



## **FATF Private Sector Consultative Forum 2024**

**4-5 April 2024, UNODC Headquarters, Vienna, Austria**

### **Background Notes**



Opening Session

**Date:** 4 April 2024  
**Time:** 10h00 – 10h25  
**Venue:** BRC

## 2024 FATF Private Sector Consultative Forum

### Opening Session

- Welcoming Remarks: **Ghada Waly, Director-General/ Executive Director of the United Nations Office at Vienna/ United Nations Office on Drugs and Crime (UNODC)**
- Welcoming Remarks: **T. Raja Kumar, President of the FATF**



### Strategic Priorities for the FATF

**Date:** 4 April 2024

**Time:** 10h30 – 11h30

**Venue:** BRC

**Moderated by:** **Violaine Clerc**, Executive Secretary of FATF

## 2024 FATF Private Sector Consultative Forum

### Strategic Priorities for the FATF – How to better address the ML/TF risks?

Discussion on current AML/CFT landscape and focus of FATF's Strategic Priorities

#### *Introduction/Background*

- FATF's mandate is to protect financial systems and the broader economy from threats of money laundering and the financing of terrorism and proliferation, thereby strengthening financial sector integrity and contributing to safety and security. FATF seeks to achieve this objective through several processes and deliverables (e.g. by analysing risks, setting and updating Standards and guidance and, assessing implementation by countries).
- The rise of new technologies and payment methods highlights the importance of staying ahead of emerging trends. Apart from ensuring successful new round of effectiveness-focused assessments and strengthening cohesion of the global network, the FATF is also making it priority to support robust implementation of the FATF Standards, as well as help support responsible innovation, in order to promote a more efficient and effective AML/CFT system.
- Going forward, the FATF will continue to adapt to shifting threats and trends. A key priority is encouraging countries and private sector to strengthen their understanding of how financial crime risks have changed and are evolving. Developing this mutual comprehension of evolving risks is crucial for and effective and coordinated responses that can help mitigate ML/TF risks in a collaborative environment.

#### *Panellists*

- **Alan Ketley**, Executive Secretary at Wolfsberg Group
- **Scott Rembrandt**, Deputy Assistant Secretary for Strategic Policy, Office of Terrorist Financing and Financial Crimes at U.S. Department of the Treasury
- **Christopher Sin**, Superintendent at Financial Intelligence and Investigation Bureau of Hong Kong Police Force; Co-lead of Revision of FATF National Risk Assessment Guidance Project
- **Justine Walker**, Head of Global Sanctions and Risk at Association of Certified Anti-Money Laundering Specialists (ACAMS)

#### *Key focus and objectives of the session*

- What are the strategic priorities of the FATF to address evolving ML/TF risks? In view of the ever-evolving risk environment and with the new round of evaluation around the corner, how can we ensure

a balanced and complementary approach (e.g., mitigating new risks and implementation of the current standards, strengthening global network etc.)?

- What should be the priority areas for the governments and the private sector to focus on?
- How do we better promote a shared understanding of ML/TF risks?
- Going forward – what does success look like in this challenging environment?



**Digitalisation, Innovation and  
Technology**

**Date:** 4 April 2024

**Time:** 11h45 – 12h45

**Venue:** BRC

**Moderated by:** **John Cusack**,  
Chairman of Global Coalition to Fight  
Financial Crime

## 2024 FATF Private Sector Consultative Forum

### **Digitalisation, Innovation and Technology – Impact on AML/CFT world**

Progress and developments in RegTech, SupTech, and how such developments impact AML/CFT efforts and effectiveness

#### *Introduction/Background*

- Digital technologies have the potential to transform financial services industry by spurring innovation, generating efficiencies and improving accessibility. However, these developments also bring their own challenges. Financial crimes have increasingly become a borderless phenomenon in the interconnected work world through use of new technology and faster movement of criminal proceeds across boundaries. It has also created widening opportunities for fraud, identity thefts and cyber enabled crimes by criminals.
- The response to these evolutions has also evolved. Many law enforcement authorities are investing in their digital capabilities for investigating money laundering and terrorist financing more effectively. Private sector is also increasingly leveraging on technological solutions for more effective and efficient compliance procedures.
- RegTech solutions can be effective tools to allow financial institutions fulfil their obligations, such as on sanction compliance more efficiently, identification of suspicious activity, or the sharing of sensitive information while keeping data privacy standards. In parallel, the development of SupTech has the potential to help supervisory authorities to be more efficient and proactive in their supervisory processes. The progress in developments of RegTech and SupTech can complement the AML/CFT efforts of the private and public sector and help achieve efficiency and effectiveness gains.

