



# **MONEYVAL Strategy on anti-money laundering, combating the financing of terrorism and proliferation financing (2023-2027)**

**Warsaw, 25 April 2023**

## **I. INTRODUCTION**

The Council of Europe Committee of Experts on the Evaluation of anti-money laundering measures and the financing of terrorism (MONEYVAL) is a monitoring body that includes 35 member States and territories. The international anti-money laundering and counter-terrorist financing (AML/CFT) standards monitored by MONEYVAL are defined by the Financial Action Task Force (FATF). MONEYVAL is an FATF-style regional body (FSRB) and an associate member of the FATF. MONEYVAL is part of the Council of Europe, an intergovernmental organisation with 46 member states which furthers democracy, human rights and the rule of law. The dual positioning of MONEYVAL as a Council of Europe Committee and a FATF-style regional body ensures its solid institutional and international standing among international organisations involved in AML/CFT efforts.

MONEYVAL's evaluation mechanism applies mutual peer pressure of its member States and territories, which motivate each other to update and enhance effectiveness of their AML/CFT legislation, institutions and operational practices. MONEYVAL's evaluation reports are public and widely used by intergovernmental structures, national authorities, non-governmental organisations, financial and non-financial institutions in the European region in determining AML/CFT policies and measures.

MONEYVAL implemented its first Strategy which covered the period 2020-2022, resulting in important advances in its international standing in the FATF-led Global Network, substantive enhancements to its monitoring tools, and stronger internal positioning within the Council of Europe. Significant challenges imposed by the COVID-19 pandemic were quickly overcome using innovative hybrid evaluation methods. Resourcing reforms were undertaken, guaranteeing stability and continuity within the MONEYVAL Secretariat.

A Workplan on implementation of the Strategy was adopted by MONEYVAL and used as a project-management benchmark. A mid-term Implementation report on the 2020-2022 MONEYVAL Strategy was presented to the MONEYVAL Plenary meeting in December 2021, and a final overview in December 2022, drawing lessons learned in preparing the new Strategy. A Strategy drafting group met in October 2022 to hold a preliminary debate on the next Strategy, taking stock of MONEYVAL's key strengths, weaknesses, opportunities and threats (SWOT analysis). This detailed analysis, and the ensuing Strategic discussion session during the 64<sup>th</sup> MONEYVAL Plenary meeting in December 2022, involving former MONEYVAL Presidents, Executive Secretaries and experts, informed the preparation of the new Strategy.

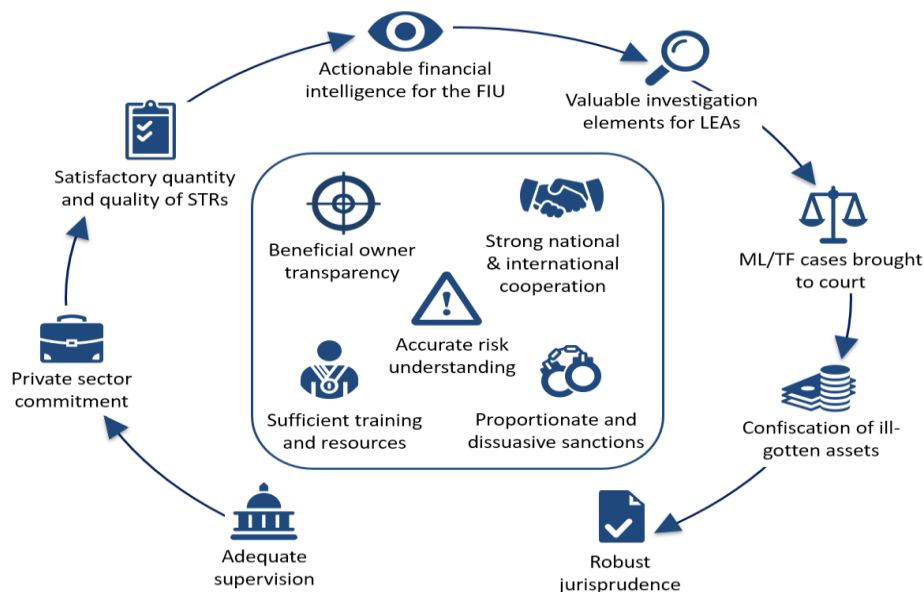
This Strategy is formally adopted by the MONEYVAL Ministerial meeting in Warsaw, Poland, on 25 April 2023.

