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CONSEIL DE L'EUROPE

Strasbourg, 27 August 2020

MONEYVAL(2020)23

**COMMITTEE OF EXPERTS
ON THE EVALUATION OF ANTI-MONEY LAUNDERING MEASURES
AND THE FINANCING OF TERRORISM**

MONEYVAL

**2nd INTERSESSIONAL CONSULTATIONS
WORKING MEETINGS
Strasbourg, 30 June - 3 July 2020**

MEETING REPORT

MEMORANDUM

Prepared by the MONEYVAL Secretariat

Executive Summary

During the Working meetings, held virtually from Strasbourg, 30 June - 3 July 2020, the MONEYVAL Committee:

- heard information on the impact of COVID-19 on MONEYVAL's planning and operations;
- heard information on the June 2020 FATF Plenary Meeting and the FATF Strategic Review;
- held a discussion on the draft amendments to the MONEYVAL Rules of Procedure allowing the use of videoconferencing facilities;
- heard information of the adoption of the follow-up reports of Czech Republic, Lithuania and Ukraine;
- heard a presentation by the EU Commissioner on recent AML/CFT developments in the EU;
- heard various presentations and held discussions on quality, consistency and horizontal issues in MONEYVAL mutual evaluations;
- held a discussion on the MONEYVAL Workplan for 2020 - 2022;
- held a discussion on quality and consistency issues in MONEYVAL evaluations, and in particular the issue of applicability of group-wide requirements to DNFBCPs (R.23)
- heard a presentation of preliminary findings on COVID-19 related ML/TF risks and trends;
- heard a presentation on the horizontal review of Immediate Outcome 9;
- heard an update by the Secretariat on the Committee's regional operational plan on countering the financing of terrorism;
- held discussions and presentations of typologies research topics for the period 2020 – 2021.

Reports adopted will be made available shortly under each jurisdiction's profile, in accordance with MONEYVAL's publication policy.

The Committee of Experts on the evaluation of anti-money laundering measures and the financing of terrorism (MONEYVAL) held its 2nd Intersessional Consultations Working Meetings from 30 June - 3 July 2020 virtually from Strasbourg under the presidency of Ms Elżbieta Franków-Jaśkiewicz (Poland). The agenda of the meetings is attached as Annex I and the list of participants is attached as Annex II.

Day 1: Tuesday 30 June 2020

Agenda item 1 – Opening of the Plenary Meeting

1. The Chair, Ms Elżbieta Franków-Jaśkiewicz, opened the Plenary by welcoming all participants.
2. Mr Gianluca Esposito, Head of the Action against Crime Department, and Ethics officer, Council of Europe Secretariat, informed the Meeting about the recent developments on the working methods and internal coordination across monitoring bodies within the Council of Europe. Mr Esposito also reported on the ongoing works for the development of a Council of Europe ethics rules. The development of ethics rules will not only apply to the Council of Europe employees, but also all persons involved in its activities. In line with this workstream, the Principles of Conduct for MONEYVAL Mutual Evaluations' Teams have been adopted by the Ethics Officer.

Agenda item 1.1 – Adoption of the agenda

3. The Committee adopted the agenda as circulated (see Appendix I).

Agenda item 1.2 – Information from the Chairman

4. The Chair informed the Meeting about the need to adopt amendments to the MONEYVAL Rules of Procedure (RoPs) to allow holding virtual Plenary meetings.
5. Ms Franków-Jaśkiewicz also informed the Meeting about the Bureau's continued engagement to discuss: implications caused to MONEYVAL's work by the COVID-19; planning and format of MONEYVAL's key activities and draft Workplan; amendments to the Rules of Procedure with a view to the follow-up reporting process; amendments to MONEYVAL's Statute to include PF; the enhanced follow-up reports of Czech Republic, Isle of Man; Lithuania and Ukraine; and the restarting of MONEYVAL's typologies work.
6. In addition, the Chair informed the Meeting about the steps taken in MONEYVAL's first and second Intersessional Consultations and the adoption of the enhanced follow-up reports of Czech Republic, Lithuania and Ukraine. The Chair also reported on the COVID-related research conducted by the MONEYVAL Secretariat based on the feedback submitted by numerous delegations.
7. Ms Franków-Jaśkiewicz reported on her participation to the high-level conference on the consequences of the COVID-19 pandemic under the Greek Chairmanship of the Council of Europe; the high-level meeting with the Council of Europe Secretary General with the Heads of CoE Monitoring bodies; and the upcoming meeting with the Committee of Ministers and the President of the Financial Action Task Force (FATF), scheduled for 9 September 2020.
8. Last but not least, the Membership and observers were informed on the plan to hold MONEYVAL's next Plenary meeting between 14 and 18 September 2020, either with full physical presence or in a hybrid format (delegations with travel restrictions will be able to

participate in the Plenary meeting virtually).

Agenda item 2 – Information from the Secretariat

9. The Executive Secretary informed the Meeting about the impact of COVID-19 on MONEYVAL's mutual evaluation process for 2020-2021 and MONEYVAL's workplan. In particular, the on-site visits for San Marino and the Holy See were rescheduled for September – October 2020, the on-site visit to Croatia was rescheduled for January 2021, and the country trainings to Bulgaria and Liechtenstein were rescheduled for August. As for the Face-to Face meetings for the mutual evaluations of Georgia and the Slovak Republic, these will take place remotely in July.
10. Moreover, he reported on the rescheduling of MONEYVAL's follow-up process by four months, in line with the FATF practice. As for countries in the follow-up process that reported to the Secretariat before the COVID-19 lockdown, their reports were circulated under MONEYVAL's written process following Rule 6 and Rule 21 of the MONEYVAL RoPs.
11. In light of the Council of Europe Secretary General letter to intergovernmental committees of the Organisation to maintain the work programme, and in line with Bureau decisions the Executive Secretary reported on the scheduling of a hybrid MONEYVAL Plenary between 14 and 18 of September 2020. This will allow delegations facing travel restrictions to participate in the MONEYVAL Plenary virtually.
12. As regards the staff situation in the MONEYVAL Secretariat, the Executive Secretary informed the Meeting of the restructure of the Secretariat and welcomed Ms Irina Talianu, as Head of Unit responsible for typologies work, and Mr Andrew Le Brun as Mutual Evaluations Coordinator. The Executive Secretary also informed about two on-going external recruitment competitions for two additional administrators and two secondees. As for voluntary contributions the membership was informed of the new process put in place by the Council of Europe. He invited all MONEYVAL delegations to consider making such voluntary contributions, in order to support the various workstreams of MONEYVAL.