#### *Panellists*

- **Peter Balke**, Team Lead, Innovation and Intelligence at Dutch Central bank
- **Jeffery Lee**, Managing Director, Group Head, Financial Crime & Security Services at DBS Bank, Singapore
- **Nick Maxwell**, Head of Future of Financial Intelligence Sharing (FFIS) Research
- **Annette Ryan**, Deputy Director - Partnership, Policy and Analysis at Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)

*Key focus and objectives of the session*

- How can private sector harness new technology while mitigating the ML/TF risks it brings? Are there some good practices?
- How can FIU/LEAs change in the age of digital innovation and against the backdrop of new and emerging technologies, and the increasingly borderless and fast-moving nature of financial crime.
- How can private and public sector cooperate in enhancing the effectiveness and efficiencies of their AML/CFT efforts?
- What should be the way forward for rethinking AML/CFT in a digital age?



**Combating ML Related to Illegal  
Wildlife Trade**

**Date:** 4 April 2024

**Time:** 14h15-15h15

**Venue:** BRC

**Moderated by:** David Fein, Special  
Counsel at Paul, Weiss, Rifkind,  
Wharton & Garrison LLP

## 2024 FATF Private Sector Consultative Forum

### **Combating ML related to illegal wildlife trade – Public & private sector experience**

Public and private sectors' efforts and cooperation in combating the financial flows from illegal wildlife trade

#### *Introduction/Background*

- Wildlife crime is a global threat, affecting all regions and almost every jurisdiction, either as a source, transit or destination for illegal wildlife products<sup>1</sup>. Illegal wildlife trade, as a highly lucrative illicit trade with billions of dollars of annual global proceeds, gravely threatens our planet's biodiversity and ecosystems.
- The FATF has been working with countries and strategic partners to develop a better understanding of this phenomenon.<sup>2</sup> FATF studies highlight that criminals are easily getting away with their illicit profits from poaching and trading in ivory and pangolin scales for example, or through environmental crimes like illegal logging. They use a variety of techniques to launder the profits, including trade-based money laundering and using anonymous shell companies, to hide the money-trail. Use of organised criminal groups, which are involved in other crimes such as drugs trade is also common.
- Despite this being a multi-billion-dollar criminal industry, most efforts by countries have rarely focused on the financial aspect of this crime. Financial investigations are rarely carried out in parallel. Due to the low number of financial investigations, both the private and public sector have a less developed knowledge of the trends, methods and techniques used to launder proceeds from these crimes. This further inhibits an effective response. A more sophisticated understanding of the various

<sup>1</sup> UNODC, World Wildlife Crime Report: Trafficking in Protected Species, 2016, pp. 13-14: UNODC Enhancing the detection, investigation and disruption of Illicit Financial Flows From Wildlife Crime 2017

<sup>2</sup> <https://www.fatf-gafi.org/en/publications/Environmentalcrime/Money-laundering-wildlife-trade.html>

techniques used to launder money, and red flags relating to illegal wildlife trade trends such as smuggling routes and methods, are crucial in targeting public and private sector resources.

### *Panellists*

- **John Edward Ned Conway**, Global Head of Financial Crime Compliance Framework & Policies, Banco Santander; Advisor to Nature Crime Alliance
- **Rasio Ridho Sani**, Director General at Ministry of Environment and Forestry of the Republic of Indonesia
- **Olivia Swaak-Goldman**, Executive Director at Wildlife Justice Commission

### *Key focus and objectives of the session*

- What are the trends associated with the financial flow of proceeds from illegal wildlife trade and how could countries effectively detect and deter such flow in a timely way?
- How could the private sector contribute to detection and disruption of financial flows linked to illegal wildlife trade?
- How could the public and private sectors cooperate more closely to exchange information, intelligence, and co-ordinate efforts in combating illegal wildlife trade?