## II. AML/CFT CONTEXT

The phenomena of money laundering, terrorism financing and proliferation financing pose strategic threats to the peaceful lives of societies and the stability of economies. Frequently linked with corruption, organised crime, trafficking in humans, drugs and arms - money laundering and terrorism financing are phenomena which undermine the rule of law and democracy, while increasing economic inequality within and among nations.

Money laundering is the process through which criminals give the appearance of legitimacy to proceeds of crime. It is an expanding and increasingly international phenomenon, with current estimates of money laundered worldwide ranging from \$500 billion to a staggering \$1 trillion, with disastrous effects on the global economy and on society. Terrorism financing is the pre-requisite of all terrorist activity in its organised forms, and as such it is a principal threat to the safety and security of populations.

The international standards to combat the dual threats of money laundering and terrorism financing have been developed by the FATF, and consist of 40 Recommendations covering the legal and institutional aspects of compliance, as well as 11 Immediate Outcomes on effectiveness. The FATF Standards establish requirements for law enforcement, the judiciary, financial intelligence units (FIUs), and the private sector and its supervisors. The effectiveness cycle of AML/CFT measures is presented below:



As at the time of adoption of this Strategy, MONEYVAL member States and territories continue to demonstrate a moderate level of effectiveness in their AML/CFT efforts on average. Thus, the median level of compliance is below the satisfactory threshold. MONEYVAL members demonstrate the best results in the areas of risk assessment, international co-operation and use of financial intelligence. Effectiveness remains particularly weak in financial sector supervision, private sector compliance, transparency of legal persons, money laundering convictions and confiscations, and targeted financial sanctions for terrorism and proliferation of weapons of mass destruction. Significant and well-designed collective efforts across many years are needed in order to ensure visible progress in enhancing the effectiveness of national, regional and global AML/CFT efforts. This Strategy aims to ensure that MONEYVAL can increase its contribution to these efforts through concrete results.

### III. VISION AND APPROACH

The status of MONEYVAL is defined in Article 1 of its Statute which establishes that: “1. MONEYVAL shall be a monitoring body of the Council of Europe entrusted with the task of assessing compliance with the principal international standards to counter money laundering and the financing of terrorism and the effectiveness of their implementation, as well as with the task of making recommendations to national authorities in respect of necessary improvements to their systems. 2. Through a dynamic process of mutual evaluation, peer review and regular follow-up reports, MONEYVAL shall aim to improve the capacities of national authorities to fight money laundering and the financing of terrorism more effectively.”

The statutory aims and objectives are further reinforced by MONEYVAL’s mission and vision, articulated in this Strategy. The mission of MONEYVAL refers to its highest-level purpose to society and reflects the ultimate aim of the work of the Committee.

#### **MONEYVAL’S MISSION STATEMENT:**

*MONEYVAL aims to improve the capabilities of member States and territories’ authorities in order to protect their societies and economies from the threats of money laundering, terrorism financing and the financing of proliferation of weapons of mass destruction. In doing so, MONEYVAL works to ensure the safety and security of individual citizens, economic as well as non-profit entities and governments from these threats. It thus contributes to safeguarding individual human, economic and social rights, reinforcing stable and equitable economic development and the rule of law in society.*

The vision of MONEYVAL along with its various components, aims to embed MONEYVAL’s mission and statutory aims into the forward-looking view of the Committee’s institutional development into the regional and global AML/CFT landscape. MONEYVAL’s vision is articulated as follows:

*Through collective action, mutual support and capacity building MONEYVAL serves to enhance AML/CFT measures at the national and regional level, to facilitate the development of the FATF Global Network, and promoter of Council of Europe values and partnerships.*

This vision may be further presented in the following components:

MONEYVAL aims to apply ‘maximum pressure’ policy against money laundering, which should be adopted by all countries of Europe in order to prevent and combat the spread of organised criminal groups looking to sustain themselves by laundering their money on the European continent. This political vision is supported by the MONEYVAL Ministerial Declaration of 25 April 2023.

MONEYVAL’s vision for its member States and territories is to visibly intensify improvements on all AML/CFT effectiveness parameters in their national systems.

