



FINANCIAL ACTION TASK FORCE



# FATF BUSINESS BULLETIN

September 2019

*This Bulletin provides a brief update on the **FATF Mutual Evaluation Reports of Greece and Hong Kong, China**, as well as **Follow-up Report of Iceland**. For additional details, please see the **FATF public website**.*

## *Greece - Mutual Evaluation Report*

- The FATF assessed Greece's anti-money laundering and counter terrorist financing (AML/CFT) system. The **Mutual Evaluation Report of Greece 2019** (pdf, 3Mb) is a comprehensive review of the effectiveness of Greece's measures and their compliance with the FATF Recommendations. **Key findings, ratings and priority actions can be found [here](#).**
- Greece completed its first comprehensive national assessment of money laundering and terrorist financing risks in 2018 and has a good understanding of the risks it faces. The lucrative drug trade in Greece is one of the most important money laundering risks the country faces. Other risks include corruption and smuggling of migrants. The country's terrorist financing risks come primarily from domestic terrorist groups.
- Greece has a particularly strong legal framework to fight these crimes which needs only minor improvements to meet the FATF requirements.
- Authorities work together effectively, making good use of financial intelligence. Greece is effectively using tools to disrupt terrorist financing, and seize and freeze criminals' assets but delays can prevent effective money laundering prosecution. Greece should also prioritise the investigation and prosecution of money laundering as a standalone offence.
- Greece authorities actively co-operate with foreign counterparts to both share information and to build their own cases for investigation.
- The Greek banking sector understands its potential exposure to crime or terror related transactions and is effectively supervised using a risk-based approach. However, without detailed guidance, lawyers, tax advisors and other non-financial entities do not fully understand the risks they face. Supervision of this sector is often inconsistent, including the sanctioning of entities that fail to implement the required measures to prevent criminals and terrorists from using their services.
- Greek investigators have access to a database of up-to-date beneficial ownership information of legal persons as well as other databases. However, it is difficult to obtain timely and accurate ownership information concerning the Greek shipping industry, which frequently uses higher risk bearer shares and complex structures involving offshore locations.
- The country takes effective action in several areas, however, it needs to strengthen its risk-based approach to supervision and implementation of preventive measures, prosecution of money laundering, confiscation, and preventing misuse of legal structures and the non-profit sector.



## Hong Kong, China - Mutual Evaluation Report

- The FATF and the Asia-Pacific Group on Money Laundering assessed Hong Kong, China's AML/CFT system. The [Mutual Evaluation Report of Hong Kong, China 2019](#) (pdf, 4Mb) is a comprehensive review of the effectiveness of Hong Kong, China's measures and their level of compliance with the FATF Recommendations. **Key findings, ratings and priority actions can be found [here](#).**
- Hong Kong, China is a major financial centre. While Hong Kong, China has a low domestic crime rate, it faces a significant risk of attracting those who seek to launder the proceeds of crimes such as corruption and tax evasion.
- Authorities in Hong Kong, China generally have a good understanding of the money laundering and terrorist financing risks they are exposed to, as do the larger financial sector entities. However, some smaller institutions, non-financial businesses and their supervisors do not always understand these risks, or how to mitigate them.
- Hong Kong, China actively prosecutes money laundering from domestic offences. It also prioritises the confiscation of proceeds of crime through strong action by law enforcement agencies and prosecutors. Authorities respond effectively to the large number of requests for cooperation from foreign counterparts. However, given the jurisdiction's position as an international financial centre, and the risks it faces from crimes committed abroad, it is not making sufficient outgoing requests for cooperation. Authorities could focus more on prosecuting the laundering of proceeds from foreign offences.
- Hong Kong, China faces a medium-low risk of terrorist financing. Nevertheless, it has implemented sound systems to detect and investigate terrorist financing when it occurs. Due to contextual factors such as its geographic location and its role as an international financial centre, Hong Kong China could attract transactions necessary for the proliferation of weapons of mass destruction. Authorities demonstrated a robust use of financial intelligence and the capacity to conduct complex investigations in this context, although these have not yet exposed proliferation financing cases.
- Hong Kong, China's recent legislative amendments have significantly strengthened its response to fight money laundering and terrorist financing, but these measures have not been operational for long enough to fully demonstrate their effectiveness.
- Hong Kong, China must increase its efforts to prosecute money laundering linked to foreign predicates, increase risk understanding and AML/CFT implementation by smaller institutions, and strengthen supervisory measures for some sectors.



## Iceland - Follow-Up Report

- Iceland has been in an enhanced follow-up process following the adoption of its mutual evaluation in 2018. In line with the FATF Procedures for mutual evaluations, the country has reported back to the FATF on the action it has taken since then.
- The FATF has now re-rated the country on **14 FATF Recommendations**, to reflect the country's progress and current level of technical compliance, including on Recommendations that have changed since their 2018 assessment. (see the full [Follow-up Report of Iceland](#)).
- Today, Iceland remains partially or non-compliant on 12 of the 40 Recommendations. It is compliant on 14 Recommendations and Largely Compliant on 14 Recommendations.
- Iceland will continue to report back to FATF on its progress.





## APG

- ▶ Bangladesh - **Follow-up Report**
- ▶ Cambodia - **Follow-up Report**
- ▶ Fiji - **Follow-up Report**
- ▶ Myanmar - **Follow-up Report**

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## CFATF

- ▶ Republic of Haiti - **Mutual Evaluation Report**

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## GIABA

- ▶ Burkina Faso - **Mutual Evaluation Report**
- ▶ Senegal - **Mutual Evaluation Report**
- ▶ Cabo Verde - **Mutual Evaluation Report**

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## MENAFATF

- ▶ Mauritania - **Follow-up Report**

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## MONEYVAL

- ▶ The Isle of Man - **Follow-up Report**
- ▶ Ukraine - **Follow-up Report**

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