### Transparency and Beneficial Ownership

**Date:** 4 April 2024  
**Time:** 15h30– 16h30  
**Venue:** BRC  
**Moderated by:** Elad Wieder (Israel),  
 FATF Policy Development Group Co-Chair

## 2024 FATF Private Sector Consultative Forum

### **Transparency and Beneficial Ownership**

Revisions to R.24 and R.25, including the major changes and expectations, state of play, and next steps

#### *Introduction/Background*

- FATF is dedicated to take concrete action to fight against the misuse of legal entities and arrangements, and has strengthened the Standards over the past few years. In March 2022, FATF agreed on tougher global Beneficial Ownership (BO) standards in its R.24 by requiring countries to ensure that competent authorities have access to adequate, accurate and up-to-date information on the true owners of legal entities. In March 2023, FATF published the guidance that will help countries implement the revised R.24.
- Meanwhile, FATF agreed on enhancements to R.25 on legal arrangements to bring its requirements broadly in line with those for R.24 to ensure a balanced and coherent set of BO transparency standards. The FATF has recently published the guidance to help countries implement the revised R.25 requirements.
- The session will cover the main topics around the issues of transparency and beneficial ownership, in particular, the implementation of the revised recommendations and guidelines, as well as the expectations on public and private sectors in this regard.

#### *Panellists*

- **Glenn Fox**, Fellow of American College of Trust and Estate Counsel
- **Evert Houtman**, Ministry of Finance, Treasury, Netherlands
- **Maira Martini**, Research and Policy Expert at Transparency International
- **Alexander Winkler**, Head of Expert Group on AML at Austrian Chamber of Civil Law Notaries

#### *Key focus and objectives of the session*

- The FATF adopted revisions to its Standards and the updated Guidance following multiple consultations. What are the key outcomes of this work and implications on other challenging aspects

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of AML/CFT regime (e.g. effective investigations and prosecutions for ML/TF, asset recovery, domestic and international cooperation, etc.)?

- How can we promote the domestic implementation of the revised standards across the global network?
- How will the new standard impact the private sector and how to prepare for the change?
- What are the challenges in implementation and how to overcome them? What are the next steps for governments, private sector and civil society?



**Countering the Financing of Terrorism – Role of private sector**

**Date:** 4 April 2024

**Time:** 16h30– 17h45

**Venue:** BRC

**Moderated by:** Maarten Pijls (The Netherlands), FATF Risk, Trends and Methods Group Co-Chair

## 2024 FATF Private Sector Consultative Forum

### **Countering the Financing of Terrorism – Role of private sector**

Towards more effective prevention and disruption of Terrorist Financing

#### *Introduction/Background*

- Terrorism relies on financial resources. Taking measures to intercept and disrupt the flow of funds to terrorists creates an inhospitable environment for terrorists and their abuse of the global financial system. When terrorist groups lack financial resources, their ability to plan and execute attacks becomes significantly limited. Additionally, gathering financial intelligence can provide valuable insights into the organisational structure of these groups, the actions of individual terrorists, and their support networks.
- Terrorists often change the way they raise and move funds and other assets with a view to circumventing safeguards that jurisdictions have put in place to detect and disrupt this activity. To this end, private sector plays a crucial supporting role in effectively detecting and preventing misuse of financial system for financing terrorism. The timely and effective sharing of information concerning financial activity with possible links to crime and terrorism between the public and private sectors is vital in preventing, detecting and disrupting terrorism-financing acts.
- The public sector movement on legislation and regulatory solutions to enable the sharing of terrorist financing information goes hand in hand with the private sector movement encouraging the pooling of private sector data to create shared electronic platforms for customer insight. However, sharing of information concerning terrorism financing can be disrupted in many ways, lack of resource and capacity, limiting scope of traditional financial institution, unclear legal framework, one way communication and limitation on feedback and guidance.
- Therefore, effective public-private partnership framework is essential in for pertinent information sharing, thereby enhancing the private sector's capacity to mitigate high-risk activities and better support authorities in preventing and detecting terrorism financing. At the same time, the public sector may also draw on the resources and know-how of the neighboring private sector to set up public-sector-wide training programs, or to continue an ongoing process of increasingly sophisticated awareness-raising.

