

#### **OECD International Academy for Tax Crime Investigation**

Managing Financial Investigations



# MONEY LAUNDERING INTERNATIONAL STANDARDS

Sun Tzu "The Art of War":

"Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before the defeat"

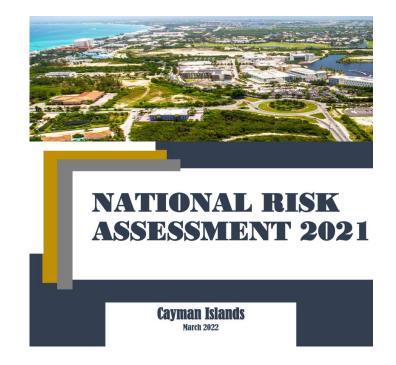
#### Financial Action Task Force



Effectiveness ratings that reflect the extent to which a country's measures are effective. The assessment is conducted on the basis of **11 immediate outcomes**, which represent key goals that an effective AML/CFT system should achieve

#### Financial Action Task Force

# Risk and context!



## FATF Immediate Outcome 7 (107)



Money laundering offences and activities are investigated and offenders are prosecuted and subject to effective, proportionate and dissuasive sanctions

How well, and in what circumstances is ML activity identified and investigated (including through parallel financial investigations?

- Level of information sharing between the FIU and LEAs
- ML investigations initiated at a law enforcement level
- Number of parallel financial investigations
- Specific ML and special techniques of investigations trainings
- Joint law enforcement investigations teams

To what extent is ML activity (including different types of ML cases) being prosecuted and offenders convicted?

- ML offences charges because of a parallel financial investigation
- Level of information sharing between LEAs and Prosecutors
- ML specialized prosecutors and/or units
- ML third-party, stand-alone and/or self-laundering cases are prosecuted and convicted

To what extent are the sanctions applied against natural or legal persons convicted of ML offences effective, proportionate and dissuasive?

- Application of civil, administrative and/or criminal sanctions
- ML convictions extended to the legal persons acting as sham companies to obscure the identity of the natural person
- Sanctions imposed for ML compared with those for other comparable criminal activity

To what extent do countries apply other criminal justice measures in cases where a ML investigation has been pursued but where it is not possible, for justifiable reasons to secure a ML conviction? Such alternative measures should not diminish the importance or, be a substitute for, prosecutions and convictions for ML offences.

- Disruption of cross-border cash flows
- Predicate offences charges for those cases in which the ML conviction is not possible
- Taxation and civil recovery

## FATF Immediate Outcome 9 (109)



Terrorist financing offences and activities are investigated and persons who finance terrorism are prosecuted and subject to effective, proportionate and dissuasive sanctions

Countries should identify and investigate the financing component for all terrorist crimes, and they should also leverage all other avenues, like intelligence to identify and investigate potential TF activity.

- Adequacy of resources
- Level of information sharing
- Application of clear laws
- Joint investigation teams
- Tools available to investigators

Countries should prosecute TF activity (e.g., distinct offences, foreign or domestic terrorists, financing of the travel of foreign terrorist fighters) and convict offenders.

- Types of activity financed (e.g. low complexity attacks, large coordinated attacks, training of terrorists)
- Number of prosecutions
- Proportion of cases leading to TF prosecution
- Type of TF prosecutions and convictions
- Level of sanctions imposed for TF offences

Countries need to have effective sanctions for people and legal entities that have been convicted of TF offences, so that the individuals are dissuaded from committing TF offences.

- Sentences, fines and other penalties available and given
- Effective sanctions (significant for the type of crime)
- Proportionate sanctions
- Significant dissuasive sanctions

Countries would use information and intelligence obtained in the investigation, prosecution and conviction of TF activity to inform the formulation of national counter-terrorism strategies, and support national counter-terrorism purposes and activities.

- TF investigations and investigative tools
- Focus on financial elements to disrupt
- Financial component or parallel financial investigations
- Expertise and cooperation with counter-terrorism strategies that include the use of TF investigations to support terrorism investigations

Country should pursue a TF charge when investigators and prosecutors have sufficient evidence TF has been committed. If not possible, then the country should take action to make sure the TF activity ceases.

- Disruption of cross-border flows
- Regulatory measures such as the removal of licences
- Non-conviction based seizures
- Travel bans in place
- Listing of individuals in the targeted financial sanctions regime