



# GIBRALTAR FINANCE

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HM Government of Gibraltar

Moneyval Evaluation of Gibraltar  
Roadmap



## MoneyVal evaluation of Gibraltar – AML/CFT

- ◉ Who is Moneyval?
- ◉ Why is this evaluation important?
- ◉ Against what are we be evaluated?
- ◉ The FATF Standards
- ◉ Evaluation Criteria
- ◉ Reference Documents
- ◉ The Roadmap



## Moneyval

The Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism - MONEYVAL is a permanent 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. Through a dynamic process of mutual evaluations, peer review and regular follow-up of its reports, MONEYVAL aims to improve the capacities of national authorities to fight money laundering and the financing of terrorism more effectively.

### Key competencies and tasks:

- **assess its members' compliance with all relevant international standards in the legal, financial and law enforcement sectors through a peer review process of mutual evaluations, including assessment of effectiveness of the implemented measures in practice;**
- **formulate recommendations on ways to improve the effectiveness of domestic regimes to combat money laundering and terrorist financing and states' capacities to co-operate internationally in these areas;**
- conduct thematic typologies research of money laundering and terrorist financing methods, trends and techniques and issue reports thereabout;
- conduct other research into issues relating to money laundering and the financing of terrorism, including horizontal reviews of the progress of evaluated States in meeting the international standards in each evaluation round;
- undertake activities to raise awareness of major global policy and operational initiatives to counter money laundering and the financing of terrorism;
- after consultation with the European Committee on Crime Problems (CDPC), propose recommendations for adoption by the Committee of Ministers which would improve the international fight against money laundering and the financing of terrorism;
- contribute actively to the global fight against money laundering and the financing of terrorism by working closely with other key international partners, including the FATF, the IMF, the World Bank, the United Nations, the European Union and other FATF-Style Regional Bodies (FSRBs) in the global network of AML/CFT assessment bodies.



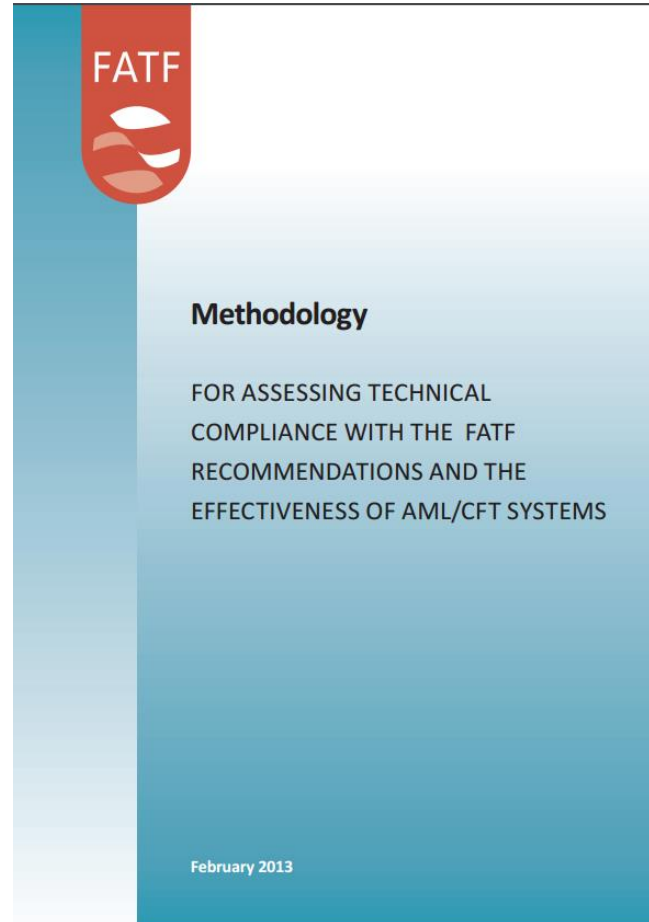
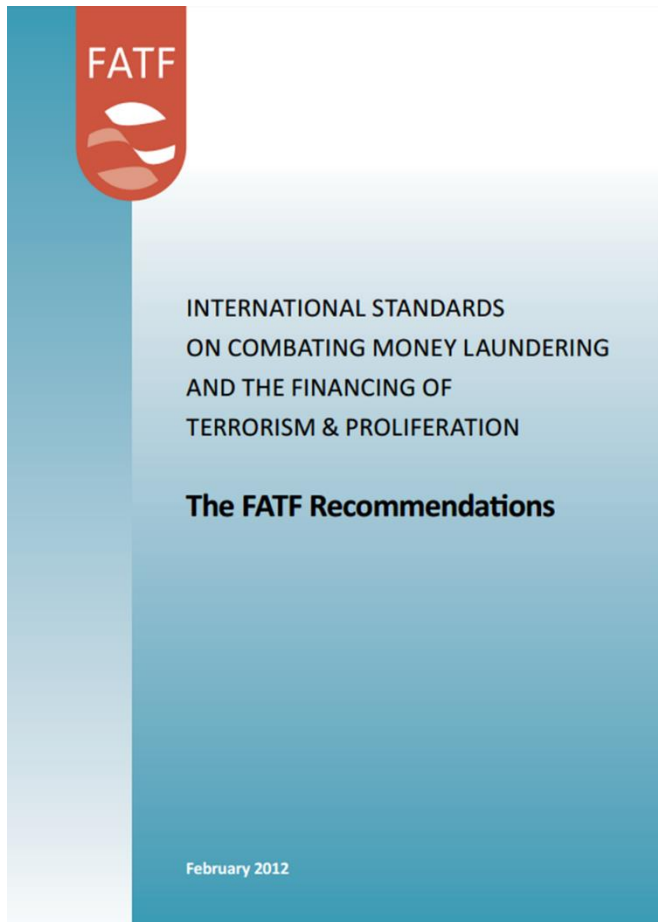
## Evaluation