Agenda item 3 – Information on the June FATF meeting and the FATF Strategic Review

3.1 Information by the FATF Secretariat

13. The Chair informed the Meeting about the FATF Working Group and Strategic Review Group meetings held virtually in May – June 2020 and the decision made the FATF membership on the way forward for the next assessment round. Discussions were also held concerning the International Co-operation Review Group (ICRG), the new standards for proliferation financing (PF) and typologies.
14. The FATF representative, Mr Robert Norfolk-Whittaker, informed the meeting on the agenda of the June 2020 FATF Plenary and the priorities of the FATF German Presidency for the period between July 2020 – June 2022. These are the digital transformation of AML/CFT; the financing of ethnically or racially motivated terrorism; money laundering and migrant smuggling; environmental crime; illicit arms trafficking. During the German Presidency, the FATF will continue to deliver its core work of identifying risks, setting standards, evaluating and holding countries to account to promote effective action.
15. The meeting was informed of the on-going work on the FATF Strategic Review. An agreement was reached by the FATF Plenary on a number of key aspects of the Review, primarily the framework for the next round of evaluations. There are four key points of the agreement: the assessment of technical compliance will be conducted as a desk-based

process; ad hoc thematic and horizontal reviews; jurisdictional assessments on Immediate Outcomes will include re-evaluation and re-rating of the effectiveness; and risk-based approach (RBA), where further work will be considered to re-enforce those elements in the evaluation that consider risk (e.g. scoping note exercise).

16. As a result of the COVID-19 pandemic, the FATF representative informed of the decision taken in April 2020 to pause the FATF Evaluation Process and grant additional 4 months to the deadline of the mutual evaluation process and the jurisdictions currently being in ICRG process. Given the uncertainty caused by the COVID-19, the ICRG will conduct a stock taking regarding countries under review, consult members by mid-July 2020 and develop more concrete proposals.
17. The Meeting was also informed on the Evaluations and Compliance Group (ECG) and the Policy Development Group (PDG) matters, as well as the publication of the typologies study on *Money Laundering and the Illegal Wildlife Trade*, the prospective update of its PF-related Guidance and the introduction of the first FATF e-learning course.

3.2 Information by the MONEYVAL Secretariat

18. The Secretariat informed the membership of the most recent developments in the Policy Development Group (PDG) of the FATF. In October 2019, PDG discussed proposals for amendments to Rec.1/INR.1, to set out requirements for countries and the private sector to assess and mitigate proliferation financing risk. There was broad agreement that the scope of these obligations should cover the country-specific approach, i.e. the breach, non-implementation or evasion of PF sanctions. Since February 2020 PDG meeting, discussions have progressed through two rounds of virtual meetings and written comments. Follow up discussions in PDG (held in May 2020), however, focused on two issues: (i) how to avoid unintended cascading effect that the amendments to Rec.1/INR.1 could have on the application of other FATF Recommendations and IOs (apart from IO11), and (ii) how to reflect the narrow scope of PF in the proposed amendments to R.1. PDG reached a consensus that there should not be any cascading effect if and when the amendments to Rec.1 are adopted. To secure the implementation of this decision, PDG agreed to:
 - a) include a footnote in the Interpretative Note to Rec.1 stating that the requirements under Recommendation 1 for PF risk assessment and mitigation do not expand the scope of other requirements under other Recommendations;
 - b) upon PDG request, the Plenary included the clarification that there should be no cascading effect of changes in the Rec.1 to other Recs and IOs (except from IO11) in its' decisions; and
 - c) the Plenary requested the Evaluation Compliance Group (ECG) to limit any changes to the methodology, resulting from the amendments, to Rec.1 and IO11 and to clarify this in the text of paragraph 24 of the methodology.
19. With regard to the nature and extent of measures which the private sector should take to mitigate the risks, given the previously agreed definition of PF risk and narrow scope of amendments, PDG will proceed with public consultation before the final text of the amendments to Rec.1 is put forward for Plenary's discussion in October 2020.
20. The membership was briefed on recent discussions on beneficial ownership standards. In March 2020 PDG set up a project team with the aim to systematically review BO related standards and most notably Rec.24. The Project Team then set up three 'sub-groups' to discuss three different areas and as follows: (i) sub-group 1 to deal with standards on

'adequate, accurate and timely information'; (ii) sub-group 2 to deal with standards on 'access to information'; and (iii) sub-group 3 to discuss issues on 'obstacles to transparency'. Although none of the sub-groups has yet finalised its discussions, the reports on progress made and their initial findings were presented to the Project Team in late May 2020. Depending on the progress of the Project Team and its sub-groups, PDG would be able to consider their recommendations in October 2020 or in February 2021. Given that the 4th(FATF)/5th (MONEYVAL) round of mutual evaluations is further than half way through at the moment, PDG concluded that it was very unlikely that any changes on BO related standards would be made to the methodology in time to be assessed in the remaining evaluations.