MONEYVAL’s vision within the FATF Global Network is to contribute to global AML/CFT effectiveness by strengthening vertical and horizontal ties with FATF and fellow FSRBs, through high-level initiatives, joint projects, mutual support and intense exchanges.

MONEYVAL’s vision within the Council of Europe is for mutual reinforcement and integration of AML/CFT efforts with overarching rule of law objectives in accordance with human rights standards; mutual reinforcement with Council of Europe bodies and promotion of joint efforts on the global stage.

MONEYVAL's *approach* reflects its core working principles, in particular:

MONEYVAL's efforts and activities are focused on delivering *concrete gains* against money laundering, terrorism financing and proliferation financing.

MONEYVAL maintains an open outlook to develop and propose *new tools* internally and externally to ensure these gains. The *optimising of existing tools* is done periodically to cut down any developing bureaucratic trends, and orienting resources to high-impact solutions without prejudice to the national legal system in place in each jurisdiction.

MONEYVAL *adapts* to the changing external and internal environment, seeking to build on strengths, use opportunities, convert weaknesses to strengths, and mitigate threats (SWOT approach).

MONEYVAL is further developing its strong *culture and reputation of excellence*, with a focus on leadership and achievement in AML/CFT.

MONEYVAL's efforts have the ultimate aim to *support and build capacities* of member States and territories in the field of AML/CFT.

*MONEYVAL's strategic accountability* should be ensured through the measurement of long-term AML/CFT results, despite the complexities of such measurements.

All components of MONEYVAL's vision and approach are embedded horizontally into each of the six Strategic Pillars and their Essential and Development Objectives, as described below.

#### **IV. STRATEGIC PILLARS**

The Strategic pillars cover all present and forward-looking components of MONEYVAL's activities. The objectives under the Strategic Pillars are divided into the following two categories:

Basic objectives (BO) – these are the core statutory objectives of MONEYVAL related to its mutual evaluation programme in its current shape. Basic objectives are almost fully covered by the Ordinary budget of the Council of Europe and do not require extrabudgetary resources for their implementation.

Development objectives (DO) define perspectives for the development of MONEYVAL in various areas of its work, which cannot be accomplished with the Ordinary budget and require extrabudgetary funding to be achieved. DOs are designed based on MONEYVAL's SWOT analysis and strategic discussions by the Strategy drafting group and the Plenary meeting. These objectives are the main tool for building on MONEYVAL's strengths, using opportunities, transforming weaknesses into strengths and mitigating threats.

BOs and DOs are closely interrelated and are numbered sequentially under the Strategic Pillars.

## **STRATEGIC PILLAR 1: CONTINUING AND ENHANCING MONEYVAL'S MONITORING PROGRAMME**

Mutual evaluations are the core activity of MONEYVAL, and the main tool of the Committee to enhance the effectiveness of national AML/CFT regimes in its member States and territories.

Extensive and recognised experience and expertise in mutual evaluations and high quality of reports is MONEYVAL's main strength. As the FSRB with the largest number of mutual evaluations conducted of non-FATF members (32), MONEYVAL is also the assessor body with the largest number of evaluation rounds conducted, including the additional 4<sup>th</sup> Round. All evaluation reports consistently receive positive appraisals from reviewers and the FATF, and MONEYVAL will maintain this culture of excellence throughout the transition between the 5<sup>th</sup> and 6<sup>th</sup> Rounds of evaluations.

### **Basic Objective 1.1: Finalise the 5th round of mutual evaluations**

MONEYVAL will finalise the current round of mutual evaluations by adopting 4 assessment reports in 2023 and the final 3 assessment reports in 2024. In doing so, MONEYVAL will continue to refine its evaluation tools and methods, including:

- Enhancing political awareness in assessed States and territories about the implications of the mutual evaluation process. This will be done through engagement by the MONEYVAL Chair, and senior Council of Europe officials with the decision makers in assessed States and territories, including in the format of high-level visits, where necessary.
- Rigorously applying the FATF Methodology and drawing lessons learned into its Horizontal Review;
- Delivering tailored trainings to prepare assessed States and territories on the evaluation process, including mock interview exercises. MONEYVAL will further update its training approach to introduce horizontal benchmarking elements developed as part of its Horizontal Review;
- Standardising statistical submissions of assessed States and territories through a new uniform approach based on lessons learned from past evaluations;
- Enhancing the quality of assessor contributions by providing evaluators with a guideline MER template model (to be flexibly applied), to be refined with input from MONEYVAL scientific experts;
- Providing member States and territories with access to horizontal review tools developed by the MONEYVAL Secretariat.