- ◉ IMF Evaluation of 2006
- ◉ Updated FATF Recommendations (2012)
- ◉ Moneyval = FATF Style Regional Body
  
- ◉ EVALUATION = March 2019



## FATF Evaluation Reference Documents

<http://www.fatf-gafi.org> > PUBLICATIONS > FATF RECOMENDATIONS





# Assessment Criteria

## TECHNICAL

- ◉ The technical compliance component of the Methodology refers to the implementation of the specific requirements of the FATF Recommendations, including the framework of laws and enforceable means; and the existence, powers and procedures of competent authorities.
- ◉ The technical compliance component of the Methodology sets out the specific requirements of each Recommendation as a list of criteria, which represent those elements that should be present in order to demonstrate full compliance with the mandatory elements of the Recommendations.

## SCORING

- **Compliant** **C**  
There are no shortcomings.
- **Largely compliant** **LC**  
There are only minor shortcomings.
- **Partially compliant** **PC**  
There are moderate shortcomings.
- **Non-compliant** **NC**  
There are major shortcomings.
- **Not applicable** **NA**  
A requirement does not apply, due to the structural, legal or institutional features of a country.



## Assessment Criteria

### EFFECTIVENESS

- ◉ The goal of an assessment of effectiveness is to provide an appreciation of the whole of the country's AML/CFT system and how well it works.
- ◉ It requires a judgement as to whether, or to what extent defined outcomes are being achieved, i.e. whether the key objectives of an AML/CFT system, in line with the FATF Standards, are being effectively met in practice.

### SCORING

- **High level of effectiveness**
  - The Immediate Outcome is achieved to a very large extent.
  - Minor improvements needed.
- **Substantial level of effectiveness**
  - The Immediate Outcome is achieved to a large extent.
  - Moderate improvements needed.
- **Moderate level of effectiveness**
  - The Immediate Outcome is achieved to some extent.
  - Major improvements needed.
- **Low level of effectiveness**
  - The Immediate Outcome is not achieved or achieved to a negligible extent.
  - Fundamental improvements needed.



## Effectiveness – Immediate Outcomes

1. Money laundering and terrorist financing risks are understood and, where appropriate, actions co-ordinated domestically to combat money laundering and the financing of terrorism and proliferation.
2. International co-operation delivers appropriate information, financial intelligence, and evidence, and facilitates action against criminals and their assets.
3. **Supervisors appropriately supervise, monitor and regulate financial institutions and DNFBPs for compliance with AML/CFT requirements commensurate with their risks.**
4. **Financial institutions and DNFBPs adequately apply AML/CFT preventive measures commensurate with their risks, and report suspicious transactions**
5. Legal persons and arrangements are prevented from misuse for money laundering or terrorist financing, and information on their beneficial ownership is available to competent authorities without impediments.





## Effectiveness – Immediate Outcomes (contd.)

6. Financial intelligence and all other relevant information are appropriately used by competent authorities for money laundering and terrorist financing investigations.
7. Money laundering offences and activities are investigated and offenders are prosecuted and subject to effective, proportionate and dissuasive sanctions.
8. Proceeds and instrumentalities of crime are confiscated.
9. Terrorist financing offences and activities are investigated and persons who finance terrorism are prosecuted and subject to effective, proportionate and dissuasive sanctions.
10. Terrorists, terrorist organisations and terrorist financiers are prevented from raising, moving and using funds, and from abusing the NPO sector.
11. Persons and entities involved in the proliferation of weapons of mass destruction are prevented from raising, moving and using funds, consistent with the relevant UNSCRs.