*Panellists*

- **Sue Pawsey**, Metropolitan Police Department, UK
- **Leyla Salehjadeh**, Policy Advisor at US Department of Treasury, Terrorist Financing and Financial Crimes
- **Bertrand Salewyn**, Global Director of Financial Security at Société Générale
- **Melissa Tullis**, Programme Management Officer at UNODC
- **Benjamin Vogel**, Senior Researcher, Criminal Law at Max Planck Institute

*Key focus and objectives of the session*

- What are the expectations on private sector's role in preventing, detecting and disrupting terrorist financing?
- What are the main remaining obstacles to information sharing within the private sector and between the private and public sectors? How to address these obstacles?
- How can public-private partnerships address terrorist financing risks?
- How to further enhance public-private partnership frameworks?



### Payment Transparency

**Date:** 5 April 2024

**Time:** 10h00-11h15

**Venue:** BRC

**Moderated by:** Takahide Habuchi  
(Japan), FATF Policy Development  
Group Co-Chair

## 2024 FATF Private Sector Consultative Forum

### Payment Transparency

Ongoing work of Recommendation 16 revision and payment transparency

#### *Introduction/Background*

- Since the FATF Recommendation 16 (R.16) was originally established, the payment architecture has changed significantly. New payment services providers have emerged and new payment technologies have evolved. Cross-border payments are no longer only wire transfers settled through clearing banks. The evolution in payment sector structure and business models during the past decades have prompted the FATF to review its Standards to address emerging risks and potential gaps in the implementation of the Standards as well as to leverage the new and emerging technology and change in messaging standards for efficiency gains in compliance processes and procedures put in place by financial institutions. The revisions also aim to ensure a consistent implementation and to create a level playing field so that R.16 remains technology-neutral, on the principle of “same activity, same risk, same rules”.
- The FATF has released draft potential revisions to R.16 for public consultation. Proposed revisions include clarifying the roles and responsibilities of different players involved in the payment chain and improving the content and quality of basic originator and beneficiary information contained in the payment messages and revisions on requirements for cards. This should help achieve greater transparency and level playing field.
- The objective of this session is to discuss the potential revisions to R. 16 on payment transparency in light of public consultation draft and to gain useful insights from wider private sector stakeholders, noting the ongoing public consultation.

#### *Panellists*

- **Bridget Abraham**, Chief Compliance Officer at Remitly
- **Vincent Li**, Senior Director, Global AML & Compliance at Ant International
- **Tracy Paradise**, Managing Director, Group Head of FC Strategy & Framework at HSBC
- **Salvador Perez-Galindo**, Senior Advisor, Global Government Engagement at Visa, Inc.
- **Andrew Sanders**, Policy Advisor at Office of Terrorist Financing and Financial Crimes of U.S. Treasury Department; Co-lead of FATF Recommendation 16 Project Team

*Key focus and objectives of the session*

- What challenges are you facing in processing cross-border payments and associated AML/CFT checks in terms of payment transparency? What improvement would help resolve these issues to enhance the efficiency and effectiveness of payments?
- R.16 concerns the information that must be included in instructions along the payment chain. The evolution in payment sector structure and business models have led to the emergence of new players in the payment ecosystem, and as a result there can be situations in which it is not clear where the payment chain should be considered to begin, and therefore which entities have obligations under R.16. What factors do you expect the FATF to take into consideration in finalising the R.16 revisions, especially in the context of cross-border payments, to ensure all required information is transmitted end-to-end from inception of a payment? (The draft revisions to R.16 for public consultation propose to clarify the start and end points of payment chains to clearly set out the obligations of financial institutions involved in the payment chain.)
- What information in the payment message will help increase effectiveness for payment service providers in their sanctions screening and transaction monitoring? The draft revisions to R.16 and its Interpretive note (INR.16) propose additional mandatory information elements in addition to full name, account number, and address of originator and beneficiary. What information will generate additional value for financial crimes risk management and minimise false positives?
- Currently, transactions carried out using a credit, debit, or prepaid card for the purchase of goods or services are exempt from R.16, so long as the card number accompanies all transfers flowing from the transaction. This exemption does not apply to person-to-person transfers carried out using a credit, debit, or prepaid card. What financial crimes risks associated with card payments do you see? How can R.16 be revised to address these risks? Are there other categories of transactions that should be excluded from the exemption?



