise jointly agreed. The presumption is that the FATF's view on the draft MER shall be conclusive.

20. The processes (including the Procedures for preparing the draft MER, KRA Roadmap and Executive Summary and follow-up monitoring) for joint evaluations would be the same as for other FATF evaluations. GIABA and its members have opportunities to participate directly through being part of the assessment team and providing comments and input on the draft MER, KRA Roadmap, Executive Summary and follow-up reports like other delegations. GIABA would allow reciprocal participation in mutual evaluation discussions for GIABA members, and on this basis, the following measures should also apply for joint evaluations:

a) A representative from FATF will be given a specific opportunity to intervene during the GIABA Plenary discussion of the MER.

b) All the FATF assessors on the assessment team are encouraged to attend the GIABA Plenary at which the joint evaluation report is considered, and at least one FATF assessor should attend the GIABA Plenary.

c) In an exceptional case where a report was agreed within GIABA but subsequently the FATF identified major difficulties with the text of the report, then FATF Secretariat would advise the GIABA Secretariat of the issues, and the issues should be discussed at the following FATF Plenary.

d) Consideration will also be given to the timing of publication, if the MER has not been discussed in GIABA, with a view to finding a mutually agreed publication date.

e) If scheduling permits, the Plenary discussion of a joint MER may take place at a joint Plenary meeting of the FATF and GIABA, with the full participation of all FATF and GIABA members.

[10] ttps://www.fatf-gafi.org/content/dam/fatf-gafi/methodology/5th-Round-Procedures.pdf.coredownload.inline.pdf

[11] See Part V for further information on joint mutual evaluations.

## III. SUPRA-NATIONALITY

21. When an assessed country is a member state of a supra-national jurisdiction,[12] the onus is on the assessed country to provide all relevant and necessary information (both in relation to technical compliance and effectiveness) about any applicable supra-national measures that are relevant to its AML/CFT/CPF framework. This includes being responsible for facilitating the assessment team's appropriate access to representatives of any supra-national authorities and agencies that conduct operational AML/CFT/CPF activities of direct relevance to a country's implementation of AML/CFT/CPF measures. The assessment team may also request that meetings with certain national government agencies or supra-national agencies are restricted to those agencies only.

22. Any entity comprising jurisdictions in the Global Network may petition the FATF Plenary at any time to be designated as a supra-national jurisdiction for the purposes of an assessment of compliance with any FATF Standards where supra-national laws, regulations or other measures apply. To petition the FATF Plenary, the entity should submit a written request and supporting materials to the FATF Secretariat in accordance with the *FATF Procedures*. Upon receiving such a request, the FATF Secretariat will, in accordance with the *FATF Procedures*, consult with any relevant FSRB Secretariat(s) where the entity is located.

## IV. ROLES AND RESPONSIBILITIES IN THE EVALUATION AND FOLLOW-UP PROCESSES

### (a) Responsibilities of the Assessed Country

23. The onus is on the assessed country to demonstrate that it has complied with the Standards and that its AML/CFT/CPF regime is effective. Therefore, the country should provide all relevant information to the assessment team during the assessment, and to follow-up experts or Joint Group (JG) members during follow-up or ICRG monitoring. The country should ensure that all information provided is accurate and up to date. As appropriate, assessors, follow-up experts and JG members should be able to request or access documents (redacted if necessary), data, or other relevant information. All updates and information should be provided in an electronic format and countries should ensure that laws, regulations, guidelines and other relevant documents are made available in the language of the evaluation and the original language.

24. At least one (1) year in advance, when a country is being advised of the dates of the evaluation, the assessed country should appoint a coordinator responsible for the mutual evaluation process to ensure adequate co-ordination and clear channels of communication between the Secretariat[13] and the assessed country.[14]

25. During the on-site visit, the assessed country should ensure that confidentiality is maintained, and appropriate security protocols are in place, including measures to prevent use of listening or recording devices during meetings with authorities and deliberations of the assessment team. If interpretation from the country language to the language of the evaluation is required, the country should ensure professional and well-prepared interpreters who are subject to confidentiality requirements as outlined in paragraph 38-43 and are available to provide, ideally, simultaneous translation or consecutive interpretation. Assessment bodies should clearly outline any additional responsibilities of the assessed country during the mutual evaluation and follow-up processes.

### (b) Responsibilities of the Mutual Evaluation Assessment Team

26. The core function of the mutual evaluation assessment team is to collectively produce an independent report (containing analysis, findings and recommendations) concerning the country's compliance with the FATF

[12] For the purposes of this section, a supra-national jurisdiction refers to an entity comprising jurisdictions in the Global Network which the FATF Plenary has designated as a supra national jurisdiction for the purposes of assessing compliance with any FATF Standards where supra national laws, regulations or other measures apply in line with the *FATF Procedures*.

[13] For the purposes of these Procedures, references to "Secretariat" include reference to any GIABA, FATF, IMF or WB staff who are leading a mutual evaluation process, unless otherwise specified.

[14] The coordinator should have the appropriate seniority to be able to co-ordinate with other authorities effectively and make certain decisions when required to do so. The coordinator should also understand the mutual evaluation process and be able to perform quality control of responses provided by other agencies.

Standards, in terms of both technical compliance and effectiveness. To safeguard their independence, assessors should maintain as confidential all documents and information produced during the mutual evaluation as outlined in paragraph 38-43 and disclose any potential bias or conflict of interest between their responsibilities as an assessor and their professional or private interests.

27. Assessors should take the lead on, or take primary responsibility for, topics related to the assessor's own area of expertise. However, assessors must also conduct an evaluation in a fully collaborative process, whereby the entire team holistically considers all aspects of the evaluation. Each assessor is expected to actively contribute to all parts of the evaluation. As a result, assessors will be actively involved in all areas of the report and beyond their primary assigned areas of responsibility. Assessors should be open and flexible and seek to avoid narrow comparisons with their own national requirements or practices. GIABA will clearly outline any additional responsibilities of the mutual evaluation assessment team.

28. Assessors must devote their time and resources for the duration of the mutual evaluation process. This includes reviewing all the documents (including the information updates on technical compliance, and information on effectiveness), collaborating with other team members, including Secretariat staff and consulting with the assessed country (via the Secretariat) on an ongoing basis, raising queries and participating in conference calls before the on-site, preparing and conducting the on-site assessment, drafting the MER, attending post-onsite meetings (e.g. face-to-face meeting, and working group/Plenary discussions), finalising the report after adoption by Plenary, adhering to the deadlines indicated, and, if necessary, participating in a handover meeting with ICRG JG members after Plenary adoption of the MER.

### (c) Responsibilities of Mutual Evaluation Reviewers

29. The main functions of mutual evaluation reviewers (ME reviewers) are to ensure MERs are of an acceptable level of quality and consistency, and to assist both the assessment team and the assessed country by reviewing and providing timely input on the risk and scoping exercise, the draft MER, including the TC Annex and Key Recommended Actions and Roadmap (KRA Roadmap). Reviewers should maintain as confidential all documents and information produced during the mutual evaluation as outlined in paragraph 38-43 and disclose any potential bias or conflict of interest between their responsibilities as an ME reviewer and their professional or private interests. GIABA will clearly outline any additional responsibilities of the ME reviewers.

30. The ME reviewers need to be able to commit time and resources to review the risk and scoping exercise and the quality, coherence and internal consistency of the second draft TC Annex, second draft MER, as well as consistency with the FATF Standards and FATF precedent. Reviewers are encouraged to consider each TC Annex and MER in its entirety; however, each ME reviewer could, in principle, focus on a part of the report so that, at minimum, ME reviewers collectively cover the entire TC Annex, MER and KRA Roadmap.

### (d) Responsibilities of Follow-up Experts

31. The function of experts for follow-up processes (follow-up experts) is to contribute to producing an independent report (including analysis, conclusions and proposed ratings) outlining the measures a country has taken to address the KRA in its KRA Roadmap, improve its technical compliance with the FATF Standards, to comply with FATF Standards that have changed since its MER or last FUR with technical compliance re-ratings (TCRR), and any area in which the country's technical compliance has diminished. To safeguard their independence, follow-up experts should maintain as confidential all documents and information produced during the follow-up exercise as outlined in paragraph 38-43 and disclose any potential bias or conflict of interest between their responsibilities as a follow-up expert and their professional or private interests. GIABA will clearly outline any additional responsibilities of the follow-up experts.

32. Follow-up experts will need to be able to commit time and resources to reviewing all the country's submissions, collaborating with any other follow-up experts involved in the follow-up exercise being open and flexible and seeking to avoid narrow comparisons with their own national requirements or practices, raising queries, participating in conference calls, conducting and writing up the analysis and adhering to the deadlines

indicated. If any issues for which a follow-up expert is primarily responsible require discussion in the relevant working group or Plenary, the follow-up expert should attend the working group/Plenary discussions.

### (e) Responsibilities of the Secretariat

33. Mutual evaluation is a dynamic and continuous process. The Secretariat should engage and consult the assessed country well before the start of the mutual evaluation process. This may include early engagement with higher level authorities to obtain support for, and co-ordination of, the entirety of the evaluation process and training for the assessed country to familiarise stakeholders with the mutual evaluation process. GIABA will review, from time to time, whether the way in which it engages with assessed countries is satisfactory.

34. The Secretariat shall facilitate all engagements between the assessment team and assessed country on an ongoing basis, commencing as early as possible, but not less than **eight months** before the on-site. Throughout the process the Secretariat will ensure that the assessors can access all relevant material and that regular conference calls take place between assessors and the assessed country to ensure a smooth exchange of information and open lines of communication.

35. During the mutual evaluation process, the Secretariat shall, among other things:

a) Impartially support both the assessment team and the assessed country and ensures consistent application of the procedures;

b) Focus on quality and consistency[15] of MERs, including taking steps necessary to ensure that the assessors' analysis is clearly and concisely written, comprehensive, objective and supported by evidence;

c) Assist assessors and assessed country in the interpretation of the Standards and application of the *FATF Methodology* in line with past FATF Plenary decisions;

d) Ensure that assessors and assessed countries have access to relevant documentation; and

e) Co-ordinate the process and other tasks as outlined in these Procedures.

36. During the follow-up and ICRG processes, the GIABA Secretariat[16] should impartially assist follow-up experts and ICRG Joint Group (JG) members in achieving quality reports and consistency in the application of the FATF Standards, *FATF Methodology* and *Procedures*, and will impartially support the countries in follow-up and ICRG. The GIABA Secretariat will also advise the relevant working groups and Plenary on process and procedural issues (e.g., in cases where all KRA are not fully or largely addressed or where no progress has been made). GIABA will clearly outline any additional responsibilities of the Secretariat.

37. GIABA will review from time to time whether the GIABA Secretariat is sufficiently staffed to adequately support the mutual evaluation process, understanding that three staff members should be considered optimal for the majority of evaluations.[17] Where resource issues exist, GIABA will review its work plan and allocation of resources to other projects to ensure that work on MERs/FURs is adequately prioritised. Members will provide

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[15] In this context, "quality and consistency" refers to a good quality evaluation that is consistent with the processes and procedures laid down by the FATF and report based on analysis that is consistent with the FATF Standards, Methodology and Plenary decisions.

[16] The ICRG process is led by the FATF, and the FATF Secretariat plays a specific role, which is outlined in the *FATF Procedures*. The GIABA Secretariat will assist to ensure the quality and consistency of the reports and act as a neutral party to help reach consensus during JG discussions. See Part VII, paragraphs 166 and 167 for more detailed information on the role of the GIABA Secretariat in the ICRG process.

[17] There may be instances where more than three staff members would be optimal, depending on the size, complexity and needs of the assessment.

sufficient resources to ensure that this prioritisation does not prevent GIABA from fulfilling its core functions, as defined in the *High-Level Principles and Objectives of FATF and FATF Style Regional Bodies* (*HLPOs*).

### (f) Confidentiality and Conflict of Interest

#### *(i) The principle of confidentiality*

38. Information gathered by GIABA in relation to an evaluation, follow-up or compliance procedure, including replies to the questionnaires, and related correspondence shall be confidential.

39. All documents and information elaborated: (a) by an assessed country during a mutual evaluation exercise (e.g., updates and responses, documents describing a country's AML/CFT/CPF regime, measures taken, or risks faced (including those for which there will be increased or decreased focus), or responses to queries by assessors; (b) by the GIABA Secretariat or evaluators (e.g., draft MER, draft FUR, etc.); and (c) in the context of the consultation or review mechanisms, should be treated as confidential.

40. Confidentiality requirements apply to all the discussions, internal deliberations and documents and information produced during a mutual evaluation or follow-up process. Documents or information provided in the evaluation or follow up process should only be used for the specific purposes provided and should not be disclosed to any person who is not a participant (see paragraph 44), unless the assessed country or the GIABA Secretariat (and where applicable, the originator of the document) consents to their release.

41. This confidentiality requirement does not apply to documents and information of an assessed country if the originator of the document consents to their release or if these have been made already public by the country concerned.

42. A country evaluated by the IMF or World Bank on behalf of GIABA shall be bound by the confidentiality requirements of the evaluation process as set out under the procedures of these IFIs. However, when a country accepts to be evaluated under these procedures and following the Plenary's approval for this evaluation to be undertaken by an IFI it shall expressly agree to provide to GIABA, through its Secretariat, a copy of all documents and information/communications shared between the country and the assessment body for the purpose of the evaluation.

43. Unless otherwise consented to by an assessed country, care should be taken to ensure that no confidential information, including personal data, is included in a published report.

#### *(ii) Obligation to maintain confidentiality*

44. Representatives of GIABA delegations from countries, observer States, organisations, institutions and bodies, assessment team, ME reviewers, follow-up experts, (collectively referred to in this section as "participants") and any other person with access to assessment documents or information[18] shall maintain the confidentiality of the facts or information of which they have become aware during the exercise of their functions, during and after their mandate.

45. These confidentiality requirements apply equally to the Secretariat and any other person or delegation with access to GIABA's documents or information. The members of the assessment team, ME reviewers and follow-up experts shall sign a confidentiality agreement which will include a requirement to disclose any potential bias or conflict of interest between their responsibilities in the assessment or follow-up process and their professional or private interests before becoming involved in the evaluation process.

[18] Confidentiality, bias and conflict of interest requirements also apply to ICRG JG members, including lead reviewers, as set out in paragraphs 37-39 of the *FATF Procedures*

### *(iii) Violation of confidentiality*

46. If there are serious grounds for believing that any of the persons covered under the present provision has violated the obligation of confidentiality, GIABA may, after the person concerned has had an opportunity to state his or her view to the Secretariat , decide to inform the Chairperson of the TC, GMC and/or line Minister of the member State, and/or the Organisation/body concerned and request that appropriate measures be taken, including removing the person from participating in the evaluation or follow up process.

## (g) Respecting Timelines

47. The timelines are intended to provide guidance on what is required if the reports are to be prepared within a reasonable timeframe, and in sufficient time for focused discussion in Plenary. Delays may significantly impact fairness of the process, the quality of the report and the ability of the Plenary to discuss the report in a meaningful way. It is therefore important that all parties respect the timelines.

48. The draft schedule of mutual evaluations has been prepared to allow enough time between the on-site visit and the Plenary discussion and reflects the ideal that the assessed country and assessment team will gradually narrow the range of issues under discussion over the course of the ME process. Timelines for follow-up and ICRG reports are also designed to allow enough time to complete the reports and allow for consideration by delegations. A failure to respect the timelines may mean that this would not be the case. By agreeing to participate in the mutual evaluation and follow-up processes, the country, the assessors, ME reviewers, follow-up experts and ICRG JG members undertake to meet the necessary timelines and to provide full, accurate and timely responses, reports or other material as required under the agreed procedure. Where there is a failure to comply with the agreed timelines in a mutual evaluation or follow-up process, then the following actions are among those that could be taken (depending on the nature of the default) in line with GIABA's internal decision-making processes:

(a) **Failure by the country** - The relevant Minister and Head of delegation in the country would be informed in writing of any failure by the country to comply with the time deadline or to provide full and accurate responses and the consequent need for materials to be updated at a later stage. A decision to defer the evaluation in either of these circumstances shall be taken by the DG of GIABA and the Plenary will be advised as to the reasons for the deferral. If deferment is not practicable, the assessment team or follow-up experts supported by the secretariat, will finalise and conclude the report based on the information available to them at that time. In the case of a country under active ICRG review, deferral is not possible except in extraordinary circumstances.