[http://www.fatf-gafi.org/publications/mutualevaluations/?hf=10&b=0&s=desc\(fatf\\_releasedate\)](http://www.fatf-gafi.org/publications/mutualevaluations/?hf=10&b=0&s=desc(fatf_releasedate))

Jurisdiction (click on the country name to go to the report on www.fatf-gafi.org)	Assessment body/bodies	Effectiveness											Technical Compliance														
		Ratings that reflect the extent to which a country's measures are effective. The assessment is conducted on the basis of 11 immediate outcomes, which represent key goals that an effective AML/CFT system should achieve. For more information see: <a href="#">FATF Methodology</a>											Ratings which reflect the extent to which a country has implemented the technical requirements of the FATF Recommendations. For more information see: <a href="#">FATF Methodology</a> <a href="#">FATF Recommendations</a>														
		IO1	IO2	IO3	IO4	IO5	IO6	IO7	IO8	IO9	IO10	IO11	R.1	R.2	R.3	R.4	R.5	R.6	R.7	R.8	R.9	R.10	R.11	R.12	R.13	R.14	R.15
<a href="#">Hungary</a>	MONEYVAL	LE	SE	ME	ME	LE	SE	LE	LE	ME	ME	ME	PC	PC	LC	C	PC	PC	PC	C	PC	LC	PC	PC	LC	PC	
<a href="#">Ireland</a>	FATF	SE	SE	SE	ME	ME	SE	ME	ME	ME	ME	SE	LC	LC	C	C	LC	PC	PC	C	LC	LC	PC	PC	LC	PC	
<a href="#">Isle of Man</a>	MONEYVAL	SE	SE	ME	ME	ME	LE	LE	LE	ME	ME	ME	LC	C	C	LC	LC	LC	C	LC	LC	LC	C	LC	C		
<a href="#">Italy</a>	IMF/FATF	SE	SE	ME	ME	SE	SE	SE	SE	SE	ME	SE	LC	LC	LC	C	C	LC	PC	LC	C	LC	C	LC	PC	C	LC
<a href="#">Jamaica</a>	CFATF	ME	ME	ME	LE	LE	ME	LE	SE	LE	LE	LE	PC	PC	LC	LC	LC	NC	PC	NC	C	PC	PC	PC	C	PC	C
<a href="#">Macao, China</a>	APG	ME	SE	SE	ME	SE	SE	LE	LE	ME	SE	SE	LC	LC	LC	C	LC	C	C	LC	C	C	C	C	C	C	
<a href="#">Malaysia</a>	APG/FATF	SE	ME	SE	ME	ME	SE	ME	ME	ME	SE	ME	LC	C	LC	LC	LC	C	PC	LC	LC	C	LC	LC	C	C	
<a href="#">Mexico</a>	GAFILAT/FATF	SE	SE	ME	LE	ME	ME	LE	LE	ME	SE	SE	LC	LC	C	LC	C	C	PC	C	PC	LC	PC	PC	LC	PC	
<a href="#">Nicaragua</a>	GAFILAT	ME	ME	LE	ME	LE	LE	ME	SE	ME	ME	LE	PC	LC	LC	LC	PC	LC	NC	PC	LC	PC	PC	C	PC	PC	
<a href="#">Mongolia</a>	APG	LE	ME	LE	LE	LE	LE	LE	ME	LE	LE	LE	PC	PC	LC	LC	LC	PC	NC	PC	LC	LC	C	LC	LC	PC	LC
<a href="#">Norway</a>	FATF	ME	SE	ME	ME	ME	ME	ME	SE	ME	ME	PC	PC	C	LC	LC	PC	PC	LC	LC	PC	LC	PC	PC	LC	PC	
<a href="#">Portugal</a>	FATF	SE	SE	ME	ME	ME	ME	SE	ME	SE	SE	SE	LC	LC	LC	C	LC	C	C	PC	LC	LC	C	LC	PC	C	LC
<a href="#">Samoa</a>	APG	ME	SE	LE	ME	ME	LE	LE	ME	ME	LE	PC	PC	PC	LC	PC	PC	NC	PC	C	PC	C	PC	PC	C	PC	
<a href="#">Serbia</a>	MONEYVAL	ME	ME	ME	ME	ME	ME	LE	ME	ME	LE	PC	LC	LC	LC	LC	PC	NC	PC	LC	PC	LC	PC	PC	LC	LC	
<a href="#">Singapore</a>	FATF/APG	SE	SE	ME	ME	ME	SE	ME	ME	LE	ME	SE	LC	C	LC	C	LC	LC	LC	C	C	C	C	C	LC	C	
<a href="#">Slovenia</a>	MONEYVAL	ME	SE	ME	ME	ME	ME	ME	ME	ME	ME	PC	LC	LC	LC	PC	PC	PC	PC	LC	LC	C	PC	PC	C	C	
<a href="#">Spain</a>	FATF	SE	SE	SE	ME	SE	HE	SE	SE	SE	ME	ME	C	LC	LC	C	LC	PC	PC	LC	C	LC	C	C	C	C	
<a href="#">Sri Lanka</a>	APG	ME	LE	LE	LE	LE	LE	LE	SE	LE	LE	PC	PC	LC	PC	C	LC	NC	PC	LC	NC	LC	NC	NC	NC	PC	
<a href="#">Sweden</a>	FATF	ME	HE	ME	ME	ME	ME	SE	SE	SE	ME	SE	LC	PC	LC	LC	LC	PC	PC	LC	LC	C	LC	LC	C	C	
<a href="#">Switzerland</a>	FATF	SE	ME	ME	ME	ME	SE	SE	SE	SE	SE	LC	LC	LC	LC	LC	C	PC	C	PC	C	LC	LC	C	LC		
<a href="#">Trinidad and Tobago</a>	CFATF	ME	ME	ME	ME	ME	ME	LE	LE	LE	LE	PC	LC	LC	LC	C	PC	NC	NC	C	LC	C	C	C	C	C	
<a href="#">Tunisia</a>	MENAFATF/ WB	ME	ME	LE	LE	LE	ME	ME	ME	LE	LE	PC	PC	C	LC	C	PC	NC	LC	C	PC	C	PC	LC	LC	PC	
<a href="#">Uganda</a>	ESAAMLG	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	NC	PC	PC	LC	NC	NC	NC	NC	C	PC	NC	NC	C	PC	NC	
<a href="#">United States</a>	FATF/APG	SE	SE	ME	ME	LE	SE	SE	HE	HE	HE	PC	C	LC	LC	C	LC	LC	C	PC	LC	PC	LC	LC	LC	LC	
<a href="#">Vanuatu</a>	APG	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	NC	NC	NC	PC	PC	PC	NC	NC	LC	PC	LC	LC	LC	PC	LC	
<a href="#">Zimbabwe</a>	ESAAMLG	LE	LE	LE	LE	LE	LE	LE	LE	ME	ME	LE	PC	LC	C	PC	C	C	NC	NC	C	PC	C	PC	LC	PC	NC