### **Basic Objective 1.2: Optimise and transition the follow-up process to the next evaluation round**

The effectiveness of MONEYVAL's follow-up reporting is among the highest among all assessor bodies in the Global Network, according to a recent review carried out by the FATF. Between 2020 and 2022 MONEYVAL has been gradually streamlining its approach to follow-up reporting, in order to focus Plenary time in view of the increasing number of reports. A reorganisation of rapporteur contributions using an alphabetical order has also served to enhance equality in the peer review component of the follow-up process, and fairly redistribute the workload between members. This shall also build their capacities in understanding and implementing the FATF Standards to some extent.

With the new round approaching MONEYVAL will consider further ways to optimise and enhance the follow-up reporting process, while alleviating the burden on Plenary, members and Secretariat, in particular:

- MONEYVAL will adopt new templates, ensuring seamless integration of follow-up reports and the technical compliance annex in the new round;
- MONEYVAL will implement automatic enforcement of compliance enhancement procedures (CEPs) for countries not making timely progress in the follow-up process;
- MONEYVAL will agree on a cut-off date to cease follow-up reporting of a member approaching their 6<sup>th</sup> round evaluation, with exceptions in case of continued non- or partial compliance with any “big six” recommendations, and when they are under the CEPs procedure.

### **Basic Objective 1.3: Prepare and launch the next round of mutual evaluations**

The majority of criteria of the next round of mutual evaluations will mirror the current round. In order to take advantage of this comparability, MONEYVAL will discuss whether a set of enhanced benchmarks and statistical targets for Immediate Outcomes may be applied, relative to the results achieved by countries in the 5th Round. At a minimum, MONEYVAL will track the comparative performance of its members between the two rounds on key quantitative indicators, as regards performance on convictions, asset recovery and international cooperation, while taking into due account the materiality of the jurisdiction and avoiding a “one size fits all” approach.

MONEYVAL will prepare and launch the next round of mutual evaluations through close engagement with its members and the FATF. MONEYVAL is under strict performance benchmarks set by the Council of Europe Committee of Ministers, which require that MONEYVAL undertakes 4 mutual evaluations per year. As these benchmarks are tied to the budgeting allocations, MONEYVAL cannot have a gap between rounds and shall launch the 6<sup>th</sup> Round immediately after finalising the current one. An immediate start will also minimise the time period between assessments of MONEYVAL members and allow MONEYVAL to complete the 6<sup>th</sup> Round by 2032 on an 8-year cycle. Such planning is manageable with current resourcing allocations of the Council of Europe Ordinary Budget.

Preparations for the 6<sup>th</sup> Round will include:

- Defining effectiveness targets and comparative performance analysis for the MONEYVAL membership in order to boost performance on key AML/CFT indicators in the next round, in particular on the issue of asset recovery;
- Finalising discussions with the FATF on the format of the launch of the next evaluation round for MONEYVAL, including the possibility for a Joint FATF/MONEYVAL Plenary in June 2025 to discuss the first MONEYVAL reports (with a possible delay of the Q&C procedure until December 2025);
- Defining the assessment schedule and adopting 6<sup>th</sup> Round procedures;
- Considering clarifications to the consensus principle of decision-making (taking into account FATF and Council of Europe practices), including a clearer role for the group of scientific experts in this regard (as well as their role in general in the context of the 6<sup>th</sup> Round);
- Launching 2 pilot 6<sup>th</sup> round assessments (on-site visits) in Q3 2024, with a subsequent continuation of 4 assessments per year from 2025.

#### **Development Objective 1.4: Build capacities and involvement of MONEYVAL members in the mutual evaluations programme**

The mutual evaluation programme of MONEYVAL has a positive capacity-building function for the members. The participation of new assessors in mutual evaluations expands the number of national officials with a detailed understanding of AML/CFT standards and their practical application in different countries. Unfortunately, not all MONEYVAL member States and territories have taken advantage of this opportunity, as participation in evaluations remained largely voluntary in the 5<sup>th</sup> Round. This also led to a significant disbalance in the number of assessors provided between members. In order to correct these disbalances, ensure a balanced participation and/or contribution of members to the peer review, and fully take advantage of its capacity building function, MONEYVAL will adjust its procedural and organisational framework for assessor contributions, accompanied by a balanced and targeted assessor training programme, and other capacity-building tools for delegation members.