(b) **Failure by the assessors, ME reviewers, follow-up experts or the Secretariat** - the DG of GIABA may write a letter to or liaise with the head of delegation of the reviewer, expert or the appropriate Director (for the Secretariat). If the written contribution(s) from assessors or follow up experts are not received within the agreed timelines, or if they do not meet the minimum quality requirements, the Secretariat shall notify the IMC and the head of delegation of the evaluating State with copies of the letter being sent to the assessor or follow up expert. The Head of Delegation will use his//her best endeavours to ensure that the assessor's or follow up expert's required contribution, or in appropriate cases a substantially revised contribution is sent to the Secretariat within 2 weeks from the notification.[3] If a substantial contribution has still not been received from the relevant assessor or follow up expert, the DG of GIABA shall formally bring this issue to the attention of the TC Chair , with copies of the letter being sent to the assessor or follow up expert concerned and his/her Head of Delegation.

(c) Where there is a failure to comply with the agreed timelines by any participant in an ICRG process, the *Procedures for the FATF AML/CFT/CPF Mutual Evaluations, Follow-up and ICRG will* apply.

49. The Secretariat team shall keep the DG informed of any failures so that the DG can respond in an effective and timely way. The Plenary will also be informed if the failures result in a request to delay the discussion of the MER or follow up report.

### (h) Meetings

50. While in-person meetings are generally preferred, they are not always possible. Except in cases where in-person participation is specifically required (e.g., on-site visits), meetings referred to in these Procedures may take place by video or teleconference when in-person meetings are not practicable.

### (i) Mutuality of the Assessment Process

51. Due to the nature of the peer review process, GIABA will work to ensure that the mutuality of the process is maintained. Accordingly, GIABA will introduce mechanisms to encourage and facilitate members to contribute to the assessment process, including through providing comments on pre-plenary draft reports and participating in the discussions at Plenary and will implement the criteria for selecting and assessing the level of expertise of persons attending assessor training events, including those criteria approved by the FATF Plenary. A list of assessors shall be maintained by the Secretariat, and updated on a regular basis, based on information on modifications notified by the Head of Delegation. Heads of delegations shall use their best endeavours to ensure that experts within their jurisdiction are available for assessor training and to participate in GIABA evaluations and provide their written reports.

## V. COMPOSITION OF TEAMS AND SELECTION OF PARTICIPANTS IN ME AND FOLLOW-UP PROCESSES

### (a) Composition and Formation of Mutual Evaluation Assessment Team

52. Assessors should be very knowledgeable about the FATF Standards and *FATF Methodology*, and are required to successfully complete an FATF, FSRB, or joint FATF/FSRB assessor training course before they conduct a mutual evaluation. To the extent possible, at least one of the assessors should have previous experience conducting an assessment.

53. The assessors will be selected and confirmed by the Director General in consultation with the Head of Delegation of the relevant assessor. This will normally take place **at least seven months before the on-site visit** and will be coordinated with countries or international organisations that volunteer assessors for the proposed assessment. The Director General will formally advise the country of the composition of the assessment team at the time the team is confirmed, including an overview of assessors' respective primary responsibilities and reminder that the assessment remains an all-team responsibility.

54. An assessment team will usually consist of five to six expert assessors (comprising at a minimum one legal, financial[19] and law enforcement expert), principally drawn from GIABA member States and will be supported by Staff members of the GIABA Secretariat. Additional assessors or assessors with specific expertise may also be required.

55. To ensure that the assessment team has the appropriate balance of knowledge and skills, a number of factors should be considered when selecting the assessors, including, to the extent possible:

a) their relevant AML/CFT/CPF operational and assessment experience;

b) their level of performance in the FATF, GIABA or joint FATF/GIABA assessor training course;

c) their willingness and ability to conduct the evaluation impartially and abide by the GIABA Procedures, including requirements related to confidentiality and conflict of interest or potential bias;

[19]The assessment team should have assessors with expertise relating to the preventive measures necessary for the financial sector, VASPs and designated non-financial businesses and professions.

d) their availability to make the necessary time commitment to take part in a mutual evaluation or follow-up process and to attend the meetings;

e) their interpersonal skills to work well in a multi-cultural team, and to communicate with diplomatic sensitivity;

f) the language of the evaluation;

g) the nature of the legal system (civil law or common law) and institutional framework;

h) regional and gender balance among members of the assessment team;

i) any specific characteristics of the assessed country (e.g., size and composition of the economy and financial sector, geographical factors, and trading or cultural links); and

j) the size, maturity and complexity of the country's AML/CFT system and its financial system; and whether the assessed country is a joint member of the FATF and one or more FSRBs.

56. For GIABA evaluations, the Secretariat could, with the consent of the assessed country, invite an expert from observer organisations or other assessment bodies[20] to participate on the assessment team, on the basis of reciprocity. Participation of an observer in the assessment process shall be subject to prior agreement by the country assessed.

### (b) Selecting Mutual Evaluation Reviewer

57. Due to the nature of the peer review process, the Secretariat will work to ensure that the mutuality of the process is maintained, and qualified experts are selected as ME reviewers. ME reviewers should be experts from FATF and FSRB delegations, FATF/FSRB Secretariats, and/or the IMF/WB staff. To avoid potential conflicts and to strengthen the peer review nature of the process by involving a broader range of peers in the assessment, the ME reviewers selected for any given quality and consistency review should, to the extent possible, be from countries other than those of the assessors, and will be made known to the country and assessors in advance. Generally, three ME reviewers would be allocated to each assessment. At least one ME reviewer would be from another assessment body. The FATF Secretariat is a mutual evaluation reviewer for all GIABA-led mutual evaluations.

### (c) Selecting Follow-up Experts

58. Assessments of a country's technical compliance re-ratings and, when in enhanced follow-up, progress against its KRA will be undertaken by other members consistent with the peer review principle of the mutual evaluation process. These follow-up experts will analyse the country submission and prepare the summary report. To the extent possible, the original assessors ME reviewers or ICRG JG lead reviewers should be sought as follow-up experts, if available. Follow-up experts other than original assessors, ME reviewers or ICRG JG lead reviewers should be experts from FATF and FSRB delegations with the relevant legal, financial or law enforcement background, who have successfully completed training on follow-up or ICRG processes and are nominated by the Secretariat in consultation with their Heads of Delegation. The number of follow-up experts assigned to a report, and their expertise, will depend on the nature of the KRA being reviewed and any Recommendations to be considered for re-rating. The follow-up experts should be confirmed in line with GIABA's governance principles.

## VI. PROCEDURES AND STEPS IN THE EVALUATION PROCESS

[20] Participation (on a reciprocal basis) of experts from other observers that are conducting assessments, such as the FATF (member or Secretariat), the IMF/World Bank, UNCTED, other FSRBs (Secretariat) could be considered on a case-by-case basis.

59. A summary of the key steps and general timelines for the assessment team and the country in an FATF/FSRB/IMF/WB-led mutual evaluation process is set out at Appendix 1. These steps are described more fully below. GIABA will develop its own timelines for the evaluation process following the FATF approach, using the flexibility provided in the *Universal Procedures* as necessary.

60. The assessed country and the Secretariat should begin informal engagement as far in advance of the on-site visit as possible. The country and the Secretariat will set a date for assessed country training. Ideally, assessed country training should take place before the country begins preparing its technical compliance submissions.

61. Assessed countries and assessment teams have the flexibility to extend the overall timeline by up to one or two months to accommodate translation needs, plan around Plenary meetings, events or holidays, or to adjust the date of the on-site visit to the most appropriate time. In practice, this will require an earlier start to the evaluation process as there is no scope for reducing the time allocated to the post-onsite stages of the process. The assessed country and the Secretariat should therefore agree on the broad timeline of the evaluation at least 18 months before the Plenary discussion. At that time, the assessed country should also advise the Secretariat of Recommendations where the country has made legal, regulatory or operational framework changes since the country's last previous MER, or FURs with TCRR as outlined in paragraph 73.

### (a) Preparation for the on-site visit

62. A country should normally be made aware of the dates of their evaluation, as scheduled in the evaluations calendar, **at least 1 year** in advance and this should be before the Secretariat and the country agree on the broad timelines. At that time, the country should designate a contact person or coordinator for the assessment with whom the Secretariat shall liaise with for the preparation of the on-site visit.

63. The Secretariat will fix the precise dates for the evaluation on-site visit **at least seven (7) months** or as early as possible, before the on-site visit, together with the timelines for the whole process, in consultation with the country (some flexibility is permissible). The country will advise whether they wish to conduct the evaluation in English or French or Portuguese.

64. **At least nine (9) months** in advance, the Secretariat will communicate to the country's designated contact person the relevant template questionnaires as revised from time to time. The onus is on the country to demonstrate that it has complied with the Standards and that its AML/CFT/CPF regime is effective. Thus, the country should provide updates and information to the assessment team, follow-up experts or Joint JG members during the course of the assessment. The updates and information provided by the assessed country are intended to provide key information for the preparatory work before the on-site visit, including understanding the country's ML/TF/PF risks, identifying potential areas of increased focus for the on-site, and preparing the draft MER. As appropriate, assessors shall be able to request, through the Secretariat, or access documents (redacted if necessary), data, or other relevant information.

65. All information should be provided in an electronic format, including a full response to the template questionnaires to the Secretariat no less than seven months (07) before the on-site visit. Countries should ensure that laws, regulations, guidelines and other relevant documents that are referenced in the completed questionnaires are adequately translated in the language of the evaluation[8] and are made available in advance of the on-site visit. When additional information is provided at a later stage, this information should be supported by relevant documents and the country must ensure prompt translation into the language of the evaluation.

### *(i) Ensuring Adequate Basis to Assess International Co-operation and Input on Risk*

66. **Approximately seven months before the on-site visit**, the Secretariat will invite GIABA, FATF and FSRB members[21] to provide feedback on their experience of international co-operation[22] with the country being evaluated. The feedback could relate to: (i) general experience, (ii) positive examples, and (iii) negative examples, on the assessed country's level of international co-operation and should include information on any results achieved based on co-operation with the assessed country. Delegations may also provide any comments regarding AML/CFT/CPF issues they would like to see raised during the on-site visit or information that would assist the team to focus on areas of higher or lower risks.

67. In addition, the assessment team and the assessed country should identify countries that, based on the ML/TF/PF risks of the assessed country, would be able to provide valuable feedback on international co-operation or risk. During the risk and scoping exercise (see paragraph 70-75), the assessment team should also identify the specific types of information that would be most valuable[23] to be provided by these countries.

68. The Secretariat will advise the assessed country on which countries the assessment team has selected for specific outreach. The Secretariat will then reach out to the selected countries, inviting them to provide both general and specific feedback regarding their experience of participating in international co-operation with the assessed country or their perspective on risks. This feedback should be provided to the Secretariat before completion of the scoping note, in writing or by teleconference.

69. All feedback received, whether from the general call for feedback or a specific request, will be made available to the assessment team and the assessed country. The assessed country should have an opportunity to respond to or supplement any information that may be used for the purposes of the evaluation.

### *(ii) Risk and Scoping Exercise*

70. The assessment team will, from the beginning of the mutual evaluation process, review the assessed country's risk, context and general situation, to ensure the mutual evaluation is, from the outset, fully informed by risk. The assessment team may identify specific areas to which they would pay more attention to during the on-site visit and in the MER, as well as possible areas of reduced focus. This will usually relate to effectiveness issues but could also include technical compliance issues.

71. To facilitate this review, the assessed country should provide the information required to complete Chapter 1 of the MER and any other information necessary to explain its identification, assessment and understanding of its risks, context and materiality, including material relevant to core issue 1.1 of Immediate Outcome 1. The country should include this information with its initial submission of technical compliance information approximately seven months before the on-site visit. At least two weeks after making its initial submission, the country and the assessment team should begin to engage to discuss their understanding of the assessed country's risks, context and materiality. This engagement may include an oral presentation by the assessed country, accompanied by any material it considers to be relevant, to explain its understanding of its risks, context and materiality.

72. The assessment team may consider multiple sources of information to develop its preliminary understanding of the assessed country's risks, context and materiality and a scoping note. The information provided by the country as well as the country's explanation of its understanding of ML/TF/PF risks serve as a starting point. The assessment team will also consider information from credible and reliable sources external to the assessed jurisdiction, including the assessed country's most recent MER and FUR and the list of contextual

[21] The GIABA Secretariat, through the FATF Secretariat, will invite FATF and FSRB members to provide feedback via their respective Secretariats.

[22] In this section, *international co-operation* refers to both informal international co-operation and formal mutual legal assistance.

[23] Examples may include co-operation between customs agencies where a border is shared, cooperation between tax authorities where money laundering from tax crimes is a significant risk, etc.

factors outlined in the Introduction to the *FATF Methodology*. A list of the information sources used in the risk and scoping exercise should be attached as an annex to the MER, and the assessment team should be able to explain their use when asked by the assessed country.

73. The scoping note should set out briefly the areas for increased focus, as well as areas of reduced focus, and clearly articulate why these areas have been selected on the basis of risk, context and materiality. While the final decision lies with the assessment team, the areas for increased or reduced focus should, to the extent possible, be mutually agreed with the assessed country. In addition to determining areas for increased or reduced focus, the assessment team should use their conclusions from the scoping exercise to determine the level of weight given to risk, context and materiality when providing ratings in MERs.

74. The draft scoping note, along with relevant background information, should be sent to the ME reviewers and to the assessed country at least six months before the on-site. Having regard to the material made available to them, as well as their general knowledge of the jurisdiction, ME reviewers should provide their feedback to the assessment team regarding whether the scoping note reflects a reasonable view on the focus of the assessment. Reviewers should provide this feedback at least two weeks after receiving the scoping note. The assessment team should consider the merit of the ME reviewers' comments, and amend the scoping note as needed, in consultation with the country.

75. After the technical compliance review and reviewing the assessed country's information on effectiveness, the assessment team should update the scoping note as needed, in consultation with the assessed country. The final version should be sent to the country, at least six weeks before the on-site, along with any requests for additional information on the areas of increased focus. The country should seek to accommodate any requests arising from the additional focus.

### *(iii) Technical Compliance Review*

#### *i. Information Updates on Technical Compliance*

76. The ME technical compliance review should address only Recommendations where the country has made legal, regulatory or operational framework changes[24] since the country's last previous MER (or FURs with TCRR) and Recommendations where there has been a change in the FATF Standards for which the country has not previously been assessed. The assessment team will determine the Recommendations that fall within the scope of the ME process, referred to as "Recommendations under review" (RUR), based on consultation with the assessed country and having regard to the Recommendations identified by the assessed country and previous MER and FUR.[25]

77. The assessed country is required to identify any Recommendations that it considers should be under review[26] as referred to in paragraph 76. For each RUR, countries should rely on a questionnaire for the technical compliance review update to provide relevant information and explain the relevant changes within each criterion to the assessment team. The questionnaire will be used as a starting basis for the assessment team to conduct the desk-based review on technical compliance for the RUR and should be submitted approximately seven months before the on-site visit. The questionnaire should be a guide to assist countries to provide relevant information in relation to: (i) background information on the institutional framework; and (ii) information on the measures that the country has taken to meet the criteria for each RUR. Countries should complete the questionnaire and may choose to present other information in whatever manner they deem to be most expedient or effective.

[24] Any such changes should be material to the technical requirements of the Recommendation and the functional implications of the changes that would warrant or lead to a re-rating, not minor changes or changes only as to form.
[25] Where there is disagreement between the assessment team and the assessed country in this respect, they should discuss the issue with the relevant working group Co-chairs to reach an agreement.
[26] That is to say, where it considers that the legal, institutional, or operational framework has changed.

78. For Recommendations *not* under review, pre-existing information will be compiled from the assessed country's most recent MER or FURs with TCRR for inclusion in the TC Annex.

### *ii. Desk Based Review for Technical Compliance*

79. Prior to the on-site visit, the assessment team will conduct a desk-based review of the country's level of technical compliance with the RUR. The assessment team will base its review on information provided by the country in the information updates on technical compliance, preexisting information drawn from the country's most recent MER, FUR with TCRR and other credible or reliable sources of information. The assessment team will carefully and comprehensively analyse this information, indicating if each sub-criterion is met, mostly met, partly met or not met and why.

80. The assessment team may highlight relevant strengths or weaknesses not previously noted in the country's MER or FURs and should consider whether there are any significant issues from the previous MER or FURs that should be corrected in the current MER to protect the FATF brand.[27] If the assessors reach a different conclusion to previous MER or FURs (in cases where the Standards or the framework have not changed) then they should explain the reasons for their conclusion). In addition, if the team identifies changes in the assessed country's AML/CFT/CPF system that raise doubts about the ratings of a Recommendation not under review, the assessment team would reexamine that Recommendation.[28]

81. To ensure accurate and comprehensive analysis, the assessment team must consider all criteria of the Recommendations under review and examine the relevant legal, regulatory or operational framework in its entirety, even when some elements of the framework remain unchanged from the country's last previous MER, or FURs. However, where a Recommendation is being assessed, but the situation relating to a particular criterion has not changed, the country should indicate that the analysis from the MER or FUR remains valid, and assessors should take a "light touch" approach in considering such criteria.