21. The representative of Jersey, Mr George Pearmain, reported on the FATF Plenary discussions on Recommendation 24, particularly the timeliness and availability of beneficial ownership (BO) information. The Group was led by Russia and the UK, whereas sub-groups were led by the US, Jersey and the World Bank. The working groups focused on the areas of adequate, accurate and timely BO information; the cascading effect on Recommendation 10 and its interpretative note; and the accuracy and the importance of verification.
22. In relation to access of information, the two emerging areas are: the consensus that in certain circumstances there should be direct access to information for certain competent authorities; and the emerging consensus around a time scale for provision of an initial request for BO information exchange internationally, including the identification of a method in which that information is provided in order to achieve better interoperability.
23. As for the third sub-group, it is looking for obstacles to transparency on nominee shareholders, bearer negotiable instruments or other obstacles challenging in these areas, due to the prevalence of those methods being used for illicit finance.
24. The representative of Jersey informed that the current considerations will be discussed in the FATF Plenary scheduled for October 2020, which will result in further work for the PDG and ECG in 2021 were plenary decisions are expected to be made. Therefore, any changes related to Recommendation 24 will be made to the end of the FATFs ongoing evaluation cycle.
25. The Secretariat reported on a meeting of the FATF's Virtual Assets Contact Group in May to discuss: (i) the 12-month review of the FATF standards on VAs and VASPs; and (ii) proposals for strengthening International cooperation between supervisors of VASPs. The former paper has been adopted by the FATF Plenary and latter will be considered by PDG in October. The authoring authorities for proposals to strengthen supervisory cooperation include Gibraltar. The Secretariat had provided some input into the implementation of R.15 based on initial findings of four FURs and had requested clarification on the extent to which VASP groups must have a group AML/CFT programme under c.15.9. It had also suggested considering practice adopted by other standard setters to facilitate improved cooperation, e.g. multi-lateral memoranda of understanding and investor alerts.
26. The Secretariat reported on a meeting of the FATF Supervisors' Forum in May which had discussed the application of a risk-based approach (RBA) to DNFBP supervision. The meeting had consisted of two panel sessions – the first chaired by Singapore and second by Jersey. Panellists - drawn from Spain, the UK, Ireland and the World Bank – had outlined elements of an RBA. Key points from this forum were highlighted by the Secretariat.

Agenda item 4: Discussion of draft amendments to MONEYVAL Rules of Procedure on the use of videoconferencing facilities

27. Members were presented with proposed amendments to MONEYVAL's Rules of Procedures, in particular envisaging the addition of a new Rule 28 bis ("MONEYVAL working methods in exceptional circumstances"). This Rule would envisage the possibility to holding meetings and activities in a virtual or "hybrid" fashion. The possibility of a written procedure following a virtual or "hybrid" event may be ensured at the decision of the MONEYVAL Plenary. The decision to amend the Rules of Procedure will be made following the Working Meetings via "silent procedure".

Agenda item 5: Presentation by the European Commission on recent developments

28. The European Commission (EC) updated the Meeting on recent developments and AML/CFT initiatives at the European Union (EU) level, one of which is the EU Action Plan for a comprehensive Union policy on preventing money laundering and terrorism financing.

29. The Action Plan follows a series of AML/CFT initiatives at EU level, such as the July 2019 Commission AML Package, the September 2019 European Parliament (EP) Resolution on the State of implementation of anti-money laundering legislation, and the December 2019 Economic and Financial Affairs Council (ECOFIN) conclusions on strategic priorities for the Union AML/CFT policy.

30. The Plan aims to set the EC view in achieving a comprehensive Union AML/CFT policy; establish a policy agenda to address weaknesses identified in the July 2019 AML Package; and perform a coherent review of the EU AML/CFT framework in order to tackle ML/FT from all angles.

31. With regard to the composition of the Action Plan, it consist of the following six pillars: (i) better implementation of rules; (ii) harmonised rulebook; (iii) EU-level supervision; (iv) Coordination and support mechanism for Financial Intelligence Units (FIUs); (v) law enforcement and information sharing; and (vi) the EU's global role. These pillars set areas of action which will allow the EU to ensure high quality and consistent supervision across the internal market, and effective coordination of activities among FIUs, which is of key importance given the cross-border nature of money laundering.

32. Last but not least, the EU Commission representative, Ms Raluca Pruna, informed that the Action Plan is currently under consultation process which will allow stakeholders to react to each of the actions proposed by the Commission and to provide feedback on the best way to deliver on these actions. A legislative proposal is expected to be tabled in early 2021.

Day 2: Wednesday 1 July 2020

Agenda item 6 – Quality, consistency and horizontal issues in MONEYVAL mutual evaluations

6.1 Horizontal issues identified in recent mutual evaluation and follow-up reports

33. The Executive Secretary introduced this agenda item - to be a standing item at future plenaries and working meetings - which aims to highlight issues of quality, consistency and horizontal relevance identified in mutual evaluation and follow-up reports (MERs and FURs). The mechanism will be used to inform members on complex horizontal and Q&C issues and, where appropriate, seek approval to address specific issues with the FATF.

34. Four issues had identified from the preparation of FURs were presented by the Secretariat

(Evaluations Coordinator). The first had been picked up from the Isle of Man FUR, in which the jurisdiction had raised a question on the application of c.18.2 to DNFBPs. This had formed the basis for an initial paper which had been circulated to delegations. This paper had opened up discussion with the FATF Secretariat, and had developed into wider consideration of the application of group AML/CFT programmes to DNFBP and VASP groups, and application of consolidated supervision to such groups (touching on R.15, R.17 (through R.22), R.18 (through R.23), R.26 and R.28. There had been agreement on several important areas between the Secretariats, including on the higher risk that DNFBPs can present and need for a consistent approach to be applied by/to FIs, DNFBPs and VASPs. Discussions will continue between the Secretariats, with a view to the issue being discussed by FATF members, e.g. through the ECG, VA Contact Group and Supervisory Forum. MONEYVAL delegations will have an opportunity to contribute to this discussion once the FATF Secretariat has agreed on the issues to be discussed.

