

**SELF-ASSESSMENT QUESTIONNAIRE****INSTRUCTIONS:**

1. This questionnaire seeks to obtain information on the progress each FATF member has made in implementing the FATF Recommendations. The requested information will be compiled by the Secretariat and serve as the basis for assessing this progress.
2. Responses should reflect the current situation in your jurisdiction, not any future or desired situation or a situation based on preconditions which have not yet been met. In most instances, each series of questions on a particular Recommendation has space specifically allotted for describing future situations or policy intentions. The responses to the remainder of the questions, however, should reflect the present situation.
3. Due to the significant revision of the questionnaire, delegations are asked to answer all questions rather than merely indicating changes from previous years. Submit completed questionnaires to the FATF Secretariat at [fatf.contact@oecd.org](mailto:fatf.contact@oecd.org) on or before **18 February 2000**.

*Specific instructions for completing and submitting this form electronically*

4. This questionnaire has been designed so that it may be submitted electronically. Each 'blank' in the form has been indicated by grey shading. You may move from one question to the next either by using your tab key (to move forward), the arrow keys (to move forward or backward), or your cursor (mouse).
5. For questions which call for a 'yes' or 'no' answer, the default is 'no'. In order to provide your answer to this type of question, use your cursor to select the corresponding blank. A small menu will appear giving you your choices. If you feel that this type of question does not apply to your jurisdiction, answer 'no' and explain in the space provided on the form.
6. For other questions that ask for longer responses, again select the corresponding blank and then type in the desired response to that question. The blank will increase in size according to how much information you enter. If you need additional space for explanation to any questions on the form, you may submit this information with clear reference to the corresponding question as a separate attachment to your completed questionnaire.
7. You are requested to submit this form electronically, as this will facilitate creating the compilation tables. Should you be unable to complete the form and submit it electronically, you may submit a hard copy version; however, this method should only be considered as a last resort.

FATF Secretariat  
6 October 1999

# SELF ASSESSMENT QUESTIONNAIRE

COUNTRY: UNITED STATES DATE OF INFORMATION: SEPTEMBER 14, 2000

## I. GENERAL

### Recommendation 1

*Each country should take immediate steps to ratify and to implement fully, the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (the Vienna Convention).*

1.1. Have you signed the Vienna Convention?	Yes	1.2. Have you ratified the Vienna Convention?	Yes
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1.3. What is the status of your implementation of the Vienna Convention, and in particular Articles 3-9 of the Convention?

The United States is in full compliance with Articles 3, 4, and 6 through 9 of the Convention. The United States is in substantial compliance with Article 5, except for one international forfeiture provision set forth in Article 5. Under 18 U.S.C. § 981(a)(1)(B), the United States can initiate a civil action against foreign drug proceeds that would result in seizure and confiscation of such property. However, that section does not provide for the direct seizure and/or confiscation of instrumentalities of foreign drug crimes.

1.4. If NO to questions 1.1. or 1.2., please specify in the space below the measures you intend to take to comply fully with this Recommendation and the timing of such measures.

### Recommendation 2

*Financial institution secrecy laws should be conceived so as not to inhibit implementation of these recommendations.*

2.1. Do your financial institution secrecy laws serve to inhibit full implementation of the FATF Recommendations?	No
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2.2. Do your financial institution secrecy laws serve to conceal the identity of beneficial owners of bank accounts?	No
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2.3. Do your financial institution secrecy laws prohibit banks from revealing account/transaction information to domestic law enforcement agencies or other competent authorities upon their request for such information?	No
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2.4. Do your financial institution secrecy laws prohibit banks from furnishing account/transaction information to foreign law enforcement or other competent authorities pursuant to mutual legal assistance requests?	No
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2.5. If YES to any of questions 2.1. to 2.4., please specify in the space below the measures you intend to take to comply fully with this Recommendation and the timing of such measures.

### Recommendation 3

*An effective money laundering enforcement programme should include increased multilateral co-operation and mutual legal assistance in money laundering investigations and prosecutions and extradition in money laundering cases, where possible.*

3.1. Is money laundering <sup>1</sup> an offence for which a full range of mutual legal assistance <sup>2</sup> can be provided?	Yes
3.2. If NO, please specify in the space below the measures you intend to take to comply fully with this Recommendation and the timing of such measures.	

