



Ruth feels strongly about working collaboratively to disrupt financial crime networks. Her previous experience at a fast growing challenger bank has given her insight into how these networks can emerge, and how robust processes and horizon scanning can help to mitigate impacts.

The global debate around the importance of beneficial ownership (BO) transparency continues. The **UK Home Office** has stated their commitment to meeting the [Beneficial Ownership Transparency Disclosure Principles](#). The correspondence, released at the start of the month, details the principles adopted by the G20 leaders. The stated aim is to “create a new global norm of beneficial ownership transparency”, which is an important step in the direction of reducing the illicit use of assets for criminal purposes. Some of the key principles the UK have committed to include, but are not limited to:

- ensuring company BO data is freely downloadable, without a fee or administrative parameters;
- considering the implementation of BO transparency beyond companies to encompass a broader group of asset classes; and
- engaging a broad range of stakeholders to advance the BO transparency cause.

## UK

**HM Treasury** has published the first complete assessment on proliferation financing (PF) risk in the UK. The report covers key risks and vulnerabilities and provides an overview of the measures already in place, separate to those measures recommended by FATF. The publication of [this](#) report is to serve as a launchpad for opening up the discussion further and aims to strengthen the UK's response to the threat posed by PF.

Draft legislation has been published by **HM Treasury** for a new levy, this will be referred to as [the Economic Crime \(AML\) Levy](#), or ECL. The levy is split into 14 clauses and will apply to the AML regulated sector. The levy fee an entity owes will be determined by their size band. The intention is to raise around £100 million each year from the AML sector and will be put towards AML reforms.

The **National Crime Agency (NCA)** has published an updated suspicious activity report (SAR) glossary code and reporting routes booklet. [The booklet](#) replaces all previous glossary code publications and outlines some important factors to consider when deciding which codes are required. The booklet also highlights a number of codes that are required when reports relate to vulnerable persons and fast-tracking is needed; a number of good practice tips are shared too.

**RUSI** published their [guidance paper](#) on Counterproliferation Financing for Virtual Asset Service Providers (VASPs). The guidance paper works through the compliance life-cycle, using case studies, typologies and red flags to guide those in the sector on how best to manage the risk posed by PF. All the relevant stages are covered: screening, onboarding, customer due diligence and ongoing monitoring.

The [open consultation](#) and call for evidence regarding the review of the UK's AML/CTF regulatory and supervisory regime is coming to a close on the 14th October. **HM Treasury** are seeking feedback on 'effectiveness' specifically and will aim to make improvements based on the outcome of their review. The call for evidence covers a range of questions across the supervisory and regulatory regimes and is looking for feedback from a broad spectrum of industries.

## Europe

This month has seen the second of the [joint risk assessment reports for 2021](#) published by the three **European Supervisory Authorities (ESAs)**. A key takeaway from the report is the increasing vulnerability of the financial sector to cyber risk and cyber-related crimes. The report outlines a number of policy actions for the ESAs, financial institutions and others, to take away. One of the key actions implores institutions to take due care to ensure that their cyber risks are being carefully managed.

The **UNODC**, in collaboration with **EUROPOL**, have published their '[Cocaine Insights 1](#)' report. The report covers policy implications as well as developments in cocaine trafficking and how these networks maintain a presence in Europe. The report serves to emphasize and remind governments around the world of the importance of taking into account the transnational nature of money laundering, and how important it is for jurisdictional Financial Intelligence Units (FIUs) to cooperate in order to interrupt the supply of cocaine into Europe.

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## Global

September marks the publication of the [10th Basel AML Index](#) by the **Basel Institute on Governance**. The index, which ranks and assesses the risk of money laundering (ML) and terrorist financing (TF) globally, scores 110 countries. The level of data requirements has been raised this year in an attempt to improve the standard of the scoring. In terms of cryptocurrencies, the report has found that jurisdictions around the world are not responding well to the ML threats posed by virtual assets.

**GITOC** has published [The Global Organized Crime Index 2021](#). This report evaluates the levels of crime and resilience in all the UN member states. As well as presenting six key findings, five implications are also drawn out. GITOC reiterates that it is essential to acknowledge the scale of the problem of transnational organised crime, before we can start to effectively address it. Anti-money laundering is one of the 12 resilience indicators used to determine the ranking for each country.

**FATF** have published a [follow-up report](#) on Iceland and their progress in strengthening measures to tackle ML and TF. The initial mutual evaluation report identified a number of technical compliance deficiencies, and this report assessed any improvements that have been made. FATF concluded that Iceland has made good progress and their mutual evaluation score was upgraded.

## USA

**FinCEN** issued [an advance](#) notice for public comment on the proposed implementation of amendments to the Banking Secrecy Act (BSA) on the trade in antiquities. The amendment proposes to widen the definition of 'financial institution' to include those who trade in antiquities, including those who advise, consult or engage as a business in the solicitation or sale of them. Comments must be received by 25th October.

The **Department of the Treasury** has published an [updated advisory notice](#) on the potential sanctions risks for facilitating ransomware payments. The notice asserts the importance of understanding that allowing ransomware payments may aid malicious actors with a sanctions nexus to make gains from their illicit activities. The key takeaway is the US government standpoint: active discouragement of those that have been subject to a cyber ransomware attack or to extortion demands not to pay.



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