35. The view of the FATF Secretariat is that all elements of R.18 apply to DNFBPs. Notwithstanding this, the FATF Secretariat has approached the co-chairs of the ECG and has in-principle agreement from them to put FATF Methodology clarifications on the ECG agenda. The co-chairs have not yet committed to any specifics, but the Secretariat will ask for the R.23/R.18 issue to be given priority.
36. The EAG and APG Secretariats are supportive of work undertaken by MONEYVAL on identifying issues of quality, consistency and horizontal relevance. EAG has done a horizontal review across several Recommendations and would like to work with MONEYVAL in this respect. Its two most recent MERs do not apply all aspects of R.18 to c.23.2.
37. Israel, Italy, Germany, US and the UK supported the position taken by the FATF Secretariat as regards the Standard, but also welcomed the need to clarify inconsistencies in the Methodology (and its application) highlighted in the initial paper and subsequent discussions, e.g. through the ECG. Observations in the initial paper were supported by Cyprus, Estonia and Jersey, the latter expressing doubt that R.18 should apply to all DNFBPs, when this is not the case for all FIs.
38. The UK and Israel clarified that all criteria under R.18 had been applied to DNFBPs during their respective mutual evaluations. The UK pointed to the table of ratings at the end of its MER, which identified shortcomings for DNFBP groups.
39. The Executive Secretary confirmed that the Isle of Man FUR would be presented for adoption at the September Plenary with a carve-out for R.23 pending an FATF decision on this issue. The Chair considered that contributions made by delegations supported the need for the FATF to address the matters raised in the initial paper and subsequent discussions.
40. The second issue concerns the need for consistency in dealing with a gap in the definition of VAs or VASPs when assessing R.15. The FATF Secretariat had outlined its preferred approach - to refer to any gap in the introduction to R.15 (or similar for FURs) and weighting and conclusion section. It did not consider that the gap should be considered when assessing criteria, since a cascade would reduce clarity and rigour. However, it recognises that there may be other approaches. The MONEYVAL Secretariat will follow the FATF approach, but, in addition, address the gap under c.15.4. Where there is a gap in the definition of FIs then, in order to be consistent, this will be described under R.26. However, the gap will also be taken into account in ratings for Recommendations dealing with preventative and supervisory measures.
41. The APG Secretariat outlined its approach to this issue – which is to reflect the gap under

c.15.3(c), c.15.4(a), c.15.6(a), c.15.9 and c.15.10. It believes that the treatment of definitional gaps under R.15 should be clarified throughout the Global Network.

42. The third issue concerns the table of ratings and shortcomings at the end of each TC Annex, which forms the basis for subsequent FURs. In order to ensure that members have clarity about which shortcomings will be addressed through FURs (and, where relevant, in the ICRG process), the summary in the table will, in future, list all shortcomings. Currently, this is not always done when there is a larger number of shortcomings under a Recommendation.
43. The final issue relates to the assessment in FURs of changes to FATF Standards at the time that a member requests a Recommendation assessed as PC or NC to be re-rated. Where there is a change in such Standards, the approach to be followed by MONEYVAL will be to assess: (i) all criteria that have changed as a result of the revision to the FATF Recommendation; and (ii) other criteria under that Recommendation that have not changed, except those rated as met (so long as there has been a change in the legal, institutional or operational framework). The Secretariat will keep this approach under review in light of changes to R.1 and the matter is still under discussion with the FATF Secretariat.

6.2 Correspondence with FATF on procedural issues of mutual evaluations

44. The Executive Secretary informed the members regarding a letter received from the Executive Secretary of the FATF concerning the outcome of the mutual evaluation discussion of Cyprus. In particular, the FATF Executive secretary noted that the MER of Cyprus had been significantly amended following the Plenary meeting. In such situations it was recommended that significant post-plenary changes be re-discussed at the next Plenary or considered through written procedure.

6.3 Guidelines for Mutual Evaluation Teams: Principles of conduct during the mutual evaluation process

45. The Executive Secretary informed the members about the Principles of conduct as adopted by the CoE Ethics Officer, which envisage a procedure for declaration of conflict of interest by members of assessment teams. Similar rules will be developed for other stakeholders involved in the work of CoE committees, including MONEYVAL.

6.4 Members' input into the 5th Round Mutual Evaluation cycle

46. The Secretariat reported on the stocktaking exercise it took, as a result of the FATF's call on the FATF Style Regional Bodies (FSRBs) to their members' contributions to their Mutual Evaluation (ME) programmes. In particular, the MONEYVAL Secretariat compiled data covering contributions of secondments, assessors, reviewers, organisation of experts' meetings and trainings from MONEYVAL, FATF and other FSRB members and observers for the MONEYVAL Fifth Round of MEs.
47. FSRBs, including MONEYVAL have committed to deliver presentations at GNCG meetings, which will enable the GNCG to develop its collective understanding of effective approaches in this area and may provide further indications to FATF members of where their support might be welcome. MONEYVAL's presentation is expected at the next FATF Plenary meeting, scheduled to take place in October 2020.
48. The Secretariat warmly thanked all delegations for their support and encourage them to continue supporting MONEYVAL's work. Last but not least, the Secretariat informed the membership of its changing approach towards AML/CFT training, aiming to focus on the

selection process and the increase of trainees' quality, including through more interaction with the trainers.