### Central Bank Digital Currencies

**Date:** 5 April 2024

**Time:** 11h30-12h30

**Venue:** BRC

**Moderated by:** Tom Neylan, Head of Risk and Policy Unit at FATF Secretariat

## 2024 FATF Private Sector Consultative Forum

### **Central Bank Digital Currencies: Opportunities, challenges and implications for ML/TF risks**

Key global developments and opportunities and challenges for policy objectives such as financial inclusion and addressing ML/TF risks

#### *Introduction/Background*

- A recent Central Bank Digital Currencies (CBDC) survey<sup>3</sup> found that 93 percent of central banks are engaged in some form of CBDC work, reflecting that interest in CBDC is global. The progress in CBDC is diverse, some countries have officially launched CBDC, while others take a more cautious approach and are moving more slowly. Central banks are exploring whether CBDC could help them achieve their public good objectives, such as safeguarding public trust in money, maintaining price stability and ensuring safe and resilient payment systems and infrastructure. This could also potentially increase financial inclusion.
- However, as with other forms of money, CBDCs may pose ML/TF risks. Financial integrity implications associated with CBDC issuance are relevant and they need to be considered at the design stage. The broader AML/CFT framework such as risk assessment, regulation and oversight of relevant actors in the CBDC ecosystem and ensuring that law enforcement agencies are able to investigate and prosecute offenses involving CBDC and seize, freeze, or confiscate such proceeds are also relevant. Detecting, investigating, and prosecuting for ML/TF while protecting individuals' data and privacy is not optional; it is essential that both are achieved. A coordinated approach is vital to ensure a holistic consideration of issues involved.

#### *Panellists*

- **Steven De Vries**, Senior Economist at the Directorate General for International and European relations at the European Central Bank
- **Nadine Schwarz**, Deputy Division Chief at International Monetary Fund
- **Beju Shah**, Head of Nordic Centre at BIS Innovation Hub, Sweden
- **Takahiro Yamasaki**, Director at Office for Countering Illicit Financial Flows at Ministry of Finance, Japan

<sup>3</sup> Bank for International Settlements, 2023

*Key focus and objectives of the session*

- What are the opportunities brought about by the development of CBDC (e.g. AML/CFT, financial inclusion, induce competition in payment systems, strengthen resilience for digital payment systems, etc.)?
- What are the ML/TF risks associated with CBDC? How should such risks be identified, assessed and mitigated?
- How does development of CBDCs impact the broader AML/CFT framework? Are there any policy implications or key lessons so far?





### Asset Recovery

**Date:** 5 April 2024

**Time:** 14h00 – 15h00

**Venue:** BRC

**Moderated by:** Elad Wieder, Co-Chair, FATF Policy Development Group

## 2024 FATF Private Sector Consultative Forum

### **Asset Recovery: Public-private collaboration for more effective outcomes**

Revisions to R.4 and R.38, and how public-private information sharing partnerships can lead to more effective results

#### *Introduction/Background*

- Global financial crime has risen in scale, complexity and pervasiveness across jurisdictions in recent years and is highly lucrative. While asset recovery should be a key pillar of a country's approach to combating money laundering and terrorist financing, global studies estimate that countries manage to intercept and recover less than one per cent of global illicit financial flows. Proceeds of crime are often moved out of countries quickly and channelled to or through multiple countries, rendering the process of asset recovery complex and requiring lengthy international cooperation.
- In October 2023, the FATF Plenary agreed on amendments to R.4 and R.38 that will provide law enforcement, financial intelligence units, prosecutors other asset recovery practitioners and competent authorities with a more robust toolkit to target and confiscate criminal asset. In addition, a stronger understanding of the global financial crime landscape, especially in relation to cyber-enabled financial crime, is central to efforts against illicit flows. Increased and effective information sharing among public authorities and the private sector is also crucial to achieve the shared objectives.
- FATF and INTERPOL have launched a joint initiative, marking a turning point in global efforts to recover illicit assets. The two FIRE (FATF-INTERPOL Roundtable Engagement) events in 2022 and 2023 mobilised the community of global experts, bring law enforcement agencies, prosecutors, asset recovery, policy and regulatory experts from both the public and private sectors, under the same roof to discuss asset recovery issues and practical solutions to deprive criminals of their illicit assets and contribute to a safer society.