## ICRG Referral based on MER results

A country, with very poor compliance with the FATF standard, will enter the ICRG pool if any one of the following applies:

- ⦿ it has 20 or more NC/PC ratings for technical compliance; or
- ⦿ it is rated NC/PC on 3 or more of the following Recommendations:
  - R.3, 5, 6, 10, 11, and 20;
- ⦿ it has a low or moderate level of effectiveness for 9 or more of the 11 Immediate Outcomes, with a minimum of two low level ratings;
- ⦿ it has a low level of effectiveness for 6 or more of the 11 Immediate Outcomes.



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# FATF Risk Based Approach

[HTTP://WWW.FATF-GAFI.ORG](http://www.fatf-gafi.org) > PUBLICATIONS > DOCUMENT TYPES > RISK BASED APPROACH

## Risk Based Approach Guidance for Legal Professionals





# 2016/17 Roadmap Technical Compliance



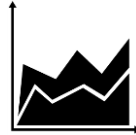
- Consultation on Legislation and Guidance Notes
- Drafting of Legislation and Guidance Notes
- UBO Register brought into effect
- Gap Analysis conducted against FATF 40 Recs & 4MLD
- Strategy Document and Stakeholder Consultation
- NRA Action Plan identified and brought into effect
- Attendance at MoneyVal Plenary session by stakeholders
- Appointment of NCO
- NRA Published
- Proceeds of Crime Act brought into effect

JANUARY 2016

Technical



# 2018 Roadmap Effectiveness Evidence



- **NRA Revised and Published**
  - **Preparation and submission of Moneyval Questionnaires and supply of information**
  - **Guidance Notes Amended and Issued**
  - **4MLD Transposed**
- JUNE 2017

**Effectiveness**



# 2019 Roadmap Review & Evaluation