Agenda item 7- Discussion of the MONEYVAL Workplan for 2020-2022

49. The Executive Secretary presented the Draft Workplan for 2020-2022 which has been developed to ensure practical-level implementation of the MONEYVAL Strategy 2020-2022. The Workplan outlines the key MONEYVAL workstreams and explaining the resourcing which is necessary for the successful completion of all activities in this Workplan. The required level of staff resourcing for the Workplan is 19 Secretariat staff. The current level of staffing of the Secretariat stands at 15 persons, with 2 recruitments in the pipeline for secondees and 1 to 2 recruitments for permanent staff, to be completed in the coming months. In order to account for staff rotation the optimal level of staffing should be 21 in order to successfully implement all activities of the Workplan. The Workplan shall be circulated for adoption by written procedure.

Day 3: Thursday 2 July 2020

Agenda item 9 – Discussion of MONEYVAL Guidance on conducting typologies' work

50. The MONEYVAL Chair recalled the Committee's commitment to resume undertaking typologies studies, following the adoption of the MONEYVAL Strategy 2020-2022. The Secretariat introduced the "Draft Guidance on conducting typologies work", emphasising the reasoning, the objectives and the main components of the document. Several delegations intervened (Armenia, Russia, EAG, Romania, Italy, UK, FATF Secretariat, and the Scientific Expert) commending the initiative and the content of the document. Armenia volunteered to host a typologies meeting in 2021 and EAG suggested a joint project, subject to common interest on a certain topic by the two Committees. Several proposals to amending the text have been made. The Secretariat shall incorporate the additional wording suggested by the intervening delegations and shall circulate a revised version of the Draft "Guidance on conducting typologies work" for adoption through written procedures.

Agenda item 10 – COVID-19 related ML/FT risks and trends: presentation of preliminary findings by the MONEYVAL Secretariat and input from delegations

51. Upon the initiative of the MONEYVAL Chairperson, the Secretariat has produced a report on emerging ML cases, practical challenges and trends surfacing during the COVID-19 crisis. The Secretariat presented the paper outlining key findings and recommendations.
52. Several delegations (Slovakia, UNODC, Italy, San Marino, Cyprus, Russian Federation, FATF Secretariat) have commended the initiative of the Chair as very timely and supported the conclusions of the report. In addition, Italy reported receiving over 30 spontaneous information requests in the area of supply of protective medical equipment. San Marino noted detecting instances of corruption and medicrime, as well as stressed as a potential global risks of relaxation AML/CFT measures as a result of economic standstill.
53. Russian Federation have enhanced their response to COVID-19 by creating systems to monitor ML/TF risks caused by pandemic. Cyprus has strengthened communication and provided guidance to DNFBPs on mitigating measures to COVID-19 ML/TF risks. UNODC reported seeing increase in demand of cross-border cash transportations by criminal groups post COVID-19 lockdown phase.

54. The FATF Secretariat commended the initiative and the report, noting that RTMG has planned to hold workshops in end of July for private sector and complement authorities on the risks posed by the COVID-29 pandemic. All delegations were encouraged to participate.
55. Considering new case examples provided by delegations during discussion, the Secretariat will send out a call for additional information to update the paper. Received responses will be compiled and forwarded to the RTMG for the purpose of their research. Afterwards, delegations will receive amended report for further comments. The final version of the report will be published on the Council of Europe website.

Day 4: Friday 3 July 2020

Agenda item 11 – Horizontal review of Immediate Outcome 9

56. The Secretariat presented the Horizontal review of Immediate Outcome 9 by comparing results of concluded Mutual Evaluation Reports of MONEYVAL members. The horizontal review showed that MONEYVAL countries perform well on the technical compliance aspect with R.5 being rated LC or C in 88% of cases. The good results on the technical side are not fully reflected on effectiveness: only 41% of the ratings on effectiveness are SE or HE. Secretariat concluded that the results are such due to the fact that it is difficult to show effectiveness for IO.9 for jurisdictions with absence of TF investigations and prosecutions, despite having a low level of TF risk.
57. Several delegations intervened in support of the initiative and commended the report prepared by the Secretariat (Russia, Cyprus, EAG Secretariat, APG Secretariat, Slovakia, Israel, FATF Secretariat, Jersey and the Scientific Expert). EAG and APG Secretariats expressed their concern with consistency of IO.9 assessments in the Global Network and supported the initiative for further horizontal reviews. On the substance of the review, the EAG Secretariat had similar concerns with consistency of ratings for IO.9. referring to the MER of Belarus. The APG Secretariat noted that in their region measures that jurisdictions take to disrupt TF activity are considered highly when determining effectiveness of IO.9.
58. Israel and the FATF Secretariat commended the horizontal review and noted that a holistic approach that considers relevant factors from other IOs needs to be taken when determining how effective jurisdictions are investigating and prosecuting TF. Jersey echoed the FATF Secretariat comments, however expressed their concern with overemphasizing the relevance of other factors from different IOs when determining final rating of IO.9.
59. The Scientific Expert proposed to share this review with the co-chairs of MONEYVAL's evaluation working group to aid them in discussions of key issues and update the horizontal review on a regular basis (once a year) when new MERs are adopted.
60. As part of the MONEYVAL's CFT Operational Plan delegations agreed to participate in RTMG's project on developing a guidance for investigating and prosecuting TF. Following the development of the guidance MONEYVAL would aim to organise a training together with the FATF to address challenges and best practices in TF investigations and prosecutions at regional level.

Agenda item 12 – Regional operational plan to counter terrorist financing: discussion of the way forward

61. The Secretariat presented amendments to MONEYVAL CFT Operational Plan (2018). The revised version focuses on the organisation of the joint working meetings, development of training materials regarding TF, and coordination with the other international organisations regarding guidance and typologies work on various facets of CFT.
62. A number of delegations supported MONEYVAL's work on CFT and the amendments to Operational Plan (Russia, the FATF Secretariat and Israel). The FATF Secretariat proposed to conduct research/typologies on regional TF risks posed by MONEYVAL members and perhaps separately considering jurisdictions that are financial centres or regional financial centres.
63. The Operational Plan has been integrated into the MONEYVAL Workplan 2020-2022.