82. In conducting the review, assessors should only take into account relevant laws, regulations or other AML/CFT/CPF measures that are in force and effect at that time or will be in force and effect by the end of the on-site visit. Where relevant bills or other specific proposals to amend the system are made available, these may be referred to in the MER (including for the purpose of the recommendations to be made to the country) but should not be taken into account in the conclusions of the assessment or for ratings purposes.

83. The technical compliance annex (TC Annex) is drafted based on the assessment team's analysis of the RUR. While drafting the TC Annex, the Secretariat takes into account the quality and consistency of mutual evaluation reports, including interpretation of the FATF Standards and application of the *FATF Methodology* and *Procedures* in line with past FATF Plenary decisions, and should revise the draft TC Annex accordingly.

84. The assessment team will review the TC Annex before the first draft is sent to the assessed country. About five months before the on-site, the country should be provided with a first draft of the TC Annex (which need not contain ratings or recommendations). The draft will include a description, analysis, and list of all potential technical deficiencies identified at that time. The country should have approximately four weeks to clarify and comment on this first draft TC Annex.

85. After considering the assessed country's clarifications and comments on the first draft, the assessment team will prepare a revised draft TC Annex. The revised TC Annex (second draft) should be sent to the country and the ME reviewers approximately three months before the on-site visit. The second draft TC Annex should contain preliminary ratings. The country and ME reviewers should have approximately three weeks to comment

[27] Examples of such issues include significant inconsistencies with the FATF Standards or Methodology, factual errors or other significant problems of quality and consistency.

[28] Likewise, if the assessment team identifies any additional Recommendations (other than those under review) that are implicated by changes made to the country's AML/CFT/CPF system, it should request additional information from the assessed country to re-assess these Recommendations.

on this second draft TC Annex. Although the primary focus of the on-site visit is assessing effectiveness, a limited number of outstanding TC issues may be discussed during the on-site visit.

### *(iv) Information and preliminary review on Effectiveness*

86. The assessment team will examine the country's level of effectiveness in relation to all of the 11 Immediate Outcomes. Countries should provide information on effectiveness based on the 11 Immediate Outcomes identified in the *FATF Methodology* approximately four months before the on-site. They should set out fully how each of the core issues is being addressed as set out in each Immediate Outcome. It is important for countries to provide a full and accurate description (including examples of information, data and other factors) that would help to demonstrate the effectiveness of the AML/CFT/CPF regime. The assessed country should highlight areas where it believes recommended actions could improve effectiveness. The Secretariat should facilitate communications between the assessment team and assessed country to promote clarity and ensure a smooth exchange of information. In examining a country's level of effectiveness, assessors should consider the output of AML/CFT/CPF systems (data, statistics, case studies, etc.) that are complete by the end of the on-site visit.

87. After reviewing the information on effectiveness and any clarifications provided by the assessed country, the assessment team will prepare a preliminary outline of initial findings and requests for further information. In preparing this outline, the assessment team will bear in mind the assessed country's risk, context and general situation as identified in the risk and scoping exercise. The preliminary outline of initial findings and requests for further information should be provided to the assessed country approximately two months before the on-site visit. The assessed country should provide any comments on the findings and provide requested information not later than six weeks before the on-site.

88. To expedite the mutual evaluation process, and to facilitate preparing the programme for the on-site visit, the assessment team will update its preliminary outline of initial findings and identify key issues and potential recommended actions for discussion. The updated outline of initial findings, key issues and potential recommended actions for discussion should be provided to the assessed country at least one month before the on-site visit.

### *(v) Programme for On-Site Visit*

89. The country, through its designated coordinator, should work with the Secretariat and prepare a draft programme and coordinate the logistics for the on-site. The draft programme, together with any specific logistical arrangements, should be sent to the assessment team no later than two months before the visit. Please see **Appendix 3** for an illustrative list of authorities and businesses that would usually be involved in the on-site.

90. The draft programme should take into account the areas where the assessment team may want to apply increased or decreased focus based on the risk and scoping exercise. However, attention to any sector or category of financial institutions, DNFBPs or VASPs identified as an area of decreased focus should be commensurate with the level and nature of associated risk and should not be completely excluded from the programme.

91. To the extent possible, meetings should be held in a fixed location to avoid the assessors travelling between venues, which can be time consuming and wasteful. However, this should not preclude some meetings taking place at the premises of the agency/organisation being met (e.g., the FIU). The programme should be generally finalised approximately three weeks before the on-site visit, with the understanding that the assessment team may request additional meetings shortly before or during the on-site, particularly where information gathered during meetings with country authorities and the private sector indicates higher risk levels than those identified in the risk and scoping exercise. When necessary for clarification, the assessment team may also request follow-up meetings with country authorities or the private sector.

92. Both in terms of the programme and more generally, the time required for interpretation, and for translation of documents, must be taken into account. For the efficient use of time, meetings should generally be

conducted in the language of the assessment. However, if translation from the country's language into the language of the assessment is required, the GIABA Secretariat will ensure the availability of professional, well-prepared interpreters who are subject to confidentiality requirements in line with paragraph 38- 43 to provide, ideally, simultaneous translation or consecutive interpretation.

### (b) On-site visit

93. The on-site visit provides the best opportunity to clarify issues relating to the country's AML/CFT/CPF system. Assessors need to be fully prepared to review the 11 Immediate Outcomes relating to the effectiveness of the system and clarify any outstanding technical compliance issues. Assessors should also pay more attention to areas where higher ML/TF/PF risks are identified. Assessors must remain aware of the different country circumstances and risks, and that countries may adopt different approaches to meet the FATF Standards and to create an effective system. Assessors should be open and flexible. They must avoid narrow comparisons with their own national requirements or practices.

94. Experience has shown that at least nine to ten days of meetings are required for countries with developed AML/CFT/CPF systems; however, the exact time needed may vary. Thus, a typical on-site visit could allow for the following:

(a) An initial half day preparatory meeting between the Secretariat and assessors[29] and between the Secretariat and assessed country

(b) Nine to ten days of meetings with representatives of the country, including an opening and closing meeting. Time may be set aside for additional or follow-up meetings, if, in the course of the set schedule, the assessors identify new issues that need to be explored, or if they need further information on an issue already discussed.

(c) Two or three days where assessors work on the draft MER (supported by the Secretariat), ensure that all the major issues that arose during the evaluation are noted in the report, and discuss and agree on preliminary ratings, key findings and recommended actions. The assessment team should provide a written summary of its preliminary key findings and recommended actions to the assessed country officials at the closing meeting.

95. The average total length of the on-site visit may be in the order of 13 to 16 working days. However, actual time needed may be shorter or, in exceptional cases, longer, based on the size and complexity of the jurisdiction.

96. It is important that the assessment team be able to request and meet with all relevant agencies during the on-site. The country being evaluated and the specific agencies met should ensure that appropriate staff, including operational staff, are available for each meeting.

97. Meetings with the private sector or other non-government representatives[30] are an important part of the visit. Generally, the assessors should be given the opportunity to meet with such bodies or persons in private, and without a government official present, if there is concern that the presence of the officials may inhibit the openness of the discussion. The team may also request that meetings with certain government agencies are restricted to those agencies only.

### (c) Post on-site - Preparation of draft MER, KRA Roadmap and Executive Summary

[29] The assessment team should also set aside time midway through the on-site to review the progress of the mutual evaluation and where relevant, the identified areas of increased focus for the on-site initially.
[30] For example, those listed in Appendix 3.

98. There should be a minimum of 28 weeks between the end of the on-site visit and the discussion of the MER and KRA Roadmap in Plenary. The timely preparation of the MER, KRA Roadmap and Executive Summary[31] will require the assessors to work closely with the Secretariat and the country. Depending on when the Plenary discussion is scheduled, the time period may also be extended or adjusted. In exceptional cases and based on justified circumstances (and with the consent of the assessed country), a shorter period of time may be allowed.

99. The steps in finalising a draft report for discussion at Plenary, and the approximate time that is required for each part, should be set out in greater detail in the agreed timeline, following the steps below (see also Appendix 1). With the aim to facilitate communication between the assessment team and the assessed country, the Secretariat should facilitate regular conference calls between all parties, in particular after the circulation of an updated draft MER.

100. In drafting the MER, the assessors should focus on providing their conclusions and the reasons for them rather than recitation of facts. In notes to the assessed country that accompany the first and second draft MER, assessors should aim to clarify as much as possible how information submitted by the assessed country was taken into account, what information was not taken into account and why, and where additional information is still needed. The Secretariat would oversee this process and improve the draft as necessary to ensure the assessors' analysis is clearly and concisely written, comprehensive, objective and supported by evidence. With the aim to ensure communication between the assessment team and the assessed country, the Secretariat should facilitate regular conference calls between all parties, in particular after the circulation of an updated draft MER.

### *(i) 1st Draft MER and Key Recommended Actions Roadmap*

101. The assessment team should have approximately five weeks to coordinate and refine the first draft MER (including the key findings, potential issues of note and recommended actions for the country). The first draft MER should include the preliminary recommended actions and ratings. During this time, the assessment team should also consider which recommended actions should be considered as Key Recommended Actions (KRA) and compile the KRA in a separate list for the country (the KRA Roadmap).[32] These documents are then sent to the country for comments.

102. The country should have at least four weeks to review and provide its comments on the first draft MER, including the KRA Roadmap and other recommended actions, to the assessment team.

103. During this time, the assessment team should be prepared to respond to queries and clarifications that the country may raise and discuss the KRA Roadmap.

### *(ii) 2nd Draft MER and KRA Roadmap & Internal Quality & Consistency Review*

104. On receipt of the country's comments on the first draft MER and KRA Roadmap, the assessment team will have four weeks to review the various comments and make further amendments, as well as refine the KRA Roadmap. As in the case of the first draft, assessors should aim to clarify as much as possible, in writing, how specific information was taken into account in their analysis. Before the second draft MER and KRA Roadmap is sent to the country and external ME reviewers, Secretariat staff (other than the ones on the ME team) should have

[31] The format for the Executive Summary, MER and KRA Roadmap is contained in Annex II of the Methodology. Assessors should pay special attention to the guidance on how to complete the Executive Summary, KRA Roadmap and MER in the Introduction to the Methodology, including with respect to the expected length of the MER (100 pages or less, together with a technical annex of up to 60 pages).

[32] Assessors should review the Methodology Introduction para. 72-76 for guidance on developing recommended actions, determining which will be Key Recommended Actions and other recommended actions and preparing the KRA Roadmap. Subject to Methodology Introduction para. 72, Key Recommended Actions should only relate to IOs rated ME or LE or Recommendations rated PC or NC where these relate to any IO rated ME or LE. Normally, there should be no more than two to three KRA related to each IO, including KRA for technical compliance for Recommendations related to that IO. In addition, there may be one KRA for each of Recommendations 3, 5, 6, 10, 11, and 20 that is rated NC or PC, where these do not pertain to any IO rated ME or LE.

two weeks to conduct an internal Q & C review to ensure internal coherence of the MER, correct interpretation of the FATF Standards and application of the *FATF Methodology, adherence to ME process etc.* The assessment team will have one week to review the various comments by the non-ME Secretariat staff and make further amendments, as well as refine the KRA Roadmap. The second draft MER and KRA Roadmap will then be sent to the country and to the ME reviewers.[33]

### *(iii) Pre-Plenary Quality & Consistency Review*

105. As part of the GIABA mutual evaluation process, ME reviewers will conduct a pre-Plenary quality and consistency (Q&C) review with a view to:

a) Commenting on assessors' preliminary review and analysis of the country's risks, materiality and context, the draft scoping note and the second draft MER;

b) Reflecting a correct interpretation of the FATF Standards and application of the *FATF Methodology* (including the assessment of risks, integration of the findings on technical compliance and effectiveness, and identifying areas where the analysis and conclusions are clearly deficient);

c) Checking whether the description and analysis supports the conclusions (including ratings);

d) Considering whether sensible, relevant, measurable and achievable recommended actions for improvement are made and whether the most strategic recommended actions have been identified as KRA;

e) Where applicable, highlighting potential inconsistencies with earlier decisions adopted by the FATF on technical compliance and effectiveness issues; and

f) Checking that the substance of the report is generally coherent and comprehensible.

106. The ME reviewers should have a copy of the comments provided by the country on the first draft MER and KRA Roadmap. Reviewers should be able to access all key supporting documents - including the assessed country's technical compliance and effectiveness submissions and its risk assessment. The ME reviewers should have at least three weeks to examine the second draft MER and draft KRA Roadmap and provide their comments. To ensure transparency, all comments from the ME reviewers will be disclosed to the assessors and country. The ME reviewers do not have decision-making powers or powers to change a report.

107. It is the responsibility of the assessment team to consider the ME reviewers' comments and then decide whether any changes should be made to the report. In addition to any changes made, assessors should respond to all substantive comments provided by external reviewers. When the draft MER and KRA Roadmap are circulated to delegations for comment, the assessment team should provide a short response to the Plenary regarding the decisions and any substantive changes it made to the report or KRA Roadmap based on the ME reviewers' comments.

108. The assessed country will have the opportunity to submit further comments on the second draft MER and KRA Roadmap, in parallel with the Q&C review process.

109. Where any reviewer in the pre-Plenary Q&C process considers that , a GIABA, IMF or World Bank report has significant problems of quality or consistency, the ME reviewer should wherever possible raise such concerns with the GIABA Secretariat as soon as possible during this pre-Plenary Q&C process. The Secretariat, assessment team and assessed country should consider and work, in consultation with the ME reviewers, to appropriately address the concerns before circulation of the report to the Global Network for the pre-Plenary

[33] Where the language of the evaluation is other than English or French, the English or French translation should be distributed to the reviewers at this time.

review. If an ME reviewer identifies fundamental concerns, a targeted review may be considered as outlined in paragraph 114(b).

110. Following the conclusion of the pre-Plenary quality and consistency review, the assessment team and the country will have no less than three weeks to consider country and ME reviewers' comments received on the second draft MER and KRA Roadmap, discuss likely changes and unresolved issues, and identify issues for discussion at the face-to-face meeting. At this stage, the draft MER should be as close as possible to the final text, with a narrow range of unresolved issues for discussion.

### *(iv) Face-to-Face Meeting*

111. A face-to-face meeting is an important way to assist the country and assessment team to resolve outstanding issues. The assessment team (including Secretariat) and the country should have a face-to-face meeting to further discuss the second draft MER and KRA Roadmap. During this session, the assessment team and country should work to resolve any disagreements over technical compliance or effectiveness issues and identify potential key issues for Plenary discussion. Sufficient time during the face-to-face meeting should be allocated to discuss the KRA Roadmap. The face-to-face meeting should occur at least nine weeks before the Plenary (i.e., approximately 20 weeks after the on-site). As a rule, and whenever possible, the face-to-face meeting is also attended by one or both ECG Co-chairs, as this will assist the identification of key issues for Plenary discussions.

112. The face-to-face meeting may be in the order of 2 to 3 working days depending on the number of issues to be addressed. In addition, there should be an extra day where assessors work on the draft MER (supported by the Secretariat), to ensure that all the issues discussed during the face-to-face meeting are noted in the report, and discuss and agree on final ratings, key findings and recommended actions.

113. After the face-to-face meeting, the assessment team will consider whether any further changes should be made to the draft MER or KRA Roadmap. The assessment team, in consultation with the assessed country, will then prepare the Executive Summary[34] with support from the Secretariat.

### *(v) Targeted Review (for exceptional cases only)*

114. In exceptional cases where:

a) changes made after the face-to-face meeting to the analysis or conclusions in the MER are so extensive or substantively different from the previous draft as to have a potential significant impact on the quality and consistency of the MER; or

b) in the pre-Plenary Q&C process, the ME reviewers identified fundamental concerns with the MER quality and consistency or misapplication of the FATF Standards or *FATF Methodology*, the GIABA Secretariat should consider circulating a revised second draft to ME reviewers for a targeted review. Ideally, a targeted review should involve no more than five substantive issues and the Secretariat should ensure that at least two weeks is allocated for the ME reviewers and the assessment team to respond to any reviewers' comments prior to circulating the pre-plenary draft MER to the Global Network. The comments provided in the targeted review will be circulated with the draft MER, or as soon as possible thereafter.