MONEYVAL will achieve this objective through the following steps:

- Shifting from a system of a voluntary assessor participation to a hybrid system, as set out in MONEYVAL's rules of procedure for the respective evaluation round. This will take into account the need for minimum and adequate contributions and will provide flexibility in the selection of assessors based on experience to guarantee the quality of MONEYVAL reports. This shall be accompanied by regularly reviewing the number of participating assessors and/or contributions provided by States and territories, and supporting the quality and consistency of their submissions through a reinforced Q&C function in the Secretariat;
- Delivery of a comprehensive programme of assessor trainings in 2024-2027 to update the assessor pool, based on reinforced quality standards;
- Ensuring that members are fully involved in the mutual evaluations, and do not resort to outsourcing their evaluation to external consultants. MONEYVAL will consider some balanced procedural limits on the use of external consultants by its members during the active phase of a mutual evaluation (e.g. after on-site).

#### **STRATEGIC PILLAR 2: DEVELOPING THE ROLE OF MONEYVAL AS A REFERENCE POINT ON AML/CFT IMPLEMENTATION IN ITS REGION**

MONEYVAL has the potential to develop its role in shaping the way in which its members react to enforcing the FATF standards in the region, taking into account regional risks and materiality factors. MONEYVAL has already demonstrated its ability to analyse its mutual evaluations experience and draw horizontal findings, including regional lessons learned. Development of this reference function by MONEYVAL and providing more guidance to its members on regional implementation practices and horizontal comparisons, avoiding a "one size fits all" approach, will help overcome the image of mutual evaluations as a punitive exercise and will provide more positive reinforcement to MONEYVAL members in the mutual evaluation process.

#### **Development Objective 2.1: Developing an understanding of regional materiality and risks**

In its activities, MONEYVAL has largely been focused on country-by-country monitoring and has not yet attempted to explore regional trends or risks. Given the transnational nature of money laundering the development of a holistic understanding of such trends is an essential prerequisite for effective AML/CFT strategies. A materiality research project is underway, which forms an objective basis for a regional and sub-regional picture of the financial and non-financial sector in MONEYVAL. At the same time the possibility of conducting a regional risk assessment has not yet

been considered by MONEYVAL, even though such projects are underway in some other FSRBs. In this light MONEYVAL will (sequentially):

- carry out its materiality research project with the aim of creating a workable materiality database for its membership and take materiality in due account when conducting mutual evaluations;
- study resourcing allocations for AML/CFT and make recommendations for enhancing national-level investment into AML/CFT systems, consistently with a proportionality principle;
- conduct a deep horizontal review of IO 1 implementation, taking into account the substance of national risk assessments;
- develop a set of general methodological parameters to ensure comparability of NRAs to facilitate the consistency of mutual evaluations, and a streamlined regional risk understanding by the end of the 6<sup>th</sup> Round of evaluations;
- consider the feasibility of a regional risk assessment in the second half of the 6<sup>th</sup> Round of evaluations.

### **Development Objective 2.2: Developing a consistent understanding for the assessment of supranational measures**

The issue of proper interpretation of EU supranational measures comes up regularly in 5<sup>th</sup> round assessments. MONEYVAL is working to develop a consistent regional understanding for most EU-related implementation practices, however these should be systematised for ease of use by assessors. Furthermore, the 6<sup>th</sup> Round of mutual evaluations will have an increasing supranational component, taking into account the rapid development of EU AML/CFT bodies and agencies. In this regard MONEYVAL will:

- Undertake a horizontal review of its reports in order to systematise the assessment of practices stemming from supranational measures in the 5<sup>th</sup> Round of evaluations;
- Periodically update this review in the 6<sup>th</sup> Round of mutual evaluation depending on developments in the EU AML/CFT framework and FATF/MONEYVAL assessment practices, without prejudice to MONEYVAL Members that are not EU Members;
- Actively develop its partnership with the European Commission and the FATF to discuss and clarify horizontal issues on supranationality, without prejudice to MONEYVAL Members that are not EU Members.