Agenda item 13 – Discussion of typologies research topics for 2020 – 2021

64. Delegations held a preliminary discussion of potential topics for typologies research. Estonia proposed to consider a project that would contribute to work of financial supervisors or conduct research on ML/TF risks of private sector for potential red flag indicators. Russian Federation supported by EAG Secretariat, proposed to lead a project on investigating money laundering of funds generated by drug trafficking through VA and VASPs.
65. MONEYVAL Chair encouraged delegations to submit concept notes to the Secretariat one week before the 60th Plenary to be held in September and volunteer as leads for potential typologies research. The template for concept notes is annexed to the guidance document for typologies research.
66. The September Plenary will discuss the concept notes and agree on one topic to be taken forward as typologies research project for 2020/2021. Further ideas expressed by delegations on the potential topics of research include: a study on implementation of Recommendation 8; ML/TF risks arising from COVID-19 pandemic.

ANNEX I – Agenda of the Plenary

Day 1: Tuesday 30 June 2020 / Jour 1 : mardi, 30 juin 2020 (10h00 – 12h30 HNEC)

1. Opening of the Working Meeting (10:00 – 10:30) / *Ouverture de la réunion (10h00 – 10h30)*
 - Introduction by the Chair of MONEYVAL / *Introduction par le Président de MONEYVAL*
 - Opening remarks, Mr Gianluca Esposito, Head of Action against Crime Department, Council of Europe (tbc) / *Remarques préliminaires, M. Gianluca Esposito, Chef du Service de la lutte contre la criminalité*
 - Adoption of the Agenda / *Adoption de l'ordre du jour*
2. Information from the Secretariat (10:30 – 10:45) / *Informations fournies par le secrétariat (10h30-10h45)*
 - Impact of COVID-19 on MONEYVAL planning and operations / *Impact du COVID-19 sur le calendrier et les activités de MONEYVAL*
 - Financing and staffing / *Financement et effectifs*
3. Information on the June FATF meeting and the FATF Strategic Review (10:45 – 11:50) / *Informations sur la réunion de juin du GAFI et sa revue stratégique (10h45 – 11h50)*
 - Information by the FATF Secretariat / *Informations fournies par le secrétariat du GAFI*
 - Information by the MONEYVAL Secretariat / *Informations fournies par le secrétariat de MONEYVAL*
 - Questions and answers with delegations / *Questions-réponses avec les délégations*
4. Discussion of draft amendments to MONEYVAL Rules of Procedure on the use of videoconferencing facilities (11:50 – 12:20) / *Discussion sur les projets d'amendement apportés aux Règles de procédure de MONEYVAL à propos de l'utilisation de la vidéoconférence*
5. Presentation by the European Commission on recent developments (12:20 – 12:30) / *Présentation par la Commission européenne sur les récents développements (12h20-12h30)*

Day 2: Wednesday 1 July 2020 / Jour 2: mercredi, 1er juillet 2020 (14h30-17h00 HNEC)

6. Quality, consistency and horizontal issues in MONEYVAL mutual evaluations (14:30 – 15:30): / *Qualité, cohérence et questions horizontales des évaluations mutuelles de MONEYVAL (14h30 – 15h30)*
 - Horizontal issues identified in recent mutual evaluation and follow-up reports; / *Questions horizontales identifiées dans les récents rapports d'évaluation mutuelle et de suivi ;*
 - Correspondence with FATF on procedural issues of mutual evaluations; / *Correspondance avec le GAFI sur les questions procédurales des évaluations mutuelles*
 - Guidelines for Mutual Evaluation Teams: Principles of conduct during the mutual evaluation process; / *Directives pour les équipes d'évaluation mutuelle : principes de conduite durant le processus d'évaluation mutuelle ;*
 - Members' input into the 5th Round Mutual Evaluation cycle: information item by the Secretariat / *Contribution des membres au 5ème cycle d'évaluation mutuelle : point d'information par le secrétariat*

Technical break (15:30 – 15:40) / *Pause technique (15h30 – 15h40)*

7. Discussion of the MONEYVAL Workplan for 2020-2022 (15:40 – 16:45) / *Discussion sur le plan de travail de MONEYVAL pour la période 2020-2022 (15h40-16h45)*
8. Any other business (16:45 – 17:00) / *Autres questions (16h45 – 17h00)*

Day 3: Thursday, 2 July 2020 (14:30 – 17:00 CET) / Jour 3 : jeudi, 2 juillet 2020 (14h30 – 17h00 HNEC)

9. Discussion of MONEYVAL Guidance on conducting typologies work (14:30 – 15:30) / *Discussion sur le Guide de MONEYVAL en matière de conduites de travaux de typologies*
10. COVID-19 related ML/TF risks and trends: presentation of preliminary findings by the MONEYVAL Secretariat and input from delegations (15:30 – 17:00) / *Risques et tendances en matière de BC/FT liés au COVID-19 : présentation des conclusions préliminaires par le secrétariat de MONEYVAL et contribution des délégations (15h30 - 17h00)*

Day 4: Friday, 3 July 2020 (14:30 – 17:00 CET) / Jour 4 : vendredi, 3 juillet 2020 (14h30 – 17h00 HNEC)

11. Horizontal review of Immediate Outcome 9: presentation by the MONEYVAL Secretariat (14:30 – 15:15) / *Examen horizontal du Résultat immédiat 9: présentation par le secrétariat de MONEYVAL (14h30 – 15h15)*
12. Regional operational plan to counter terrorist financing: discussion of the way forward (15:15 – 15:45) / *Plan opérationnel régional de lutte contre le financement du terrorisme : discussion sur la voie à suivre (15h15 – 15h45)*
13. Discussion of typologies research topics for 2020 – 2021 (15:45 – 16:45) / *Discussion sur les thèmes de recherche sur les typologies pour 2020 – 2021 (15h45 – 16h45)*
14. Any other business (16:45 – 17:00) / *Autres questions (16h45 – 17h00)*