115. In exceptional cases where:

(a) a targeted review is triggered but there is not enough time to conduct such a review, or

[34] The Executive Summary will describe the key risks, the strengths and weaknesses of the system, and the KRA for the country to improve its AML/CFT/CFP regime

(b) there remain fundamental concerns with the quality and consistency of the MER or misapplication of the FATF Standards or *FATF Methodology*[35] that cannot be addressed in time to circulate the pre-plenary draft MER at least six weeks before Plenary, acting on the recommendation of the ME Reviewers, the GIABA Secretariat, in line with its internal governance processes, should consider postponing the circulation of the pre-plenary draft MER to the membership and the Global Network until the review is complete or the concerns are addressed**.** Any such postponement should not exceed one Plenary cycle.

### *(vi) Identifying Issues for Plenary Discussion*

116. The revised MER, KRA Roadmap and Executive Summary (collectively, the pre-Plenary drafts), will then be circulated to the Global Network at least six weeks before Plenary.[36] The ME reviewers' and assessed country's comments on this draft will be circulated then as well. Delegations will have two weeks to provide any written comments on the pre-Plenary drafts, and in particular, to identify any substantive key issues that they wish to discuss in ECG/Plenary. The comments should focus on the substantive key issues, or on other high-level or horizontal aspects of the assessment, though other observations may also be made. The Secretariat in consultation with the assessment team, should prepare a compilation of delegation comments with responses of the Assessors. This will be made available to all delegations, as well as the assessed country.

117. The ECG Co-chairs will engage the country and the assessment team with support from the Secretariat and prepare a list of (usually three to five and not more than seven) priority and substantive key issues that will be discussed in the ECG.[37] This engagement will be based on the MER, KRA Roadmap, Executive Summary and delegation comments received. The key issues selected should reflect equally the issues that the assessed country and those that delegations are most keen to discuss. The list of key issues for discussion in ECG would include the key issues arising from the report (whether raised by the country, the assessment team or delegations), as well as any questions of interpretation or inconsistency with other MERs adopted by the FATF.[38] To the extent possible, the Secretariat staff directly involved in preparing the MER should not be included in the process of identifying and selecting priority and substantive key issues.

118. The finalised list of priority and substantive key issues for ECG discussions will be distributed to delegations at least two weeks before the Plenary. After discussions in ECG, a revised key issue document and any proposed amendments to the MER, KRA Roadmap and Executive Summary are submitted to the Plenary for discussion.[39] To the extent possible, the revised KID should be circulated at least 24 hours before the Plenary discussion to give members sufficient time to prepare for discussion. Issues that are resolved by consensus in ECG will be presented to Plenary as information items. Proposed amendments to the Executive Summary, KRA Roadmap or MER can be made after the Plenary.

### *(vii) The Plenary Discussion*

119. The discussion of each MER, KRA Roadmap and Executive Summary in Plenary will be based on the list of key issues and focus on high-level and substantive issues, primarily concerning effectiveness and the KRA Roadmap. Where appropriate, important technical issues would also be discussed. Adequate time should always

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[35] Any such concerns should be consistent with the substantive threshold required to trigger the Post Plenary Q&C process (see Part VIII) and the Q&C aspects of draft MERs in line with FATF Plenary decisions.

[36] Where translation is needed to facilitate the Plenary discussion of the report, both the original draft and its translation will be distributed at this time.

[37] The Secretariat will notify the assessed country and the assessment team of the key issues selected for discussion and ask them to briefly explain their respective positions on each key issue.

[38] The representative of the FATF Secretariat at the FSRB Plenary will be expected to assist and advise on all issues relating to the interpretation of the FATF Standards, and the quality and consistency aspects of the draft MERs in line with past FATF Plenary decisions. The Plenary discussion will provide members and observers another opportunity to raise and discuss concerns about the quality and consistency of an MER.

[39] The relevant working group Co-chairs will consult with the assessed country and assessment team when changes are proposed to the text of the MER, KRA Roadmap or Executive Summary in the revised key issue document for Plenary discussion.

be set aside to discuss the KRA Roadmap. The discussion is likely, on average, to take three to four hours of Plenary time. The procedure for the discussion will be as follows:

a) Assessment team briefly presents in high-level terms the key findings from the report. The team will have the opportunity to intervene or comment on any issue concerning the MER, KRA Roadmap or Executive Summary.
b) Assessed country makes a short opening statement.
c) The Plenary discusses:
   i. the list of key issues identified by the ECG ; and
   ii. the KRA Roadmap. These would usually be introduced briefly by ECG co-chairs
d) Time permitting, other issues could be raised from the floor, and discussed by the Plenary.

120. In highly exceptional circumstances, fundamental concerns may be raised regarding the quality of the draft MER or KRA Roadmap or misapplication of the FATF Standards or *FATF Methodology* which cannot be addressed during ECG/Plenary discussions.[40] GIABA is encouraged to take all possible steps, including, when this concerns a report of IMF or WB, through engagement with the FATF Secretariat,[41] to resolve any such concerns or issues arising from misapplication of the FATF Standards or *FATF Methodology*. If, despite best efforts, the concerns or issues cannot be resolved, GIABA should consider, in consultation with ECG co-chairs and TC Chair, postponing the discussion, or further discussion, of the draft MER and KRA Roadmap until the concerns or issues can be addressed. Any such postponement should be highly exceptional, decided in line with GIABA internal governance processes, and should not exceed a single Plenary cycle.

### *(viii) Adoption of the MER, KRA Roadmap and Executive Summary*

121. At the end of the Plenary discussion, the MER, KRA Roadmap and the Executive Summary will be submitted to Plenary for adoption. Plenary may direct that changes be made to the proposed MER, KRA Roadmap or Executive Summary if there is consensus in Plenary to do so. Following the adoption of the report, the Secretariat will indicate to the Plenary in which level of follow-up the assessed country should be placed based on the final ratings and the date of the plenary at which the assessed country will be expected to report on its progress in addressing the KRA (the relevant Plenary) (see Part VII – Follow-up and ICRG Processes). Based on Plenary's decision regarding follow-up, the KRA Roadmap will be updated to reflect the expected reporting date.

122. If Plenary does not agree with the proposed text, or does not adopt the MER, KRA Roadmap and the Executive Summary, then the assessors, the assessed country and the Secretariat should prepare amendments to meet the issues raised by the Plenary. Where substantive changes are required, either because additional information is required to be added, or the report must be substantially amended, then the Plenary could decide to:

a) adopt the report subject to it being amended, and the amended report being approved through the post-Plenary Q&C process; or

b) where the required changes are significant, defer adoption of the report, and agree to have a further discussion of an amended report at the following Plenary.

123. The final report is a report of GIABA, and not simply a report by the assessors. As such, the Plenary will retain the final decision on the wording of any report, consistent with the requirements of the FATF Standards and *FATF Methodology*. The Plenary will give careful consideration to the views of the assessors and the country when deciding on the wording, as well as take into account the need to ensure consistency between reports.

[40] Any such concerns or issues should be consistent with the substantive threshold required to trigger the Post Plenary Q&C process. See Part VIII. Deferring Plenary discussion or adoption of an MER should not be based on any disagreement between the assessment team and assessed country regarding the assessment team's conclusions or provide an opportunity for the assessed country to unilaterally delay the adoption and publication of an MER.
[41] In the case of an FATF report, this engagement should include the FATF Secretariat and ECG Co-chairs.

124. The assessment team is responsible for ensuring that all the changes to the report agreed by the Plenary have been made. Care will be taken to ensure that no confidential information is included in any published report. The Secretariat will check the adopted report, KRA Roadmap and Executive Summary for typographical or similar non-substantive errors and will circulate a revised version of the report to the country ideally within one week of the Plenary. Within two weeks of receiving the MER from the Secretariat, the country must confirm that the report is accurate and advise of any typographical or similar errors. The report, KRA Roadmap and Executive Summary will then be subject to post-Plenary Q&C review (**see Part VIII**).

125. The Plenary will adopt the report and there should be no delay in publication due to the need to have the approval or recognition of Ministers regarding the reports.

### *(ix) KRA Roadmaps*

#### *i. Notice to Minister*

126. When an MER is published (following post-Plenary Q&C review), the DG of GIABA will provide a copy of the KRA Roadmap to the appropriate Minister of the assessed country and advise the Minister regarding GIABA's expectations for follow-up by the assessed country. The DG should provide a copy of this communication, to the assessed country's Head of Delegation annually while the assessed country remains in the follow-up process.

#### *ii. ICRG Handover*

127. When an assessed country meets ICRG entry criteria based on its MER results and a preliminary determination by GIABA Secretariat that the country also meets the ICRG prioritization criteria, the assessment team and assessed country, supported by the assessment body that led the ME, should meet briefly with representatives of the ICRG Joint Group that has responsibility for the country's geographical region. Whenever possible, this meeting should take place on the margins of the plenary at which the MER is adopted and virtual participation of ICRG JG Co-chairs, interested JG members and FATF Secretariat supporting the JG, should be facilitated. If such a meeting is not possible, a virtual handover meeting should take place as soon as possible, and not later than two months after adoption of the MER. This meeting is for information only to ensure a shared understanding of the KRA Roadmap.

## IMF OR WORLD BANK LED ASSESSMENTS

128. For the purposes of the 3rd round of mutual evaluations, the GIABA Plenary, with the agreement of the assessed country has discretion to decide that a GIABA assessment could be conducted by the IFIs (i.e. IMF or World Bank). Such IFI-led assessments should be agreed and fixed on the same basis as other evaluations in the schedule.

129. For the GIABA assessment schedule to be fixed with appropriate certainty and in a coordinated manner, the process leading to the Plenary decision as to which GIABA countries will have an assessment led by an IFI team should be clear and transparent. In order for the evaluation schedule to be appropriately planned and assessment teams to be formed in sufficient time, it will be necessary for GIABA to be involved at an early stage in the process of determining which countries will be assessed by an IFI. The Plenary will be informed on a regular basis as to the current status of the assessment schedule, including proposals as to whether assessments will be IFI-led, and the Plenary will decide on any such requests. Where the IMF or WB conduct an AML/CFT/CPF assessment as part of the GIABA 3rd round, they should use procedures and a timetable similar to those of GIABA.

130. The GIABA Plenary will in all cases have to approve an IFI assessment that is conducted under the GIABA 3rd round for it to be accepted as a mutual evaluation.

131. GIABA should be given the opportunity to participate in the evaluation process directly through being part of the assessment team (which shall include at least one GIABA assessor) and the ME coordination process.

132. Furthermore, a member State agreeing to an IFI-led evaluation shall consent to provide to the GIABA Secretariat a copy of all evaluation documentation communicated to the IFI, as well as a copy of the draft reports and comments made by the delegation on the draft text, at the key stages of the evaluation process.

133. GIABA's confidentiality and publication rules apply equally for such assessments. Consideration shall be given to the timing of publication of MERs, with a view to finding a mutually agreed publication date with the IFI having conducted the assessment.

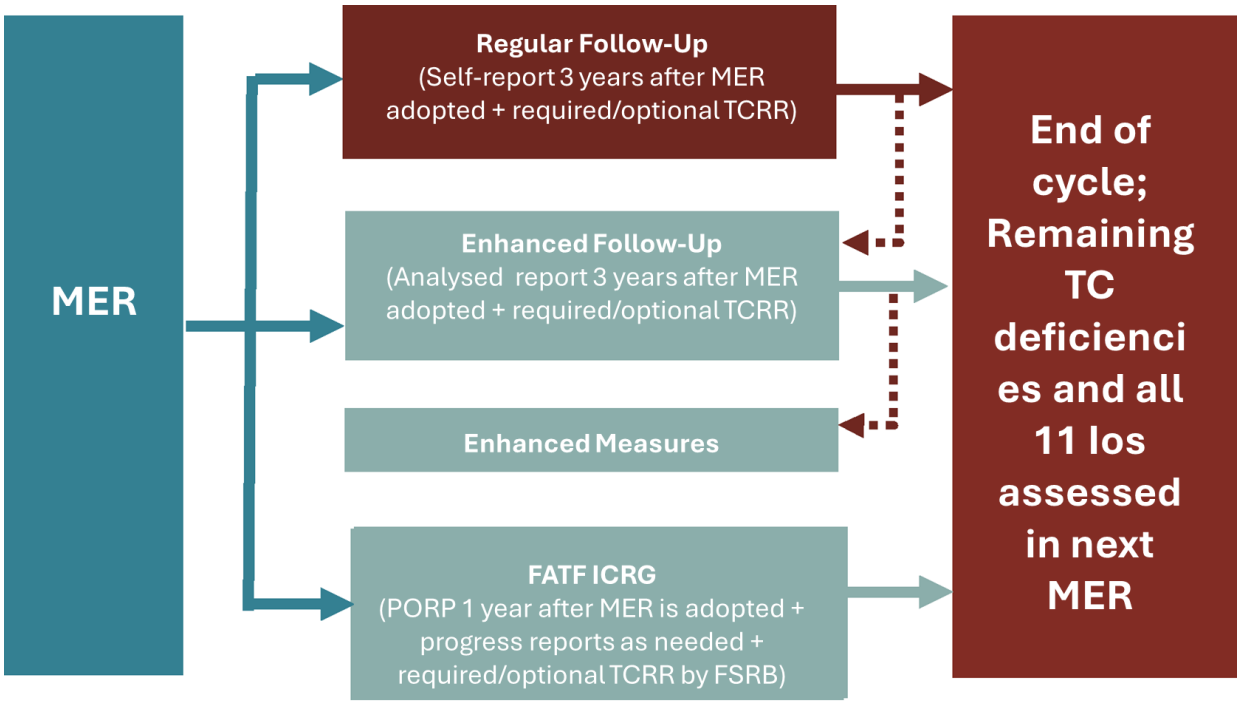
## VII. FOLLOW-UP AND ICRG PROCESSES

### (a) Overview

134. GIABA commits to have transparent, clear and rules-based follow-up procedures, to which all members agree and which they apply rigorously and consistently. In particular, the procedures will enable GIABA to track progress made by countries in addressing their AML/CFT/CPF risks and deficiencies, to focus on countries which do not make sufficient progress in addressing their risks and deficiencies, and to exert pressure on such countries to improve their AML/CFT/CPF systems.

135. Following the discussion and adoption of an MER, the country could be placed in either regular follow-up, or enhanced follow-up, or referred to the FATF ICRG. Regular follow-up is the default monitoring mechanism for all countries. Members are placed in enhanced follow-up where the AML/CFT/CPF system needs major improvements (for technical compliance or effectiveness) and involves a more intensive process of follow-up. The FATF ICRG is a compliance enhancing mechanism for countries across the Global Network where the system needs fundamental improvements and involves more direct monitoring by the FATF. The following figure provides a basic overview of the follow-up and ICRG processes.

**Figure 1. Follow-up and ICRG Processes**




### (b) General expectations

136. As a basic commitment of membership, GIABA expects that, in the three year period since the MER was adopted[42] countries should have:

a) fully or largely addressed all KRA in their KRA Roadmap;
b) improved their technical compliance with any Recommendation rated NC or PC to the extent that re-rating to LC or C is warranted; and
c) made necessary changes to comply with any FATF Standards revised since the date the country's technical compliance submission was due.

137. All GIABA Countries that are not subject to active ICRG monitoring (including GIABA members that are in the FATF ICRG pool) should report back to GIABA approximately 3 years after the adoption of the country's MER. The approximate date of the Plenary at which the follow-up report will be presented (the relevant Plenary) will be included as part of the KRA Roadmap.[43] This follow-up report is intended to be a targeted but more comprehensive report on the extent to which the country has addressed the KRA in its KRA Roadmap and any actions taken that might justify technical compliance re-rating (TCRR). Countries that qualify for ICRG review and meet the prioritisation threshold will report to the FATF ICRG as outlined in the *FATF Procedures*.

138. All countries should seek re-ratings for technical compliance with Recommendations rated as NC or PC[44] as part of the follow-up process.[45] Requests for technical compliance re-ratings will not be considered where the expert(s) determines that the legal, institutional, or operational framework has not changed since the country's

[42] In line with the *FATF Procedures*, deadlines to address specific KRA may be shorter than 3 years for countries in the ICRG process, on the basis of particular risks identified in the assessment process.
[43] FSRB Plenaries may retain the discretion to vary the specific reporting date.
[44] Requests for technical compliance re-rating (TCRR) may include Recommendations not included in the KRA Roadmap that are rated PC or NC where the legal, regulatory or operational AML/CFT/CPF framework has changed.
[45] Countries under ICRG review should make their TCRR requests to GIABA in line with para. 137 .. of these Procedures.

MER (or previous FUR, if applicable) and there have been no changes to the FATF Standards or their interpretation.

139. If any of the FATF Standards have been revised since the date the country's ME technical compliance submission was due, the country will be assessed for compliance with all revised Standards at the time its follow-up report is considered as outlined in paragraph 6. This includes cases where the revised Recommendation was previously rated LC or C.

140. Any recommended actions which are not the subject of a KRA or technical compliance issues that remain after the follow-up report or exit from the ICRG process will be assessed as part of the country's next mutual evaluation, unless Plenary directs the country to report sooner.