### **Development Objective 2.3: Developing a research-based understanding of major ML/TF trends and underlying rule of law and economic factors**

As a subject matter, AML/CFT stands at the intersection of economic issues, rule of law matters and human rights-related constraints. In-depth research in the AML/CFT field is often carried out by academic institutions and NGOs, with a major contribution from the private sector and investigative journalism community. MONEYVAL's operational typologies research may be expanded in nature and scope to include these actors where necessary. This will provide a forum for open and in-depth brainstorming discussions and research initiatives pertaining to fundamental, regulatory as well as operational issues. In this light MONEYVAL will:

- Establish a platform for dialogue with the specialised non-profit, academic and private sector community (e.g. the Wolfsberg Group, and specialised AML/CFT companies) in the field of AML/CFT, while involving specialised Council of Europe bodies;
- Chose and conduct typologies research with the view of developing these relationships, and expanding its understanding of underlying and contextual AML/CFT factors and trends;



- Consider and discuss newly developed AML/CFT-related guidelines, significant research papers and major investigative journalism materials from renowned sources, as well as from Council of Europe bodies. Where necessary, launch supplementary research projects on priority issues identified;
- Given the importance of enhancing the performance of the membership in prosecuting and convicting money launderers, conduct a study on the fundamental factors leading to poor performance on IO 7 and provide horizontal recommendations in this regard, consistently with a proportionality principle;
- Launch a horizontal review of regional VTC practices;
- Study the thematic issue of proceeds obtained from conflict and/or military aggression;
- Continue to engage with former Chairs, and officials of MONEYVAL to draw on their expertise in the AML/CFT area on substantive issues.

#### **Development Objective 2.4: Developing benchmarks for measuring MONEYVAL's AML/CFT impact**

There is currently no method to measure the effectiveness of the global AML/CFT efforts, the FATF or individual FSRBs vis-à-vis the key objective of tackling money laundering and financing of terrorism. Absent a methodology based on absolute criteria, it may be possible to develop a relative methodology, measuring countries' performance between two rounds of evaluations.

- MONEYVAL will consider the development of a methodology to measure the effectiveness of its AML/CFT efforts;
- MONEYVAL will raise the need for an effectiveness measurement of global or regional AML/CFT efforts at the level of the annual meeting of FATF/FSRB Presidents.

### **STRATEGIC PILLAR 3: DEVELOPING MONEYVAL'S ROLE IN THE FATF GLOBAL NETWORK AND WITH EXTERNAL COUNTERPARTS**

Being part of the Global FATF-led Network provides MONEYVAL with a very strong reference point in the form of the universally recognised FATF Standards, which evolve over time to tackle emerging risks and challenges. MONEYVAL also benefits from the respective branding, whilst also adding its own branding elements. The Global Network also gives MONEYVAL the institutional standing and leverage linked to FATF compliance tools (e.g. International Co-operation Review Group - ICRG).

#### **Basic Objective 3.1: Further develop the institutional relationship with the FATF and FSRBs through the implementation of the Strategic Vision for the Global Network**

MONEYVAL operates within a certain fixed inter-institutional framework with the FATF, whereby the FATF acts as a reviewer for all MONEYVAL reports, and as the ultimate holder of the quality and consistency process. MONEYVAL is regularly participating in FATF projects, reviews and provides comments to FATF reports, and requests and receives FATF interpretation of the Standards.

The Strategic Vision, endorsed by the FATF and all FSRBs, serves as the main guiding document for the development of the FATF-FSRB relationship. The concrete work on the reform of the FATF-FSRB relationship will launch in 2023. A larger role for FSRBs in FATF decision making, and greater consideration of regional specificities may be considered.

In this regard MONEYVAL will:

- Maintain its strong high-level engagement in the annual meeting of FATF and FSRB Chairs, using it as an opportunity to table structural AML/CFT issues, in particular effectiveness of global/regional AML/CFT efforts; and mutual exchange of secretariat members for evaluations;
- Actively contribute proposals on the implementation of the Strategic vision, as a member of the respective Project team;
- Continue to provide substantive input into FATF mutual evaluations with the emphasis on consistency of reports;
- Engage on priority projects, including the review of FATF standards, in particular in the area of asset recovery;
- Motivate members to engage in FATF Project teams, and discuss with the FATF possibilities for their direct involvement in decision-making discussions in FATF Working Groups and Plenary;
- Engage with the FATF and other FSRBs on developing tools providing horizontal comparison of adopted reports across the Global Network;
- Engage in the preparation of the next round of evaluations, including by inviting the FATF to consider holding a joint FATF/MONEYVAL Plenary in Strasbourg during the next round of mutual evaluations.