ANNEX II – List of Participants

Evaluated States and Jurisdictions / *Etats et juridictions évalués*

ALBANIA / ALBANIE

Mr Elvis KOCI
FIU Director, General Directorate for the Prevention of Money Laundering
Albanian Financial Intelligence Unit, Ministry of Finance

Mr Edvin, KONDILI
Prosecutor, Special Prosecution

ANDORRA / ANDORRE

Mr Ricardo Marcelo CORNEJO
Supervision Area, UIFAND (FIU – Andorra)

Mr Gerard PRAST CLAVERO
Supervision Area, UIFAND (FIU – Andorra)

ARMENIA / ARMÉNIE

Ms Astghik KARAMANUKYAN
Deputy Head, Financial Monitoring Center of the Central Bank of Armenia

Mr Aram KIRAKOSSIAN
International Relations Specialist, Financial Monitoring Center of the Central Bank of Armenia

Ms Ani GOYUNYAN
Head of International Relations Division, Financial Monitoring Center of the Central Bank of Armenia

AZERBAIJAN / AZERBAÏDJAN

Ms Narmina SAFAROVA
Head of International relations unit, Financial Monitoring Service

Ms Shafiga RZAYEVA
Lead Specialist of Strategic Analysis Unit, Financial Monitoring Service

Mr Azer HASANLI
Specialist of Risk Assessment and methodology Unit, Financial Monitoring Service

BOSNIA AND HERZEGOVINA / BOSNIE-HERZÉGOVINE

Mr Edin JAHIC

Head of the Department for fighting Organized Crime and Corruption, Ministry of Security of Bosnia and Herzegovina

Mr Rajko CUK

Head of Department for Financial Investigation and fight against Money Laundering, Ministry of Interior of Republic of Srpska

BULGARIA / BULGARIE

Ms Cvetelina STOYANOVA

Head of Department, FID-SANS (Bulgarian FIU)

Mr Petar TODOROV

Expert FID-SANS

Ms Tea PENEVA

Senior expert in the « International Legal Cooperation and European affairs » Directorate, Ministry of Justice of the Republic of Bulgaria

CROATIA / CROATIE

Ms Antonija DUVNJAK

Head of Service for Interinstitutional and International Cooperation, Anti-Money Laundering Office

Ms Marcela KIR,

Chief Advisor - Expert Supervision and Oversight Area, Croatian National Bank

CYPRUS / CHYPRE

Ms Eva ROSSIDOU-PAPAYRIACOU,

Head of FIU, FIU

Mr Marios NEOPTOLEMOU

Central Bank of Cyprus

CZECH REPUBLIC / RÉPUBLIQUE TCHÈQUE

Mr Matěj BEJDAK

Lawyer – Legal Division, Financial Analytical Office

Ms Kristína SEDLACKOVA

Lawyer – Anti-Corruption Unit, Ministry of Justice

ESTONIA / ESTONIE

Ms Sören MEIUS

Advisor, Ministry of Finance

Mr Madis REIMAND

Head of FIU

FRANCE

Mr Franck OEHLERT
AML-CFT Unit, ACPR – Banque de France (Supervisor)

Mr Florent-Babacar DIENG
Deputy head of unit - Fight against financial crimes, Ministry of Economy and Finance

GEORGIA / GÉORGIE

Ms Mari BEZHUASHVILI,
Head of Methodology, International Cooperation and Legal Department Financial Monitoring Service
of Georgia

Ms Tamta KLIBADZE
Head of Unit, Financial Monitoring Service of Georgia

HOLY SEE / SAINT SIÈGE

Mr Giuseppe SCHLITZER
Director, Financial Information Authority (AIF)

Mr Federico ANTELLINI RUSSO
Deputy Director, Financial Information Authority (AIF)

HUNGARY / HONGRIE

Ms Zsofia PAPP
Senior AML/CFT expert, Ministry of Finance

Ms Renáta FEJES
Senior supervisor, Central Bank of Hungary

Mr Gabor SIMONKA
Head of HFIU

ISRAEL / ISRAËL

Ms Shlomit WAGMAN
Head of IMPA, Israel FIU-IMPA

Ms Karen BAR-SHALOM
International Department, Israel FIU-IMPA

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Mr Fabio TERAMO,
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Ms Federica LELLI
Advisor Bank of Italy

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LIECHTENSTEIN

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Executive Head National Coordinating Committee on Combating Money Laundering and Funding of
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Ms Pauline SALIBA
Senior Manager National Coordinating Committee on Combating Money Laundering and Funding of
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Mr Louis DANTY
Chargé de Mission, SICCFIN (Supervision)

Ms Jennifer PALPACUER

Chef de Section SICCFIN (Supervision)

Ms Karine IMBERT
Chef de Section SICCFIN (FIU)

MONTENEGRO

Mr DJUROVIC Dejan
Deputy Director of the Police Directorate, Head of FIU Montenegro

Mr Drazen BURIC, State Prosecutor, State Prosecutors Office

NORTH MACEDONIA / MACÉDOINE DU NORD

Mr Blazho TRENDAFILOV
Director, Financial Intelligence Office

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Mr Piotr BRUDNICKI
Expert Polish Financial Supervision Authority

REPUBLIC OF MOLDOVA / RÉPUBLIQUE DE MOLDOVA

Ms Oxna GISCA
Head of Division, FIU-SPCSB

Mr Gheorghe BADIA
Head of Divisio National Bank of Moldova

ROMANIA / ROUMANIE

Mr Staicu DANIEL – MARIUS
President, National Office for Prevention and Control of Money Laundering – FIU Romania

Mr Borcan MIHAI ALEXANDRU,
General Director, National Office for Prevention and Control of Money Laundering – FIU Romania