### (c) Reporting Requirements

141. For both regular and enhanced follow-up reports, the country will provide an update to the GIABA Secretariat identifying changes made to the legal, regulatory or operational AML/CFT/CPF framework since its MER was adopted and setting out the actions it has taken or is taking to address the KRA Roadmap[46]. Information relevant to KRA may include information identified in the lists in the *FATF Methodology* on the Examples of Information that could support the conclusions on core issues for each Immediate Outcome and should demonstrate sufficient progress against the relevant KRA so that the KRA is addressed or largely addressed.

142. Some KRA may relate to technical compliance deficiencies, and the country will also submit material on its progress to improve compliance with any Recommendation rated NC or PC where it is requesting re-rating[47] and with any revised FATF Standards as outlined in paragraph 6. Technical compliance updates should be provided in a similar format to the Mutual Evaluation technical compliance questionnaire (see Appendix 3).

143. For any follow-up report, only relevant laws, regulations or other AML/CFT/CPF measures that are in force and effect by the deadline to submit information for a follow-up[48] report, will be taken into account for determining the extent to which a KRA is addressed, or a technical compliance re-rating is justified.[49]

144. To ensure accurate and comprehensive analysis, the follow-up experts should consider all criteria of the Recommendations under review and examine the relevant legal, regulatory or operational framework in its entirety, even when some elements of the framework remain unchanged from the country's MER. The follow-up experts may highlight relevant strengths or weaknesses not previously noted in the country's MER. If the follow-up experts reach a different conclusion to previous MER (in cases where the Standards or the framework have not changed) then they should explain the reasons for their conclusion.

### (d) Diminished Compliance

145. If, at any time, delegations or the Secretariat become aware that a country has significantly diminished its technical compliance to a level that the Plenary considers as equivalent to NC/PC on any one or more of R.3, 5, 6, 10, 11 and 20 the Plenary may require a TCRR report on the Recommendation. If it comes to the Plenary's attention that a country has significantly lowered its compliance with any other FATF Standards, the Plenary may request the country to address any new deficiencies as part of the follow-up process.

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[46] Representative timelines for preparing follow-up reports are outlined in Appendix 2.
[47] For countries under active ICRG review, requests for TCRR should be made to the relevant assessment body in line with that body's procedures once they have exited ICRG, or three years after adoption of their MER, whichever comes first.
[48] See Appendix 7 for deadlines related to ICRG Joint Group reports.
[49] This rule may only be relaxed in the exceptional case where the legislation is not yet in force at the deadline to submit information for follow up, but the text will not change and will be in force by the time the report is adopted. In other words, the legislation has been enacted, but is awaiting the expiry of an implementation or transitional period before it is enforceable. In all other cases, the procedural deadlines should be strictly followed to ensure that experts have sufficient time to do their analysis.

146. If, at any time, delegations or the Secretariat become aware that a country has significantly diminished its level of effectiveness for any one or more Immediate Outcome since its MER, Plenary may require the country to provide an overview report of the relevant Immediate Outcome to determine whether a more comprehensive analysis of the Immediate Outcome by a follow-up expert is required.

147. In cases where Plenary considers whether a country's level of technical compliance or effectiveness is significantly diminished,[50] the Secretariat will contact the assessed country for comment and prepare a decision paper for consideration by Plenary. The assessed country will have an opportunity to explain its position to Plenary orally or in writing.

### (e) KRA Rating Scale

148. To ensure clear and comparable decisions, a country in regular follow-up and follow-up experts should reach a conclusion about the extent to which the country has (or has not) addressed each KRA. For each KRA, there are four possible ratings based on the extent to which the KRA is addressed: *Fully addressed (FA)*, *Largely addressed (LA)*, *Partly addressed (PA)*, and *Not addressed (NA)*. These ratings should be decided on the basis of the following:

**KRA Ratings**

| | | |
|---|---|---|
| **Fully addressed** | FA | The country has fully addressed the KRA. |
| **Largely addressed** | LA | The country has addressed the KRA to a large extent, but minor improvements are needed. |
| **Partly addressed** | PA | The country has addressed the KRA to some extent, but moderate improvements are needed. |
| **Not addressed** | NA | The country has not taken any action or steps or has only taken negligible steps to address the KRA; major improvements are needed. |

149. In cases where a country is under active ICRG review and a KRA relates to technical compliance, progress against that KRA should be rated using the KRA rating scale until the country requests TCRR from its respective assessment body.

### *(f)* Follow-up Monitoring Mechanisms

#### *(i) Regular Follow-up*

150. Regular follow-up provides a light-touch process for monitoring those countries whose MER reflect substantial to high levels of effectiveness and technical compliance. Countries in regular follow-up will present their follow-up report as a self-assessment, including application of the KRA rating scale outlined above. Review of progress on KRA relating to effectiveness will not be analysed but will be circulated to delegations for information.

151. Compliance with FATF Standards that have changed since the date the country's ME TC submission was due and any Recommendation where the country requests TC re-rating (TCRR) will be analysed for re-rating by follow-up experts. Where a country in regular follow-up seeks TCRR, it should indicate which Recommendations should be considered for re-rating at least seven months in advance of the relevant Plenary

[50] Illustrative examples could include judicial decisions that diminish the powers or responsibilities of law enforcement authorities, the FIU or other competent authorities or that render elements of the AML/CFT/CPF legal framework unenforceable; the repeal or replacement of important elements of the AML/CFT/CPF legal framework.

meeting.[51]In exceptional circumstances, a country can notify the GIABA Secretariat of any intention to replace any or some of the Recommendations it had earlier indicated to seek re-rating but this should not affect the TC update deadline.

152. The TC update by the country should be submitted to the Secretariat one month later (at least six months in advance) of the relevant Plenary meeting.

153. The KRA Roadmap self-assessment report outlining progress against KRA that does not involve TCRR should be submitted at least two months in advance of the relevant Plenary meeting. The Secretariat will prepare a cover note briefly summarising which KRA the country reports as being fully or largely addressed and which KRA the country reports as being partly or not addressed and making a recommendation regarding the next step in the follow-up process, if any.

154. The cover note and any TCRR report will be provided to the country for its comments before it is sent to delegations. The cover note and the country's self-assessment follow-up report will be considered by Plenary as information items, unless all KRA are not fully or largely addressed. If a country has not fully or largely addressed. Any TCRR report will be considered as outlined below in the section entitled *Analysis of KRA Progress and TCRR.*

### *(ii) Progress and TCRR*

155. After considering a regular follow-up report in which the country reports that all KRA have not been fully or largely addressed, the Plenary may direct that the country submits an updated report for analysis as outlined for enhanced follow-up. Using a risk-based approach, Plenary may also decide to apply enhanced measures if strategic shortcomings remain.

### *(iii) Enhanced Follow-up*

156. After the discussion of the MER, the Plenary will place the country in enhanced follow-up if any one of the following applies:

a) it has 5 or more PC ratings for technical compliance, or
b) it has 1 or more NC ratings for technical compliance, or
c) it is rated PC on any one or more of R.3, 5, 6, 10, 11 and 20, or
d) it has a moderate level of effectiveness for 6 or more of the 11 effectiveness outcomes, or
e) it has a low level of effectiveness for 1 or more of the 11 effectiveness outcomes.

157. As noted above, countries that qualify for ICRG review but do not meet the prioritization threshold should follow the enhanced follow-up process of the assessment body of which they are a member.

158. For countries in enhanced follow-up, progress against all KRA will be analysed by follow-up experts based on the information submitted by the country, consistent with the peer review principle of the ME process. Compliance with FATF Standards that have changed since the date the country's TC submission was due and any Recommendation where re-rating is requested will be analysed for re-rating as part of this process.

159. Where a country in enhanced follow-up seeks technical compliance re-ratings, it should indicate at least nine months in advance of the relevant Plenary meeting which Recommendations should be considered for re-rating. The update by the country on steps taken to address its KRA, including both effectiveness and technical compliance, should be submitted to the Secretariat one month later (at least eight months in advance of the relevant Plenary meeting). The country's submission will be analysed for progress against the KRA and for any technical compliance re-ratings by a group of follow-up experts, consistent with the peer review principle of the ME process.

[51] For the purposes of this chapter, the Plenary meeting at which a country's report is scheduled to be considered is referred to as the "relevant Plenary meeting".

160. Follow-up experts should be confirmed at least nine months in advance of the relevant Plenary meeting which the Recommendations would be considered for re-rating. The follow-up experts will prepare a follow-up report comprising an analysis of the measures taken to address the KRA and improve technical compliance and conclusions regarding the extent to which those measures address the KRA and whether TCRR is warranted. The analysis and conclusions will be provided to the country for its comments before it is sent to delegations.

161. After the discussion of an enhanced follow-up report in which all KRA have not been fully or largely addressed, the Plenary should apply enhanced measures, as outlined in paragraphs 176 and177.

### *(iv) ICRG*

162. After the discussion of the MER, a country qualifies for referral to ICRG for observation if it meets any of the following criteria

(a) it has 15 or more NC/PC ratings for technical compliance; or

(b) it is rated NC/PC on 3 or more of R.3, 5, 6, 10, 11 and 20; or

(c) it has a low or moderate level of effectiveness for 9 or more of the 11 Immediate Outcomes, with a minimum of 2 low level ratings; or

(d) it has a low level of effectiveness for 6 or more of the 11 Immediate Outcomes.

163. GIABA delegation may nominate a country for active ICRG review as outlined in the *FATF Procedures*.

164. Procedures for all stages of the FATF ICRG process are published in the *FATF Procedures*.

165. To avoid duplication of efforts and potential inconsistency, the FATF ICRG has exclusive jurisdiction over any issues in a country's KRA Roadmap,[52] including any technical compliance (TC) issues listed in the KRA Roadmap, for any country under active ICRG review. Once a country exits ICRG (whether at the end of a Post-Observation Period Report or by completion of their KRA Roadmap), that country should request TCRR for any TC issues listed in the KRA Roadmap from their assessment body.

166. In the third year after adoption of its MER, if a country remains in active ICRG review that country may request TCRR from their assessment body for any Recommendation not included in the KRA Roadmap rated NC/PC where the country has made legal, regulatory or operational framework changes since the MER and Recommendations where there has been a change in the FATF Standards for which the country has not previously been assessed. To request TCRR for any Recommendation rated NC/PC that is included in the country's KRA Roadmap: the FATF ICRG must have determined that the KRA regarding that technical deficiency has been fully or largely addressed; and in preparing the technical compliance analysis for TCRR the expert reviewers should, to the extent possible, draw on the work already done by the ICRG as set out in the ICRG progress reports and adopted by the FATF Plenary.[53]

### *(v) Role of the GIABA Secretariat in the ICRG Process*

167. As outlined in paragraph 36, when the GIABA Secretariat participates in Africa and Middle East Joint Group (A/MEJG), the GIABA Secretariat should impartially assist ICRG JG members in achieving quality reports and consistency in the application of the FATF Standards, FATF Methodology and Procedures, and should

[52] References to KRA Roadmap include references to any revised KRA Roadmap.

[53] The ICRG process assesses a country's progress against KRA, which is a different process from assessing a country's legal, regulatory, or operational framework directly against the criteria set out in the FATF Methodology. If the follow-up experts reach a different conclusion to the ICRG report (in cases where the Standards or the framework have not changed) then they should explain the reasons for their conclusion.

impartially support its members in ICRG. The impartial support provided by the GIABA Secretariat to its members may include the following:

(a) facilitate communication between the assessment team, assessed country and virtual participation of Co-chairs, interested members and the FATF Secretariat in supporting the A/MEJG during the ICRG handover meeting referred to in paragraph 127;

(b) in close coordination with the FATF Secretariat, assist member States under review with ICRG country training;

(c) when possible, help identify and source technical assistance from donors and providers to assist countries under review to address or largely address their KRA Roadmaps;

(d) help inform A/MEJG discussion by providing contextual information on the region, risks and materiality of countries under review and such other relevant and objective information as the A/MEJG may find useful;

(e) guide countries under review on understanding the type of information and statistics that could be provided to demonstrate progress against its KRA Roadmap. 

168. For countries in the FATF ICRG Pool, the GIABA Secretariat:

(a) would conduct enhanced follow-up in line with its procedures and highlight the importance of addressing the KRA Roadmap; and
(b) may:
    (i) explain the consequences of the countries MER results, including the possibility that the country could be referred for active ICRG review should they come to meet the prioritisation threshold or the FATF Plenary agrees that active review is necessary based upon risk and context;
    (ii) facilitate communication with the FATF Secretariat to answer any questions that the country under review has on the FATF ICRG process.

### (g) Analysis of KRA Progress and Technical Compliance Re-rating

169. As outlined in relevant sections above, progress against KRA by countries in enhanced follow-up must be subject to expert analysis and approved by the Plenary. Likewise, re-ratings for technical compliance may only be made with Plenary approval, in line with GIABA's governance principles. Generally, Plenary's approval for these reports will be sought by written process. In cases where follow-up experts conclude that a country has not fully or largely addressed all KRA, the follow-up reports will be discussed in ECG and Plenary as outlined in paragraphs 167 and 168. Reports on TCRR requests will likewise be discussed in ECG and plenary if they are not adopted by written process.

#### *(i) Reporting of analysis and approval by written process*

170. At least ten weeks before the ECG /Plenary meeting, the follow-up experts should report their analysis of progress against KRA and/or technical compliance to all members, associate members and observers, who will have two weeks to comment on the report. If no comments are received (including from the assessed country), the report will be circulated for Plenary approval by written process and then proceed to publication.

171. If comments are received, a revised report will be circulated at least seven weeks before the ECG /Plenary meeting. Delegations will have one week to comment on the revised text. Unless two or more delegations (not including the assessed country) raise concerns regarding the follow-up experts' analysis of a particular KRA or Recommendation in the revised report, the report will be circulated for approval by written process and then proceed to publication.

### *(ii) ECG consideration of enhanced follow-up or TCRR reports*

172. If two or more delegations (not including the assessed country) raise concerns regarding the follow-up experts' analysis of a particular KRA or Recommendation in the revised report, that KRA or Recommendation and the issues raised will be discussed at the ECG level before Plenary. In these circumstances, the secretariat should compile a short list of the priority issues for discussion, and should circulate this list to all members, observers and associate members at least two weeks prior to the ECG discussion. The discussion should be limited in time and scope. Although follow-up and TCRR reports will be first discussed at the ECG level, Plenary remains the only decision-making body. If the ECG agrees on the issues for discussion, the report will be circulated for approval by written process and then proceed to publication.

### *(iii) Plenary consideration of enhanced follow-up or TCRR reports*

173. Where the ECG does not reach consensus on the issues for discussion, any unresolved issues will be considered by Plenary as a discussion item, and a revised list of issues for Plenary discussion will be distributed. Plenary discussions of an enhanced follow-up or TCRR report should take, on average, no more than one hour of Plenary time. In relation to a TCRR report, Plenary will not discuss an individual criterion rating unless it will impact an overall Recommendation rating. Plenary consensus is required to change a report.

### *(iv) Consideration of follow-up reports with substantive issues or where all KRA are not fully or largely addressed*

174. The ECG and Plenary will discuss follow-up reports in cases where follow-up experts conclude that a country has not fully or largely addressed all KRA.

175. Plenary may also opt to discuss follow-up reports that involve strategic or substantive issues. If the issue involves highly technical matters, Plenary may request that the ECG consider the issue first and make a recommendation to Plenary. Examples of substantive issues include, but are not limited to:

(a) Significant changes in a country leading to a decline in technical compliance or effectiveness.

(b) Insufficient progress made by a country against its KRA Roadmap.

(c)Recommendations to analyse a self-report or apply enhanced measures.

## (h) Enhanced Measures

176. If a country does not fully or largely address all KRA outlined in its KRA Roadmap, the Plenary will apply enhanced measures, which may include the following, on an escalating basis:

(a) As soon as possible, but not later than six months after the Plenary adopts the follow-up report, a high-level mission to the member jurisdiction will be arranged to ascertain the level of political commitment to effective implementation of the FATF Standards. This mission would meet with Ministers and senior officials and will result in a report at the following Plenary to advise whether there is sufficient political commitment. GIABA will also require the country to report on progress against any remaining KRA at the Plenary following consideration of the report.

(b) If the high-level mission concludes there is insufficient political commitment, or if a country has still not addressed or largely addressed all KRA when it reports to Plenary, GIABA will issue a formal statement to the effect that the member jurisdiction is insufficiently in compliance with the FATF Standards. The FATF may consider, in the context of the application of Recommendation 19 by its members and based on risk and proportionality, recommending appropriate action.