### **Basic Objective 3.2: Developing horizontal ties with FATF-style regional bodies**

Relationships with FSRBs are a highly positive factor in MONEYVAL's international standing. This is inherent for all intra-FSRB relationships, due to commonality of objectives and challenges. This positive relationship has already been leveraged through joint initiatives with FSRBs, whereby the collective initiative of FSRBs has led to certain results at the FATF level, including the establishment of the "feedback mechanism" on interpretation of the FATF Standards, and the adoption of the Strategic vision for the future of the Global Network.

Exchange of assessors and Secretariat members may be seen as the next step in cooperation between FSRBs. MONEYVAL's strengths in the field of mutual evaluations may be leveraged in this relationship. Furthermore, any relevant project outcomes achieved by MONEYVAL may be shared with other FSRBs. Expanding ties with FSRBs is an excellent opportunity to develop partnerships and enhance MONEYVAL's standing and reputation with its peers. In this regard MONEYVAL will:

- Regularly coordinate with FSRB Secretariats on key initiatives in the Global Network;
- Provide reviewers for FSRB evaluation reports and engage in FSRB Plenary meetings;
- Depending on funding arrangements (conditional task): establish a mutual exchange of Secretariat members and assessors for evaluations.

### **Basic Objective 3.3: Developing a framework of engagement with observers**

Observers are growing in number in MONEYVAL and there is an opportunity to leverage their participation more effectively. MONEYVAL will consider:

- a dedicated policy on observers, including their role in the implementation of the MONEYVAL Strategy;
- involvement of observers to include their substantive input in MONEYVAL initiatives, and, where possible and relevant – financial participation in their implementation.

### **Development Objective 3.4: Developing a framework of coordinating technical assistance in the European region**

MONEYVAL remains the only FSRB, which does not undertake any work related to TA coordination, even though a strong technical assistance arm exists in the Council of Europe (Economic Crime and Cooperation Division). In this regard MONEYVAL will consider:

- a data-gathering coordination exercise involving donors, providers and beneficiaries (e.g. through a TA working group) using the model of other FSRBs for the purpose of general mapping of TA activities in the region;
- incorporating more TA-related information into mutual evaluations, and whether TA resources are efficiently used by national authorities to enhance effectiveness of their AML/CFT system, including descriptions of country success stories.

## **STRATEGIC PILLAR 4: DEVELOPING SYNERGIES WITHIN THE COUNCIL OF EUROPE**

MONEYVAL has developed solid synergies with numerous partners within Council of Europe, including COP 198, Parliamentary Assembly, GRECO, Data Protection, Venice Commission, cybercrime (typologies), counterterrorism and other sectors. MONEYVAL actively promoted Council of Europe standards at the FATF level and has supported the Council of Europe successful request for observer status in the FATF.

### **Basic Objective 4.1: Developing further synergies between MONEYVAL and the Conference of the Parties to the Warsaw Convention (C198-COP)**

This is a key priority for the two bodies. The use of MONEYVAL capabilities to promote the awareness of the Warsaw Convention standards in FATF are on-going. Furthermore, MONEYVAL's development of the relationship with other FSRBs gives the opportunity to further promote the accession by other States, on voluntary basis, to the Warsaw Convention (CETS no. 198). The Council of Europe is currently considering the development of an Additional Protocol to the CETS no. 198 specifically targeting asset sharing and asset management. This may be an area for developing closer synergies. In this regard, MONEYVAL will:

- Further develop synergies with the COP 198;
- Promote awareness of the CETS no.198 standards at the global and regional level through its channels and partnerships;
- Support the Council of Europe in any further development of the CETS no.198.

### **Basic Objective 4.2: Further developing synergies and coordination with Council of Europe bodies**

On a high level, the Chair of MONEYVAL participates in an annual dialogue with the Secretary General of the Council of Europe, involving the Chairs of other monitoring bodies of the Council of Europe. This provides an opportunity to tackle high-level issues and develop transversal tools at the Council of Europe level, when this is warranted.