#### *Panellists*

- **Pierre Allegret**, Deputy Director of AML/CFT at Ministry of economy and Finance of France
- **David Fein**, Special Counsel at Paul, Weiss, Rifkind, Wharton & Garrison LLP
- **Jan-Gerrit Iken**, Global Head of AFC Transaction Monitoring & Screening at Deutsche Bank AG

- **Roger Kaiser**, Head of Tax & Compliance at European Banking Federation; Member of the Steering Group of the Europol Financial Intelligence Public Private Partnership; Member of the Financial Crime Working Group of the International Banking Federation
- **Annette Ryan**, Deputy Director - Partnership, Policy and Analysis at Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)

*Key focus and objectives of the session*

- What are the key revisions to R.4 and R.38? How should these revisions ensure greater effectiveness in asset recovery efforts?
- What steps are needed to resolve challenges to effective cross-border asset identification, freeze and confiscation?
- How can public sector leverage on the information held by the private sector and how can the private sector support the asset recovery efforts more proactively?
- How can financial institution stop or slow down fraud once the money has left the bank and moved across border?



### NPOs

**Date:** 5 April 2024

**Time:** 15h00-16h00

**Venue:** BRC

**Moderated by:** Sangeeta Goswami, Policy  
Advocacy Adviser at NPO Global Coalition

## 2024 FATF Private Sector Consultative Forum

### **Implementing a risk-based approach to combatting the TF abuse of NPOs and ensuring access of NPOs to financial services**

Implementing the revised R.8 and the updated FATF best practices paper to combat TF abuse of NPOs and ensure access of NPOs to financial services

#### *Introduction/Background*

- In 2021, the FATF launched a project to study and mitigate the unintended consequences resulting from the incorrect implementation of the FATF Standards, including undue targeting of NPOs, de-risking and financial exclusion. The misapplication of the FATF Standards, and in particular the failure to use the proportionality that is central to the risk-based approach, can have a chilling effect on legitimate and much-needed charitable and humanitarian activities and can lead to or compound financial exclusion.
- In November 2023, the FATF agreed on amendments to the FATF Recommendations that aim to protect NPOs from potential terrorist financing abuse through the effective implementation of proportionate, targeted and risk-based measures. The FATF also updated its Best Practices Paper to reflect the amendments to Recommendation 8 and to assist countries, the non-profit sector and financial institutions understand how best to protect relevant NPOs from abuse for terrorist financing, without unduly disrupting or discouraging legitimate NPO activities.

#### *Panellists*

- **Katerina Hadji-Miceva Evans**, Executive Director at European Center for Not-for-Profit Law
- **Ashleigh Subramanian-Montgomery**, Associate Director - Policy & Advocacy at Charity & Security Network
- **Ben Trim**, Head of Financial Crime Public Policy at HSBC
- **Emile van der Does de Willebois**, Lead Specialist at World Bank

#### *Key focus and objectives of the session*

- What are the main changes of R.8 and how is the NPO sector receiving the changes?
- What is key to implementing a risk-based approach in combatting the TF abuse of NPOs?
- How will the new standard impact the private sector and how to prepare for the change?
- What are the next steps for governments, private sector and civil society?



[Concluding Fireside Chat](#)

**Date:** 5 April 2024  
**Time:** 16h15 – 16h45  
**Venue:** BRC

## 2024 FATF Private Sector Consultative Forum

### Concluding Fireside Chat

Takeaways from FATF leadership, private sector and other key stakeholders

#### *Speakers*

- **Violaine Clerc**, Executive Secretary of FATF
- **John Cusack**, Chairman, Global Coalition to Fight Financial Crime
- **Alan Ketley**, Executive Secretary, Wolfsberg Group

#### *Key focus and objectives of the session*

- What are the takeaways from the two days of sessions?
- What should we focus on going forward?

Closing Remarks

**Date:** 5 April 2024  
**Time:** 16h45 – 17h00  
**Venue:** BRC



## 2024 FATF Private Sector Consultative Forum

### Closing Remarks

- Closing Remarks: **T. Raja Kumar, President of the FATF**