(c) In cases referred to in sub-paragraph (b), the Plenary may also call on the TC Chairperson to raise the issue of whether the country's membership status should be suspended or withdrawn as outlined in the GIABA Statute.

177. To end the enhanced measures process at any time, the country must demonstrate that it has addressed or largely addressed all of its KRA. To do so, the country should inform the Secretariat and submit a progress report for analysis by one or more follow-up experts. Plenary will consider the expert's analysis as a matter of urgency and decide to terminate or continue with the enhanced measures.

## VIII. POST-PLENARY QUALITY AND CONSISTENCY (Q&C) REVIEW

### (a) Application

178. Highly exceptional situations may arise where significant concerns about the quality and consistency (Q&C) of a report remain after its adoption. The post-Plenary Q&C process seeks to prevent the publication of reports with significant Q&C problems and ensure that poor quality assessments do not damage the FATF brand.

179. The post-Plenary Q&C review process applies to all GIABA assessments/reviews and

a) all MERs (including the KRA Roadmaps and Executive Summaries), detailed assessment reports (DARs)[54] (including the KRA Roadmaps and Executive Summaries); and
b) Enhanced follow-up reports or any technical compliance re-rating reports with issues discussed in ECG or Plenary[55] and all GIABA FURs with TCRR.[56]

### (b) Steps in the Post-Plenary Q&C process

180. After changes directed by Plenary and checks for accuracy are made, the FATF Secretariat will circulate the report to all FATF members, associate members, observers and FSRB Secretariats (for further circulation to their members)[57], along with a template for raising Q&C issues for consideration. GIABA and IMF/WB will provide their reports to the FATF Secretariat for circulation as soon as possible after adoption. GIABA will forward the report and template to its member States. Delegates will have two weeks to notify the FATF and the GIABA Secretariats in writing of any serious or major issue of quality or consistency. Delegates should use the template provided to indicate their specific concerns and how these concerns meet the substantive threshold.[58] For Joint Evaluation by GIABA and IMF/World Bank, delegations should notify both the FATF Secretariat, the GIABA Secretariat, IMF/World Bank, using the same template.

181. Unless two or more parties,[59] using the required template, identify the same specific concern before the comment period expires, the post-Plenary Q&C review process is complete at this stage. The FATF Secretariat will advise the parties (and the relevant assessment body, in the case of an FSRB or IMF/WB-led evaluation) accordingly and the report will be published. Examples of situations meeting this substantive threshold include (but are not limited to) the following:

a) the ratings, KRA or other recommended actions are clearly inappropriate and not consistent with the analysis;

[54] Where the evaluation is conducted by the IMF or World Bank.
[55] GIABA FURs and TCRR reports adopted by written process are not subject to the post-Plenary Q&C process.
[56] In this section, MERs, DARs and FURs are collectively referred to as *reports.*
[57] In this section, FATF members, associate members, observers, the FATF Secretariat, and FSRB members and secretariats are collectively referred to as parties.
[58] The substantive threshold is when serious or major issues of quality and consistency are identified, with the potential to affect the credibility of the FATF brand as a whole.
[59] At least one of which should have participated in the adoption of the report.

b) there has been a serious misinterpretation of the Standards, *FATF Methodology or Procedures*;

c) an important part of the *FATF Methodology* has been systematically misapplied; or

d) laws that are not in force and effect have been taken into account in the analysis and ratings of a report.

182. If two or more parties identify the same specific concern, the FATF ECG Co-chairs will review the concern to determine whether *prima facie* it meets the substantive threshold and procedural requirements[60] The FATF Secretariat will provide the ECG Co-Chairs with any relevant information on the issue, which may include the following:[61]

a) information submitted by parties raising the Q&C issue;
b) any related comments raised at the pre-Plenary stage;
c) an overview of any discussion of the issue by the working group/Plenary, including the pertinent facts in the report, the co-chairs' report or summary record from the working group/Plenary meeting where the report was discussed, whether the issue was discussed in detail, the outcome of the discussions and any rationale or reasons cited for maintaining or changing the report;
d) objective comparisons with previous FATF reports that address similar issues;
e) the report's consistency with the FATF Standards or *FATF Methodology*;
f) any implications for the follow-up or ICRG processes;
g) recommendations to resolve the issue, including appropriate next steps.

183. If the ECG Co-Chairs conclude that *prima facie* the substantive threshold and procedural requirements are not met, the FATF Secretariat will present an information paper to Plenary explaining the basis for the Co-chairs' conclusion. The post-Plenary Q&C review process is then complete and FATF Secretariat will advise GIABA /IMF/WB accordingly and the report will be published.

184. If the ECG Co-Chairs conclude that *prima facie* the substantive threshold and procedural requirements are met, the Secretariat will circulate the report to all FATF delegations for consideration by the ECG with a decision paper prepared by the FATF Secretariat[62]. The decision paper will include any relevant information referred to in paragraph 181. The ECG will decide whether the report meets the substantive threshold.[63]

185. If the ECG decides that the report does not meet the substantive threshold, the decision will be reported to Plenary as an information item. The post-Plenary Q&C review process is then complete and the FATF Secretariat will advise GIABA /IMF/WB accordingly and the report will be published.

186. If the ECG decides that the concerns identified meet the substantive threshold, it will refer the matter to the FATF Plenary with recommendations for the actions needed to resolve the Q&C issue.[64] The FATF Plenary will decide whether to adopt the recommendations made by ECG and indicate the actions needed to resolve the Q&C issue.

[60] Procedural requirements are that the same concern is raised by two or more parties, other than the assessed country, one of whom should have participated in the report's adoption; use of the required template; and submission of concerns before the comment period expires.
[61] For an FSRB or IMF/WB report, the FATF secretariat will liaise with the relevant FSRB Secretariat or IMF/WB to obtain this information.
[62] For an FSRB or IMF/WB report, the FATF secretariat will prepare this paper in consultation with the relevant assessment body.
[63] Concerns identified less than four to six weeks before an FATF ECG meeting will be discussed at the next ECG meeting to ensure sufficient time for preparation and consideration of the decision paper.
[64] Next steps might include requesting that the relevant assessment body reconsider elements of the report where the issues of concern are addressed; revise the text of the report as directed to address the concerns raised.

187. In the case of an FSRB or IMF/WB led evaluation, the FATF Secretariat will advise the assessment body of the FATF Plenary's decision. If the assessment body declines to take the actions indicated by the FATF, the FATF Plenary will consider what further action may be necessary. The assessment body will not publish the report until the issue is resolved and the FATF Secretariat advises that the post-Plenary Q&C review process is complete.

## IX. PUBLICATION, MEDIA OUTREACH AND AUXILIARY PROCESSES

### (a) Publication of MERs

188. GIABA would publish all MERs on its respective website to give timely publicity to an important part of the work of GIABA and the Global Network. If no concerns are raised during the post-Plenary Q&C process, publication would happen ordinarily within six weeks of the report being adopted. If concerns are raised, the assessment body will publish the report on its website following completion of the post-Plenary Q&C review process.

### (b) Publication of Other Documents

189. The general publication policy of GIABA applies to actions taken under the follow-up process. Enhanced follow-up reports and TCRR reports will be published at the conclusion of the post-Plenary Q&C review process.

190. For regular follow-up reports, only the technical compliance analysis is published, as assessment of progress against the KRA Roadmap is not analysed or discussed by Plenary. If requested by a country, a link may be provided from the GIABA website to a website of the country on which it has placed additional updates or other information relevant to the actions it has taken to enhance its AML/CFT/CPF system, including for effectiveness.

191. The GIABA Secretariat will publish and maintain an up-to-date version of its assessment and follow-up procedures on the GIABA public website.

### (c) Media Outreach

192. Immediately following the end of the post-Plenary Q&C process of a GIABA member's report, the Secretariat will contact the assessed country to plan for the release of the report to the media and determine the most suitable date and time of publication (ideally, within the timelines outlined above). In the case of a joint or IMF/WB-led assessment, the GIABA Secretariat will also liaise with the relevant assessment body. Both the assessed country and the Secretariat may provide access to the report under *strict embargo* to selected members of the media no more than one week before publication.

### (d) Auxiliary Processes

193. To help ensure the common and consistent interpretation of the FATF Standards and *FATF Methodology* across the Global Network, the FATF approved a mechanism for FSRBs to bring potential horizontal issues to the attention of the FATF. Consequently, GIABA will address any potential horizontal issues in accordance with paragraph 8 of these Procedures.

194. The FATF and FSRBs should have procedures to examine specific voluntary tax compliance programmes[65] to ensure that they do not impede the effective implementation of AML/CFT/CPF measures.[66]

[65] The term voluntary tax compliance programmes is defined in the FATF Best Practices Paper on Managing the AML/CFT Policy Implication of Voluntary Tax Compliance Programmes: www.fatf-gafi.org/en/publications/fatfrecommendations/documents/best-practices-managing-vtc.html

[66] The FATF and FSRBs examine the voluntary tax compliance programmes of their members in line with their own procedures.

## APPENDIX 1 – SAMPLE TIMELINES FOR THE MUTUAL EVALUATION PROCESS

| ME Month | Week | Date notes | Key Indicative Milestones | | |
|---|---|---|---|---|---|
| | | | For Assessment Team | For Assessed Country | For ME Reviewers |
| Pre-ME | | As early as possible in advance of ME start date (Procedures para. 60 ) | | - Designate points of contact and set up an internal coordination mechanism (as necessary)<br>- Advise Secretariat of the official language in which the country wishes to conduct the assessment<br>- Begin informal engagement on the evaluation, and set a date for assessed country training<br>- Assessed country training | |
| ME-3 months | On-site visit (OS) – 40 weeks | At least 18 months before the GIABA Plenary discussion (para. 61) | | - Agree on the broad timeline of the evaluation with the Secretariat<br>- Advise the Secretariat which Recommendations are impacted by change to laws, regulations or operational framework | |
| ME-1 month | OS-32 | (para 66) | *[Secretariat:*<br>*- Gather material from previous MERs and FURs; prepare Technical Compliance (TC) Annex template*<br>*- Form assessment team from countries who volunteered –Advise country of the assessors once the team is confirmed.*<br>*- Invite GIABA, FATF and FSRB members to provide information about a) assessed country's risk situation and any specific issues which should be given additional attention by assessors; and b) their international cooperation experiences with the assessed country.]* | | |
| 1 | OS-28 | At least 7 months before on-site (para.63-65, 66-69. | - Review background material, including material from previous MERs and FURs - Review material sent by country including TC submission and discuss risk, context, materiality and scoping with assessed country<br>- Develop understanding of risks, context and materiality<br>- Identify and contact countries for specific outreach on international co-operation and risk.<br>*[- Deadline for members and FSRBs to provide information on the risk situation and international cooperation with the assessed country – Secretariat to share feedback with country]* | - Fix the precise dates for the evaluation on-site visit as well as the timelines for the whole process in consultation with the assessment team<br>- Submit TC update questionnaire, providing updated information including on risk and context and scoping material, and material relevant to core issue 1.1 to assessment team | |
| **ME Month** | **Week** | **Date notes** | **Key Indicative Milestones** | | |
| | | | For Assessment Team | For Assessed Country | For ME Reviewers |
| | OS-26 | (para.71) | - Facilitated by the Secretariat:<br>a) Engage with assessed country to discuss understanding of risk, context and materiality.<br>b) Begin preparing preliminary draft scoping note in consultation with the assessed country. | - Facilitated by the Secretariat, engage with assessment team, including oral presentation on risk, context and materiality<br>- Respond to or supplement any risk and international co-operation information received | |
| 2 | OS-24 | 6 months before on-site (para.74) | - Finalise and send draft scoping note and any other relevant background information to reviewers and country (2 weeks). | - Review and comment on draft scoping note (2 weeks) | - Review draft scoping note and other relevant background information (2 weeks) |

| | | | | | |
|---|---|---|---|---|---|
| | OS-22 | (para 74, 79-83) | - Consider assessed country and reviewer comments and amend the scoping note as needed, in consultation with the country (1 week).<br><br>-Complete initial TC analysis based on preliminary 1st draft received from Secretariat; give preliminary views on whether each criterion is met, mostly met, partly met or not met. Give preliminary views on the overall rating for each Recommendation, if possible (2 weeks). | | |
| 3 | OS-20 | 5 months before on-site (para.84) | - Revise and finalise 1st draft TC annex and send to country (2 weeks) | Review 1st draft TC annex (3 weeks). | |
| | OS-17 | (para.85) | - Consider and incorporate country's comments on 1st draft TC annex (3 weeks) | | |
| 4 | OS-16 | 4 months before onsite (para.86) | | Provide material on effectiveness based on the 11 Immediate Outcomes and the underlying core issues | |
| 4 | OS-14 | (para.85) | - Secretariat: finalise 2nd draft TC annex, send to country and reviewers (4 weeks) | - Provide material on effectiveness based on the 11 Immediate Outcomes and the underlying core issues | |
| 5 | OS-12 | 3 months before on-site (para.85) | - [Secretariat: send to country and reviewers] | - Review and comment on 2nd draft TC Annex (3 weeks) | -Review and comment on 2nd draft TC annex (3 weeks) |
| | OS-9 | (para.85) | - Consider and incorporate country and reviewer comments on 2nd draft TC annex | | |
| 6 | OS-8 | 2 months before on-site (para.87,96-98) | -Review risk and scoping information based on the country's effectiveness submission and update scoping note; request additional information on areas of increased focus.<br>- Finalise areas of increased and decreased focus and private sector to meet for on-site visit (2 weeks)<br>- Send preliminary outline of initial findings, questions and requests for further information on effectiveness to assessed country | - Provide draft programme for on-site visit to the assessment team, and point of contact for on-site logistics | |
| | OS-7 | (para.77, 94, 96) | - Consider and incorporate country and reviewer comments on 2nd draft TC annex<br>- Review draft on-site programme (2 weeks)<br>[*-Deadline for countries subject to specific outreach to provide information on the risk situation and international cooperation with the assessed country- Secretariat to share feedback with assessed country]* | - Provide draft programme for on-site visit to the assessment team, and point of contact for on-site logistics | |

| ME Month | Week | Date notes | Key Indicative Milestones | | |
|---|---|---|---|---|---|
| | | | For Assessment Team | For Assessed Country | For ME Reviewers |
| | | | | - Respond to questions and requests for information on effectiveness materials to assessment team | |

| | | | | | |
|---|---|---|---|---|---|
| | OS-6 | 6 weeks before on-site (para.81, 94, 96-97) | - Send revised scoping note to country for review, along with any requests for additional information on areas for increased focus<br>- Update outline of initial findings, key issues and develop potential recommended actions for discussion (2 weeks) | Provide any remaining responses and requested information on effectiveness materials to assessment team. | |
| | OS-5 | | - Provide comments to assessed country on draft on-site programme. | | |
| 7 | OS-4 | 1 month before on-site (para.100) | - Send updated outline of initial findings, key issues and potential recommended actions for discussion to the assessed country. | | |
| | OS-3 | At least 3 weeks before on-site (para.91) | - Facilitated by Secretariat, assessment team and assessed country finalise programme and logistical arrangements for on-site | | |
| | OS-2 | At least 2 weeks before the on- site | - Refine outline of initial findings and key issues to discuss on-site. | - Provide responses to any outstanding questions from assessment team | |

| ME Month | Week | Date notes | Key Indicative Milestones | | |
|---|---|---|---|---|---|
| | | | For Assessment Team | For Assessed Country | For ME Reviewers |
| 8 | OS-0 | (para. 93-97) | ONSITE VISIT (Approx. 13 to 16 working days[67]) | | |
| 9 | Plenary discussion (P)-29 weeks | (para.101) | - Prepare 1st draft MER and Key Recommended Action (KRA) Roadmap, including updated TC Annex (5 weeks) | | |
| 10 | P-24 | Within 5 weeks of on-site visit (para.101) | - Send 1st draft MER and KRA Roadmap to country. | | |
| | | (para.102) | - Facilitated by Secretariat, liaise with assessed country as needed | - Respond to 1st draft MER and KRA Roadmap (4 weeks) | |
| 11 | P-20 | (para.104) | - Consider country response, and prepare 2nd draft MER and KRA Roadmap (4 weeks) | | |
| 12 | P-16 | (para.104-106) | - Send 2nd draft of MER and KRA Roadmap to country and reviewers | - Respond to 2nd draft MER and KRA Roadmap (3 weeks) | - Review 2nd draft MER and KRA Roadmap (3 weeks) |
| | P-14 | | | | |
| 13 | P-13 | Minimum 11 weeks before | - Consider country and ME reviewers' comments received on the second draft MER and KRA Roadmap (3 weeks) | | |

| ME Month | Week | Date notes | Key Indicative Milestones | | |
|---|---|---|---|---|---|
| | | | For Assessment Team | For Assessed Country | For ME Reviewers |
| | | Plenary (para.110) | - Facilitated by the Secretariat, assessment team and assessed country engage to discuss further changes to the draft MER and identify issues for discussion at the face-to-face meeting | | |
| | | | - Update MER draft based on reviewer and country comments | | |
| 14 | P-9 | Minimum 9 weeks before Plenary (para.111) | Face-to-face meeting (2-3 days) | | |
| | | | - Work with country to resolve potential disagreements and identify potential priority issues for Plenary discussion<br>- Finalise Pre-Plenary draft (1 week) | - Work with assessment team to resolve potential disagreements and identify potential priority issues for Plenary discussion | |
| | P-6 | 6 weeks before Plenary (para.116) | Circulate final draft MER (along with reviewers' comments, assessed country's views and assessment team responses) to all delegations for a 2-week comment period (within 2 weeks after F2F) | | |
| 15 | P-4 | (para.117) | - Consider delegation comments<br>- Identify priority issues for Plenary discussion | | |
| | | | [Secretariat - Prepare compilation of delegation comments with responses, and in consultation with assessment team, assessed country, ECG Co-chairs and the Chairperson of the Technical Commission/Plenary, develop Key Issues Document (KID)] (2 weeks) | | |

| ME Month | Week | Date notes | Key Indicative Milestones |
|---|---|---|---|

[67] This reflects the average length of an on-site visit. Actual time needed may be shorter or, in exceptional cases longer, based on the size and complexity of the jurisdiction.