There are opportunities for further leveraging of synergies with sectorial Council of Europe bodies, including on specific risk areas, such as human trafficking, corruption, drug trafficking, and others. Furthermore, opportunities exist where other Council of Europe bodies are developing soft law instruments related to AML/CFT - a current example is the on-going work by the Consultative Committee to the Council of Europe Data Protection Convention (C108).

In this regard MONEYVAL will:

- Through the Chair - engage with the Secretary General and Chair of other Council of Europe monitoring bodies in order to develop coordination practices, for example a common database with country profiles containing findings of all monitoring bodies;
- Hold thematic high-level exchanges with the Chairs of relevant Council of Europe bodies, and may consider incorporating specific thematic priorities into its on-going projects (e.g. DO.2.1);
- Depending on funding arrangements (conditional task): Consider building on the upcoming C-108 Guidance on AML/CFT and Data Protection through any additional research to facilitate its practical implementation;
- Study linkages of AML/CFT issues with human rights and unintended consequences leveraging Council of Europe experience in those fields;
- coordinate and partner with Council of Europe representatives taking part as observers in FATF Plenary meetings on key mutual priorities.

## **STRATEGIC PILLAR 5: DEVELOPMENT OF POLITICAL STANDING AND MEDIA VISIBILITY**

Political engagement and media visibility of MONEYVAL have increased, including through targeted engagement with media outlets. Interest from the Council of Europe's Committee of Ministers and the Parliamentary Assembly is also on the rise. Furthermore, the practice of including high-level government representatives and ministers to hold an exchange of views with the Chair of MONEYVAL at the start of the evaluation process has raised political visibility of the evaluation process and ensured high-level political support.

Further strategic consultations with ministers responsible for AML/CFT issues to be held in April 2023 to adopt this Strategy together with a Ministerial Declaration, and voluntary parameters for financial support of the Development Objectives under this Strategy.

### **Basic Objective 5.1: High-level political messaging to support importance of AML/CFT**

MONEYVAL should take into account the changing political context, and the growing importance of AML/CFT and financial transparency measures in the overall democratic context in Europe. Clear political messaging should be considered at MONEYVAL Ministerial meetings, Council of Europe's Committee of Ministers meetings, and communicated externally to aim for a "maximum pressure" policy against money laundering, in order to safeguard democratic values in Europe and abroad.

### **Development Objective 5.2: Developing a visibility strategy for MONEYVAL**

Current visibility support to MONEYVAL is provided by various communications support services of the Council of Europe. A visibility strategy may be developed to support the increased scope of MONEYVAL activities and engagements on implementation of the various Development Objectives, and in particular Strategic Pillar 3. The future visibility work of MONEYVAL shall aim to emphasise the impact of MONEYVAL's work on individual citizens and reinforce the AML/CFT message by focusing on the victims of crimes.

## **STRATEGIC PILLAR 6: RESOURCING OF MONEYVAL**

MONEYVAL resourcing from the Ordinary budget has stabilised at a level necessary for the fulfilment of all Basic Objectives of this Strategy. Any Development Objectives require extrabudgetary resources to ensure their implementation. Such funding will remain voluntary for member States and territories of MONEYVAL. At the same time the MONEYVAL Ministers responsible for AML/CFT commit to considering additional voluntary contributions for the achievement of MONEYVAL's Development Objectives.

Additionally, the MONEYVAL Secretariat shall conduct systematic outreach to donors to secure possible funding. A Project Description based on the Council of Europe Project Management Methodology will be developed, providing a detailed layout for potential Donors on the implementation plan of MONEYVAL's Development Objectives.

### **V. FINAL PROVISIONS**

The Chair, in consultation with the Bureau, will oversee the implementation of the Strategy, with the support by the Secretariat. The Chair will report regularly to the Plenary on the implementation of the Strategy.

Should the MONEYVAL Plenary consider that new circumstances have arisen which warrant a reconsideration of this Strategy (e.g. in case of unforeseen new risks and challenges which require immediate action), this Strategy shall be amended or revised accordingly. A mid-term review of implementation of the Strategy shall be carried out in 2025.

### **VI. ANNEX**

[Declaration of Ministers and High-level Delegates of the member States and territories of MONEYVAL, 25 April 2023.](#)