RUSSIAN FEDERATION / FÉDÉRATION DE RUSSIE

Mr Alexey PETRENKO
Head of Department, ROSFINMONITORING

Mr Daniil BURDA
Deputy Head of Division, ROSFINMONITORING

Mr Shota REVISHVILI
Deputy Head of Department, ROSFINMONITORING

Mr Boris TOROPOV
Advisor, ROSFINMONITORING

SAN MARINO / SAINT-MARIN

Mr Nicola MUCCIOLI

SERBIA / SERBIE

Mr Željko RADOVANOVIC
Director, APML Serbia

Mr Miroslav STAROVLAH
Head of International Cooperation, APML Serbia

SLOVAK REPUBLIC / RÉPUBLIQUE SLOVAQUE

Ms Alena KVINTOVA
Head of Delegation, FIU

Ms Sona POPPRT TOTHOVA
Head of AML Supervision Section, National Bank of Slovakia

SLOVENIA / SLOVÉNIE

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Inspector Councilor, Office for Money Laundering Prevention

Ms Maja CVETKOVSKI
Head of International Cooperation Service, Secretary Office for Money Laundering Prevention

UKRAINE

Mr Igor GAIEVSKYI,
First Deputy Head, The State Financial Monitoring Service of Ukraine

Mr Igor BEREZA
Director of Financial Monitoring Department, The National Bank of Ukraine

**UNITED KINGDOM CROWN DEPENDENCIES / DÉPENDANCES DE
LA COURONNE BRITANNIQUE**

**UNITED KINGDOM CROWN DEPENDENCY OF GUERNSEY / GUERNESEY DÉPENDANCE DE
LA COURONNE BRITANNIQUE**

Ms Kate RABEY
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**UNITED KINGDOM CROWN DEPENDENCY OF JERSEY / JERSEY DÉPENDANCE DE LA
COURONNE BRITANNIQUE**

Mr George PEARMAIN
Director of Financial Crime Strategy, Government of Jersey

Ms Louise CLAYSON
Head of FIU, JFCU

**UNITED KINGDOM CROWN DEPENDENCY OF ISLE OF MAN / ILE DE MAN DÉPENDANCE DE
LA COURONNE BRITANNIQUE**

Mr Paul HECKLES
AML/CFT Advisor, Cabinet Office

**UNITED KINGDOM OVERSEAS TERRITORY OF GIBRALTAR / TERRITOIRE BRITANNIQUE
D'OUTRE-MER DE GIBRALTAR**

Mr David PARODY
National Co-ordinator AML/CFT

Mr Edgar LOPEZ
Director GFIU

Council of Europe Observers / Etats observateurs auprès du Conseil de l'Europe

MEXICO / MEXIQUE

UNITED STATES OF AMERICA / ETATS-UNIS D'AMÉRIQUE

Mr James PRUSSING
Senior Advisor, U.S. Dept. of the Treasury

Other members of the FATF / Autres membres du GAFI

GERMANY / ALLEMAGNE

Mr Fabian RIEGER
Senior Policy Advisor, Federal Ministry of Finance

Mr Hartwig OESTERLE
Senior Policy Advisor, Federal Financial

SWITZERLAND / SUISSE

Mr Daniel THELESKLAF

Head of MROS (Money Laundering Reporting Office Switzerland)
Federal Office of Police - Fedpol

UNITED KINGDOM / ROYAUME-UNI

Mr Dylan BAGE

Senior Policy Advisor, Sanctions and Illicit Finance, HM Treasury (UK)

Ms Benedict DALEY

Policy Adviser, Sanctions and Illicit Finance, HM Treasury (UK)

Council of Europe bodies and mechanisms /

Organes et mécanismes suivants du Conseil de l'Europe

**COUNCIL OF EUROPE DEVELOPMENT BANK /
BANQUE DE DÉVELOPPEMENT DU CONSEIL DE L'EUROPE**

**EUROPEAN COURT OF HUMAN RIGHTS
COUR EUROPÉENNE DES DROITS DE L'HOMME**

Ms Katherine DELIKOURA

Chief Compliance Officer, Council of Europe Development Bank

International organisations and bodies /

Organisations et organismes internationaux

EUROPEAN COMMISSION / COMMISSION EUROPÉENNE

Mr David SCHWANDER

Team leader, European Commission

Mr Raluca PRUNA

Head of Unit, European Commission

Ms Ute STIEGEL

Deputy Head of Unit, European Commission

Mr Bertil VAGNHAMMAR

Policy Officer, European Commission (DG HOME)

FINANCIAL ACTION TASK FORCE (FATF) / GROUPE D'ACTION FINANCIÈRE (GAFI)

Mr Robert NORFOLK-WHITTAKER
Policy Analyst, FATF Secretariat

Mr Francesco POSITANO
Policy Analyst, FATF Secretariat

**INTERNATIONAL CRIMINAL POLICE ORGANISATION (ICPO) - INTERPOL
ORGANISATION INTERNATIONALE DE POLICE CRIMINELLE (OIPC) - INTERPOL**

Mr Hyung keun YOON
Criminal Intelligence Officer, INTERPOL

Mr Ian PEMBERTON
Criminal Intelligence Officer, INTERPOL

**GIFCS – GROUP OF INTERNATIONAL FINANCE CENTRE SUPERVISORS GS
CFI - GROUPE DE SUPERVISEURS DE CENTRES FINANCIERS INTERNATIONAUX**

Mr Nick HERQUIN
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**EURASIAN GROUP ON COMBATING MONEY LAUNDERING
AND FINANCING OF TERRORISM (EAG) / GROUPE EURASIE SUR LA LUTTE CONTRE LE
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Mr Sergey TETERUKOV
EAG Executive Secretary, EAG Secretariat

APG – ASIA PACIFIC GROUP

Mr David SHANNON
Director APG Secretariat