| | | | | | |
|---|---|---|---|---|---|
| | | | For Assessment Team | For Assessed Country | For ME Reviewers |
| | P-2 | Two-week period before Plenary (para.116-119) | - Engage country on priority key issues and other comments received on MER or Executive Summary<br>- Review and provide input on priority key issues and other comments received on MER or ES.<br>[Secretariat- Circulate<br>a) the compilation of delegation comments; and<br>b) the finalised KID] | - Work with assessment team on KRA and other comments received on MER or Executive Summary. | |
| | P-0 | | Plenary discussion of MER | | |
| Post- Plenary | P+3 | (para.124) | - Modify report as directed by Plenary and perform accuracy checks (2 weeks) [Secretariat- Circulate report to delegations for 2-week comment period] | - Confirm MER is accurate and advise of any typographical or similar errors (2 weeks) | |
| | P+5 | - Deadline for delegation comments (para.178-187) | Post-Plenary Quality & Consistency Review:<br>- If no concerns are raised during post-plenary Q&C, MER proceeds to publication.<br>- If concerns are raised, Secretariat facilitates discussions and circulates revised text for 1-week comment period. | | |
| | | (para.192) | Media Outreach:<br>- Work with Secretariat to Develop press materials | | |
| | P+6 (or later if post-Plenary Q&C triggered) | (para.188) | Publication of document:<br>- If no concerns are raised during post-plenary Q&C, publication would ordinarily happen within 6 weeks of the report being adopted<br>- If concerns are raised, the assessment body will publish the report on its website following completion of the post-Plenary Q&C review process. | | |

| ME Month | Week | Date notes | Key Indicative Milestones | | |
|---|---|---|---|---|---|
| | | | For Assessment Team | For Assessed Country | For ME Reviewers |
| | | (para.126) | - FATF President writes to Minister regarding the KRA Roadmap | | |

## APPENDIX 2 – TIMELINES FOR THE FOLLOW-UP PROCESS

### Regular Follow-up

| FUR month | Week | Date notes | Key Indicative Milestones | | |
|---|---|---|---|---|---|
| | | | Expert(s) | Secretariat | Country |
| **1** | P-28 | 7 months before the relevant Plenary meeting (para.151) | | *If the country requests TCRR*:<br>- Confirm expert(s) from countries that volunteered/pool of experts<br>- Prepare the adapted Technical Compliance (TC) analytical tool template based on the deficiencies in the MER to facilitate country's TC submission (2 weeks) | - Inform Secretariat whether it is requesting TCRR and, if so, identify which Recommendations are implicated |
| ***If the country requests TCRR*** | | | | | |
| **2** | P-24 | 6 months before the relevant Plenary meeting (para. 152) | - Review and analyse any requests for TCRR (4 weeks) | | - Submit TC update and re-rating request to the Secretariat |
| **3** | P-20 | | | - Finalise and send draft TC analytical tool to the country. (1 week) | |
| | P-19 | | | | - Provide comments on draft TC analytical tool (2 weeks) |
| | P-17 | | - Consider country comments on TC and make necessary edits<br>- Draft FUR related to TCRR requests. | - Consolidate TC analytical tool, send revised FUR and tool to the assessed country (2 weeks) | |
| **4** | P-15 | | | | - Provide final comments on FUR and TC analytical tool (1 week) |
| | P-14 | | | | - Submit self-assessment of progress made against KRA roadmap |
| | | | | - Draft cover note for progress made against KRA roadmap and incorporate it into the FUR (2 weeks) | |
| **5** | P-12 | | - All parties agree on the version of the report which will be circulated to delegations (2 weeks) | | |
| | P-10 | At least 10 weeks pre-plenary | | - Circulate FUR and tool to delegations for 2-week comment period | |
| ***If the country does not request TCRR*** | | | | | |
| **6** | P-8 | 2 months pre- plenary (para.154) | | - Prepare summary of self-assessment (2 weeks) | - Submit self-assessment of progress made against KRA roadmap |
| | P-6 | | | | - Comment on draft summary (1 week) |
| | | No later than 2 weeks before Plenary | | - Circulate FUR (self-assessment and summary) to delegations for information | |

N.B. This timeline is an example and does not include all possible steps of adoption by written process if comments are received.

## Enhanced Follow-up

| FUR month | Week | Date notes | | Key Indicative Milestones | |
|---|---|---|---|---|---|
| | | | Expert(s) | Secretariat | Country |
| 1 | P-36 | 9 months before relevant Plenary meeting (para.159) | | - Confirm expert(s) from countries that volunteered/pool of experts | - Inform Secretariat which Recommendations it is requesting to be re-rated |
| | P-34 | | | - Prepare the adapted Technical Compliance (TC) analytical tool template based on the deficiencies in the MER to facilitate country's TC submission (2 weeks) | |
| 2 | P-32 | 8 months before the relevant Plenary meeting (para.159) | - Review and analyse the extent to which the country has addressed KRAs (including any KRA related to TC) (3 weeks) | | - Submit information to support country's progress made against Key Recommended Actions (KRA) roadmap - Submit TC update and re-rating request to the Secretariat |
| | P-29 | | - Liaise with Secretariat on questions for assessed country and draft analysis of progress against KRA (2 weeks) | | - Respond to questions and requests for information from experts |
| 3 | P-27 | | - Analysis of TC re-rating requests (4 weeks) | - Prepare the 1st draft KRA analysis and send to the country (2 weeks) | |
| | P-25 | | | | - Provide comments on draft analysis of progress against KRA roadmap (3 weeks) |
| 4 | P-23 | | | - Prepare TC analytical tool and send to country (1 week) | |
| | P-22 | | - Consider country comments on KRA progress and make necessary edits. Draft FUR and send revised KRA analysis to country (2 weeks) | | – Provide comments on draft TC analytical tool (2 weeks) |
| 5 | P-20 | | - Consider country comments on TC and make necessary edits. Incorporate updated TC analysis into draft FUR (2 weeks) | | - Provide comments on revised analysis of progress against KRA roadmap (3 weeks) |
| | P-17 | | - Consider country comments on revised KRA and make necessary edits. Finalise FUR (2 weeks) | - Send FUR and analytical tool to country for review | |
| 6 | P-15 | | | | - Provide final comments on revised FUR (including TC analytical tool and analysis of progress against KRA roadmap) (3 weeks) |
| 7 | P-12 | | - Facilitated by the Secretariat, all parties agree on the version of the report which will be circulated to delegations (2 weeks) | | |
| | P-10 | At least 10 weeks pre-Plenary (para. 170) | | - Circulate FUR and analytical tool to delegations for 2-week comment period | |

N.B. This timeline is an example and does not include all possible steps of adoption by written process if comments are received.

## APPENDIX 3 – AUTHORITIES AND BUSINESSES TYPICALLY INVOLVED FOR ON-SITE VISIT[68]

### Ministries:

- Ministry of Finance
- Ministry of Justice, including central authorities for international co-operation
- Ministry of Interior
- Ministry of Foreign Affairs
- Ministry responsible for the law relating to legal persons, legal arrangements, and nonprofit organisations
- Other bodies or committees to co-ordinate AML/CFT/CPF action, including the assessment of the money laundering and terrorist financing risks at the national level

### Criminal justice and operational agencies:

- The FIU
- Law enforcement agencies including police and other relevant investigative bodies
- Prosecution authorities including any specialised confiscation agencies
- Customs service, border agencies, and where relevant, trade promotion and investment agencies
- If relevant - specialised drug or anti-corruption agencies, tax authorities, intelligence or security services
- Task forces or commissions on ML, FT, PF or organised crime

### Financial sector bodies:

- Ministries/agencies responsible for licensing, registering or otherwise authorising financial institutions
- Supervisors of financial institutions, including the supervisors for banking and other credit institutions, insurance, and securities and investment
- Supervisors or authorities responsible for monitoring and ensuring AML/CFT/CPF compliance by other types of financial institutions, in particular bureaux de change and money remittance businesses
- Exchanges for securities, futures and other traded instruments
- If relevant, Central Bank
- The relevant financial sector associations, and a representative sample of financial institutions (including both senior executives and compliance officers, and where appropriate internal auditors)
- A representative sample of external auditors

### DNFBP, VASP and other matters:

- Casino supervisory body
- Supervisor or other authority or Self-Regulatory Body (SRB) responsible for monitoring AML/CFT/CPF compliance by other DNFBPs
- Supervisors or authorities responsible for monitoring and ensuring AML/CFT/CPF compliance by VASPs
- Registry for companies and other legal persons, and for legal arrangements (if applicable)
- Bodies or mechanisms that have oversight of non-profit organisations, for example tax authorities (where relevant)
- A representative sample of professionals involved in non-financial businesses and professions (managers or persons in charge of AML/CFT/CPF matters (e.g., compliance officers) in casinos, real

[68] When AML/CFT/ CPF issues are addressed not just at the level of the national government, but also at supra-national, state/province or local levels, the assessed country should also facilitate access to supra-national, state/province or local authorities and agencies. See Procedures for conducting assessments in the supra national context (paragraph 22) and the *FATF Methodology* paragraph 31-35.

estate agencies, precious metals/stones businesses as well as lawyers, notaries, accountants and any person providing trust and company services)

- Any other agencies or bodies that may be relevant (e.g., reputable academics relating to AML/CFT/CPF and civil societies)

Efficient use has to be made of the time available on-site, and it is therefore suggested that the meetings with the financial sector, DNFBP and VASP associations also have the representative sample of institutions/DNFBP/VASP present.

## APPENDIX 4 – QUESTIONNAIRE FOR CHAPTER 1 OF THE MER

### Update on risk and context

**INSTRUCTIONS**

**Instructions for the assessed country**

The **assessed country** should briefly summarise any significant developments in their AML/CFT/CPF system which have taken place since the MER or the last follow-up report. In particular, identify any changes to risk and context that are relevant to any Recommendations to be reassessed (e.g., a dramatic increase in the number of companies registered would be relevant context in the re-rating of R.24). This includes:

- New risk and context information, including new national risk assessments, predicate or ML/TF threat profile, and significant changes to the structure of the financial institutions, DNFBP and VASP sectors. This information will assist experts in weighing the relative importance of each criterion in the re-rating.
- Major new AML/CFT/CPF laws.
- Significant changes to co-ordination arrangements, competent authorities, or significant reallocation of responsibility between competent authorities.

For further details, the **assessed country** should see the *FATF Methodology for Assessing Technical Compliance with the FATF RECOMMENDATIONS and the Effectiveness of AML/CFT/CPF Systems,* Annex 1, MER Template for Chapter 1.

[For example, since the mutual evaluation, the following major changes have been made to Country X's AML/CFT/CPF framework:

- Country X completed and published its second ML risk assessment in 2018 (Annex B).
- Country X passed the 'Law on Suspicious Transaction Reporting (2018)' which came into effect on 12 June 2018.

Responsibility for investigating suspicious transactions has been transferred from the Ministry of Interior to the FIU as of 23 August 2018, according to Government Order number 2018-1503. ]

## Size and Structure of the Financial, DNFBP and VASP Sectors

***AML/CFT/CPF Preventive Measures for Financial Institutions, DNFBPs and VASPS (R.10 to R.23)***

| Type of Entity* | No. Licensed / Regulated / Registered | AML/CFT/CPF Laws** / Enforceable Means for Preventive Measures | Date in Force or Last Updated (*where applicable*) | Other additional Information (e.g., highlights of substantive changes etc.)*** |
|---|---|---|---|---|
| **Banks** | | | | |
| **Life Insurers** | | | | |
| **Securities** | | | | |
| **MVTS** | | | | |
| **VASPS** | | | | |
| **Casinos** | | | | |
| **Lawyers** | | | | |
| **Notaries** | | | | |
| **Accountants** | | | | |
| **Precious Metals & Stones Dealers** | | | | |
| **Trust and Company Service Providers** | | | | |
| **Others** | | | | |

* Additional rows may be added for other type of financial institutions and DNFBPs. Countries may also choose to have more granular and specific classification of the types of financial institutions and DNFBPs.

** Countries should indicate the specific provisions in the AML/CFT/CPF laws that set out the customer due diligence, record keeping and suspicious transaction or suspicious activity reporting obligations.

*** Where there have been changes since its last update or where relevant, countries should also set out the specific provisions in the AML/CFT/CPF laws or enforceable means and key highlights of the obligations for other preventive measures (e.g., politically exposed persons (PEPs), wire transfers, internal controls and foreign branches and subsidiaries etc.).

***Legal Persons and Arrangements (R.8, R.24 and R.25)***

| **Type of Legal Persons / Arrangements*** | **No. Registered** *(where available)* | **Applicable Laws / Regulations / Requirements** | **Date in Force or Last Updated** *(where applicable)* | **Other additional Information (e.g., highlights of substantive changes etc.)**** |
|---|---|---|---|---|
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| | | | | |

* Additional rows may be added for other type of legal persons or arrangements. Countries may also choose to have more granular and specific classification of the types of legal persons or arrangements.

** Countries should indicate the specific provisions in the applicable laws / regulations / requirements and key highlights that set out the obligations to maintain the requisite information in R.24 (e.g., basic and beneficial ownership) and R.25 (e.g., settlors, trustees, protectors (if any), the (class of) beneficiaries, and any other natural person exercising control) respectively.

## APPENDIX 5:
## CONSIDERATIONS FOR HEADS OF DELEGATION WHEN IDENTIFYING POTENTIAL ASSESSORS

(Paragraph 55)

### 1. Availability

The candidate **must be** able to

(a) make the necessary time commitment to take part in an evaluation (e.g. 3 months full-time working over a 14-month period, including 3 to 5 weeks of travel for meetings[1]);
(b) commit to participating in an evaluation in the next 5 years;

(c) attend a one-week 3rd/5th round assessor training course (if they have not already done so), keeping in mind that the GIABA/FATF requires all of its assessors to have completed this training as a minimum requirement.

### 2. Personality

The national expert should be able to:
(a) work well in a multi-cultural environment;
(b) work as part of a team and communicate with diplomatic sensitivity;
(c) have enough confidence to lead an interview with national competent authorities/or private sector representatives from another country.

### 3. Language skills

The national expert should:

(a) be fluent in either English, French or Portuguese to the extent that they can conduct a professional conversation on the phone; and
(b) have experience drafting in any of the languages;

### 4. Operational experience

**T**he national expert should have:

(a) any relevant operational experience which they can draw upon during the evaluation, including, but is not limited to, experience in investigating or prosecuting ML/TF or major economic crime;

(b) experience working in AML/CFT supervision or monitoring (e.g. as part of a financial, DNFBP or NPO supervisor);

(c) experience in international cooperation relating to major organised economic crime, ML or TF;

(d) experience working on national AML/CFT-related policy or strategy; law enforcement experience related to freezing/seizing/confiscating proceeds of crime;

(e) operational experience related to combatting proliferation financing;

(f) any experience in investigating misuse of corporate vehicles.

### 5. AML/CFT assessment experience

The expert should have:

(a) any AML/CFT assessment experience (either as a reviewer/assessor in the current or previous Round(s) of FATF/FSRB assessments or ICRG evaluation experience;

(b) participated in/ contributed to the home AML/CFT mutual evaluation (if applicable); or

(c) as a minimum:

(i) have completed a 5th Round FATF/FSRB Assessor Training Course;

(ii) have sufficient language skills to be able to maintain a professional phone conversation in the language of the assessment;

(iii) be able to make the necessary time commitment to take part in a mutual evaluation if required (working full time for about 3 months over a 14-month period including 3 to 5 weeks of travel for meetings).

## APPENDIX 6: ICRG PROCEDURES

(PARAGRAPH 4)

### Entry Criteria

1. Any FATF or FSRB may nominate a country for active ICRG review if, based on direct and specific knowledge[69], any of the following criteria are met:

(a) Where there appear to be substantial ML, FT, or PF threats or risks likely to meet the criteria for an ICRG review based on MER results.

(b) Where the legal and regulatory framework of a country appears to not comply with important portions of the FATF Standards, which may result in serious vulnerabilities in the AML/CFT framework.

(c) Where, after its MER is adopted, the jurisdiction has lowered its level of commitment to the implementation of the FATF Standards, has seriously weakened its legal and regulatory framework, or has substantially backtracked on technical compliance or effectiveness.

(d) Where a country consistently fails to provide adequate international cooperation related to AML/CFT/CPF.

2. Nominations should be made in writing to the FATF Secretariat, through the delegation's Secretariat[70], president, or relevant co-chairs, at least one month before the next ICRG meeting. The nomination should clearly indicate the reasons for the referral or outline the nature of the difficulties encountered and include supporting materials (e.g. concrete cases, reasonable findings).

3. Where a delegation nominates a country that is a member of an FSRB of which the nominating delegation is not part, the ICRG co-chairs will inform the country of its nomination through the relevant FSRB Secretariat, to allow the country time to present explanations if it is represented in the ICRG. The ICRG would then be asked to recommend to Plenary whether the situation requires ICRG review. If Plenary adopts the nomination, the country will move into the active ICRG review process as described in paragraph 5-8 (Post-Observation Period Report and Revised KRA Roadmap). In such cases, the initial report to the ICRG is referred to as a "post-referral report", since there is no observation period.

4. Any country that does not participate in FATF or an FSRB or that does not allow MER/DAR results to be published in a timely manner will be subject to ICRG review. Non-participation in the FATF or FSRB may demonstrate a lack of political commitment to the FATF Standards, and such countries would also not be subject to a mutual evaluation process with a detailed follow-up process. Failure to publish MER/DAR reports in a timely manner also casts serious uncertainty on a country's compliance with the AML/CFT/CPF standards. Jurisdictions would enter the ICRG Pool and be subject to the prioritisation as described below.

*Prioritisation Threshold and the ICRG Pool*

5. To ensure that ICRG focuses on countries with greater potential to have significant impact on the international financial system, a country will not be subject to active ICRG review unless it has at least 5 billion USD (or the equivalent in other currency) of financial sector assets (the "prioritisation threshold"). Broad money data is the standard, if such data is available, for determining financial sector assets. If broad money data is not available, ICRG will determine financial sector assets based on an equivalent indicator to measure financial sector assets.

6. The ICRG will measure a country's prioritisation threshold at the beginning of the Observation Period to determine whether, at the end of the Observation Period, the country will submit a Post-Observation Period Report

[69] Direct and specific knowledge may include information from other international evaluations on topics related to AML/CFT or from other international groups and organisations in the fields of financial transparency, including information sharing on tax issues, market integrity, banking and financial stability and supervision.

[70] GIABA members should forward their nomination through the Director General.

(POPR) for ICRG consideration, or a follow-up report for consideration by the country's assessment body. The ICRG will measure the country's prioritisation threshold again at the end of the Observation Period, to confirm the ICRG's decision on prioritisation. Countries that do not meet the prioritisation threshold at the end of the Observation Period remain in the ICRG pool, and whether they meet the threshold would be measured annually, as new data becomes available.

7. The ICRG Pool is a tool to prioritise ICRG review, rather than an indication that a jurisdiction will not be reviewed. A jurisdiction in the ICRG Pool can be referred for active monitoring by the ICRG at any point. This could include deciding to place a jurisdiction under active ICRG review (including the timeline for discussing the POPR) rather than placing the jurisdiction in the ICRG Pool. This decision will be based on issues raised by delegations at the ICRG meeting. The Secretariat will prepare a paper for each Plenary meeting outlining risk factors in each of the countries in the ICRG Pool. When the jurisdiction meets the prioritisation criteria, or is otherwise referred for active ICRG review, a POPR would be prepared for discussion at the next ICRG meeting.

8. For countries that remain in the ICRG Pool, progress against KRA will be analysed in line with the enhanced follow-up process of the country's assessment body.

### ICRG Decision Making Processes

9. The following ICRG decision making processes apply when considering:

a) Whether to recommend a nomination for ICRG review to Plenary;
b) the conclusions of a POPR or a post-referral report;
c) revisions to a country's KRA Roadmap;
d) the level of a country's progress against its KRA Roadmap, including whether the country has made insufficient progress;
e) whether an on-site visit is warranted;
f) whether a country should exit ICRG review.

#### *Consensus Proposal by the Joint Group*

10. Where the Joint Group agrees by consensus to make a proposal to the ICRG, the ICRG will consider the proposal and, unless there is consensus to change that proposal, recommend the proposal for adoption by Plenary. Plenary consensus is needed to change the Joint Group's proposal prior to adoption.

#### *No Consensus for Proposal within the Joint Group*

11. In the exceptional case where the Joint Group does not achieve consensus on an issue,[71] there will be a technical discussion of that issue in ICRG.[72] The Joint Group co-chairs will summarise the issue, and the FATF Secretariat will prepare a discussion guide outlining the areas of disagreement on that issue for the ICRG discussion. Joint Group Members, including lead reviewers, and the jurisdiction under review can provide written comments on the issue for inclusion in the discussion guide. If the ICRG achieves consensus on the issue, it will recommend the proposal for adoption by Plenary. As outlined in paragraph 152 of the FATF Internal Governance Principles (IGP), Plenary consensus is needed to deviate from the status quo.[73]

12. Where the ICRG does not achieve consensus on that issue, the ICRG co-chairs will summarise the discussions in ICRG and the FATF Secretariat will update the discussion guide outlining the remaining areas of

[71] Disagreement may arise, for example, over the degree of progress against an existing KRA, or because the proposed KRA is new.

[72] This mechanism should only be used in exceptional circumstances and every effort should be made to achieve consensus within the Joint Group.

[73] In the context of ICRG, the status quo refers to the existing status of ICRG review (including progressing in active ICRG review), text of an existing KRA (in cases where the FATF Plenary has not previously decided on the KRA, this would be the KRA as laid out in the respective FSRB Mutual Evaluation Report), an existing rating, or text of an existing public statement.

disagreement for discussion in Plenary. Where Plenary does not achieve consensus on an issue, the status quo will not be altered, as outlined in paragraph 52 of the IGP.

### Active ICRG Review

### KRA Roadmap and Observation Period

13. Countries that meet the entry criteria and meet the prioritisation threshold at the beginning of the Observation Period will be subject to active ICRG review based on the KRA Roadmap. The Joint Group may recommend amendments to the KRA Roadmap to the ICRG on the basis of a meeting with the MER assessment team and the reviewed jurisdiction. In such cases, the Joint Group will prepare a KRA Roadmap with these amendments at the beginning of the Observation Period described in paragraph 160 of the IGP.

14. When amending the KRA Roadmap, the Joint Group will focus on strategic deficiencies, with a degree of flexibility to add KRA from the list of RAs adopted in the MER but were not considered sufficiently important to be a KRA. The KRA Roadmap is expected to be consistent with footnote 31 of these Procedures. Where the Joint Group reaches consensus to recommend a KRA Roadmap, Plenary consensus is required to overturn the Joint Group's recommendation. Where there is no consensus on a KRA Roadmap in the Joint Group, the KRA as outlined in the FSRB MER prevail, and Plenary consensus will be required to make any changes.

15. For FATF members under ICRG review, the Observation Period starts when the Plenary adopts the country's MER. The Observation Period for FSRB members under ICRG review starts when its KRA Roadmap is finalised and adopted by the FATF Plenary. Normally, this will occur at the FATF Plenary after the FSRB Plenary adopts the country's MER. In cases where the MER is adopted less than six weeks before the FATF Plenary, the preparation and finalisation of the KRA Roadmap (and consequently the start of the Observation Period) will be postponed until the following FATF Plenary. During the Observation Period, the country should work with the FATF or the FSRB which adopted the mutual evaluation report (the assessment body) to address the KRA identified in its KRA Roadmap.

### Post-Observation Period Report and Revised KRA Roadmap

16. All countries under active ICRG review will report to the Joint Group for consideration following the Plenary that marks the end of their Observation Period. This report is intended to be targeted on the countries' progress against its KRA Roadmap, with the focus being on the extent to which the country has addressed KRA related to each Immediate Outcome rated low or moderate and technical compliance deficiencies for Recommendations 3, 5, 6, 10, 11 and 20. The Joint Group assesses the degree and quality of progress made by the country against the KRA Roadmap and reports its findings to the next ICRG meeting. This report is referred to as the Post-Observation Period Report (POPR). All POPRs will be put on the ICRG agenda as single items.

17. If the Joint Group is satisfied that the country has fully or largely addressed the KRA in its KRA Roadmap, it will propose to the ICRG that the country be removed from the ICRG process. When Plenary adopts the proposal, the country is removed from the ICRG process and will prepare for its next mutual evaluation. The country should also request TC re-rating for any Recommendation rated NC or PC. Such a request should be made to the country's assessment body in line with that assessment body's procedures. When considering such a request, the assessment body should consider any relevant conclusions reached by the Joint Group.

18. If the Joint Group does not reach consensus that the country has fully or largely addressed all the KRA in its KRA Roadmap, the Joint Group, in consultation with the assessed country, will develop a revised KRA Roadmap with timelines for addressing each KRA. The revised KRA Roadmap will include any KRA or strategic technical compliance issues that remain after the Observation Period. When revising a KRA Roadmap, the Joint Group may propose to add RAs or amend or remove existing KRAs, taking into account the information provided in the POPR, as well as any changes in risk and context.

19. The FATF will seek from the assessed country a high-level political commitment to the revised KRA Roadmap. Then the revised KRA Roadmap will be discussed in ICRG and recommended for adoption by the Plenary.

### Continuing ICRG Monitoring and Review for Sufficient Progress

20. A country under active ICRG review is expected to fully or largely address the actions included in the revised KRA Roadmap and make sufficient progress within the agreed timelines. Such actions may include the enactment or amendment of laws, the promulgation of new regulations that comply with the FATF Standards and any other measures included in the revised KRA Roadmap. In addition, the country is expected to maintain full co-operation with the FATF/FSRB and the ICRG process.

21. If no timelines in the revised KRA Roadmap expire within the first two Plenary cycles, countries will report progress every second Plenary after adoption of the revised KRA Roadmap. Countries may request more frequent reporting on KRA that remain non-addressed or partly addressed where they have made substantial progress against those KRA. Countries will be required to report every cycle if the majority of KRA in the revised KRA Roadmap are not addressed within the agreed timeframes. If expedited reporting is triggered, the FATF President will communicate the new reporting requirements to the assessed country.

22. Each Joint Group will review monitored jurisdictions' progress against the revised KRA Roadmaps. Each Joint Group's co-chairs will report the conclusions of each Joint Group to the ICRG. Sufficient information will be provided to delegations in the report of the Joint Group co-chairs and in individual country reports, to allow the ICRG to endorse these recommendations and propose decisions for Plenary approval where necessary.

23. The ICRG will consider a country's overall progress against its revised KRA Roadmap approximately one year after the country provides its high-level political commitment. At that time, or any time thereafter, the ICRG may conclude that a country under active ICRG review has not made sufficient progress if any of the following criteria are met:

(a) the majority of KRA have not been fully or largely addressed within the agreed timelines; or

(b) the country fails to provide adequate co-operation with the ICRG process or other indications that the high-level political commitment no longer applies.

### Public Statements

24. Once a country has agreed to a revised KRA Roadmap with the ICRG and that Roadmap is adopted by the FATF Plenary, the country would be publicly identified as under review by the FATF. The public statement would note the country's high-level political commitment to address its AML/CFT deficiencies.

25. If a country fails to provide high-level political commitment to its revised KRA Roadmap, or a country has not made sufficient progress on its revised KRA Roadmap, the FATF will issue a separate public statement, calling on members of the Global Network to consider the risks arising from the deficiencies associated with that country. With a view to aligning these public statements with Recommendation 19 on higher-risk countries, the FATF should include the following phrase in the statement: "The FATF calls on its members to advise their financial institutions to apply enhanced due diligence measures proportionate to the risks arising from the deficiencies associated with each jurisdiction as described below". Any such statement will make it clear that it is not a call for countermeasures referred to in the second part of Recommendation 19. As with all public statements, the adoption of the public statement would require Plenary consensus.

26. If, after a public statement referred to in paragraph 24, a country continues to fail to provide high-level political commitment to a revised KRA Roadmap or to complete its revised KRA Roadmap, the FATF may issue a public statement calling for the Global Network to apply countermeasures. The Interpretive Note to Recommendation 19 provides a longer list of examples of countermeasures that could be taken by countries. The Plenary should take these examples into account when considering calling for countermeasures.

27. The public lists of countries subject to a public statement will be updated at each FATF Plenary, as necessary.

### ICRG On-site Visit and De-listing

28. The ICRG would determine factually that the process of implementing the required reforms and KRA are fully in place, are being sustained, and that the country has high-level political commitment to continue

implementing and improving its AML/CFT/CPF frameworks. When the ICRG determines that a jurisdiction has completed its revised KRA Roadmap, the ICRG will recommend an on-site visit to assess this.

29. Each ICRG on-site visit must take place in person and be conducted by a team of at least five ICRG JG participants. The on-site team is led by one or both Joint Group co-chairs with the participation of the FATF and GIABA Secretariats and at least three members of the Joint Group. Other JG members may attend on a voluntary basis, but each member of the team should have been a part of the regular and active dialogue with the monitored jurisdiction throughout the ICRG process and possess technical knowledge of the country's revised KRA Roadmap and progress achieved. Each member of the on-site team will lead at least one section of the discussions.

30. Normally, an ICRG on-site visit lasts two days, but this may vary slightly depending on the details of the revised KRA Roadmap. During the visit, the ICRG on-site team has a number of face-to-face meetings with various stakeholders, to confirm that the reforms and actions are in place and there is high level political commitment to sustain these measures and to continue implementing and improving the AML/CFT/CPF frameworks, in cooperation with the country's assessment body, for the benefit of both the country itself and the Global Network. These stakeholders will include relevant competent authorities, private sector representatives and a minister or other equivalent high-level government authority responsible for the domestic co-ordination of AML/CFT/CPF issues. The on-site programme should also include a visit to the FIU premises where relevant.

31. Following the ICRG on-site visit, the on-site team will produce a report of their findings. At the next ICRG meeting following the on-site, the ICRG will decide on the basis of the findings of the on-site visit report whether the jurisdiction is ready to exit the ICRG process. If the decision is positive, the FATF will make a public statement indicating that the jurisdiction concerned has made significant progress, and that the jurisdiction is no longer subject to the formal ICRG process.

32. To avoid duplication of efforts and potential inconsistency, the FATF ICRG has exclusive jurisdiction over any issues in a country's KRA Roadmap,[74] including any technical compliance (TC) issues listed in the KRA Roadmap, for any country under active ICRG review. Once a country exits ICRG (whether at the end of a Post-Observation Period Report or by completion of their KRA Roadmap), that country should request TCRR for any TC issues listed in the KRA Roadmap from their assessment body.

33. In the third year after adoption of its MER, if a country remains in active ICRG review that country may request TCRR from GIABA for any Recommendation not included in the KRA Roadmap rated NC/PC where the country has made legal, regulatory or operational framework changes since the MER and Recommendations where there has been a change in the FATF Standards for which the country has not previously been assessed. To request TCRR for any Recommendation rated NC/PC that is included in the country's KRA Roadmap:

(a) the FATF ICRG must have determined that the KRA regarding that technical deficiency has been fully or largely addressed; and
(b) in preparing the technical compliance analysis for TCRR the expert reviewers should, to the extent possible, draw on the work already done by the ICRG as set out in the ICRG progress reports and adopted by the FATF Plenary.[75]

[74] References to KRA Roadmap include references to any revised KRA Roadmap.

[75] The ICRG process assesses a country's progress against KRA, which is a different process from assessing a country's legal, regulatory, or operational framework directly against the criteria set out in the *FATF Methodology*. If the follow-up experts reach a different conclusion to the ICRG report (in cases where the Standards or the framework have not changed) then they should explain the reasons for their conclusion.

## APPENDIX 7: ICRG ILLUSTRATIVE DEADLINES