## II. ROLE OF NATIONAL LEGAL SYSTEMS IN COMBATING MONEY LAUNDERING

### Scope of the Criminal Offence of Money Laundering

#### Recommendation 4

*Each country should take such measures as may be necessary, including legislative ones, to enable it to criminalise money laundering as set forth in the Vienna Convention. Each country should extend the offence of drug money laundering to one based on serious offences. Each country would determine which serious crimes would be designated as money laundering predicate offences*

4.1. Is money laundering a criminal offence?	Yes
4.2. If YES, please specify in the space below which predicate offences are covered.	
The money laundering statutes enumerate approximately 170 criminal offenses which can be the predicates for money laundering. Included among these offenses are the production, importation, sale, or distribution of a controlled substance (illegal drug); racketeering; fraud; counterfeiting; alien smuggling; theft of government property; gambling; customs violations; arms smuggling; terrorism; and, bribery.	
4.3. Does your law allow for the prosecution for money laundering in cases where that person is laundering the proceeds of an offence committed by him already.	Yes
4.4. Is money laundering a criminal offence even where the predicate offence is not subject to the criminal jurisdiction of the State (e.g. if the predicate offence took place in a foreign jurisdiction)?	No

<sup>1</sup> All references to money laundering in this questionnaire refer to the offence of laundering the proceeds of serious crimes.

<sup>2</sup> Mutual legal assistance is to be taken to mean the power to provide a full range of both non-coercive and coercive mutual legal assistance, including the taking of evidence, the production of documents for investigation or as evidence, the search and seizure of documents or things relevant to criminal proceedings or to a criminal investigation, the ability to enforce a foreign restraint, seizure, forfeiture or confiscation order in a criminal matter.

4.5. If NO to question 4.1., please specify in the space below the measures you intend to take comply to fully with this Recommendation and the timing of such measures.

Pursuant to U.S. law, several foreign offenses are currently predicates for money laundering. These foreign crimes, listed at 18 U.S.C. § 1956 (c)(7), include drug trafficking, murder, kidnapping, robbery, extortion, destruction of property by means of explosion or fire, and fraud by or against a foreign bank. It may also include the proceeds from other specified unlawful activities that are not expressly identified as foreign offenses, but arguably encompasses those foreign offenses where its proceeds or other objects traveled through foreign commerce. In addition, legislation is pending that, if passed, will expand the number of specified unlawful activities (predicate offenses) for money laundering, to include additional foreign predicate offenses, such as fraud and public corruption. This will further strengthen the U.S. anti-money laundering laws.

### Recommendation 5

*As provided in the Vienna Convention, the offence of money laundering should apply at least to knowing money laundering activity, including the concept that knowledge may be inferred from objective factual circumstances.*

5.1. Is the knowledge (*scienter*) requirement of your money laundering law based on:

a. Actual knowledge	Yes	c. "Should have known" standards	Yes
b. Inferences drawn from objective factual circumstances	Yes	d. Negligence	No

5.2. If NO to question 5.1. (a or b), please specify in the space below the measures you intend to take to comply fully with this Recommendation and the timing of such measures.

### Recommendation 6

*Where possible, corporations themselves - not only their employees - should be subject to criminal liability.*

**NOTE: Answers to the following questions will not be used in assessing compliance with the FATF 40 Recommendations.**

6.1. Are corporations (juridical persons) subject to criminal liability for money laundering?	Yes
6.2. Are corporations (juridical persons) subject to civil or administrative sanctions for money laundering?	Yes

6.3. If NO to question 6.1., please indicate in the space below the measures you intend to take to implement this Recommendation and the timing of such measures. If you do not intend to implement this Recommendation, or you are unable to do so, please provide the reasons.

**Provisional Measures and Confiscation**

**Recommendation 7**

*Countries should adopt measures similar to those set forth in the Vienna Convention, as may be necessary, including legislative ones, to enable their competent authorities to confiscate property laundered, proceeds from, instrumentalities used in or intended for use in the commission of any money laundering offence, or property of corresponding value, without prejudicing the rights of bona fide third parties.*

*Such measures should include the authority to : (1) identify, trace and evaluate property which is subject to confiscation; (2) carry out provisional measures, such as freezing and seizing, to prevent any dealing, transfer or disposal of such property; and (3) take any appropriate investigative measures.*

*In addition to confiscation and criminal sanctions, countries also should consider monetary and civil penalties, and/or proceedings including civil proceedings, to void contracts entered into by parties, where parties knew or should have known that as a result of the contract, the State would be prejudiced in its ability to recover financial claims, e.g. through confiscation or collection of fines and penalties.*

7.1. Do you have confiscation laws for proceeds from, and instrumentalities of, criminal offences?					Yes
7.2. Are these laws . . .					
a. Property based?	Yes	b. Value based?	Yes	c. Both 'a' and 'b'?	Yes
7.3. Do your confiscation laws allow for the confiscation of . . .					
a. The proceeds of money laundering (or property of corresponding value)?	Yes	c. Instrumentalities actually used in the commission of a money laundering offence (or property of corresponding value)?	Yes		
b. Laundered property (or property of corresponding value)?	Yes	d. Instrumentalities intended to be used in the commission of a money laundering offence (or property of corresponding value)?	Yes		
7.4. In relation to property which may be, or is subject to confiscation, do your laws allow competent authorities to . . .					
a. Identify and trace that property?	Yes	b. Freeze or seize that property?	Yes	c. Take appropriate investigative measures?	Yes
7.5. If NO to any parts of questions 7.1., 7.3. or 7.4., please specify in the space below the measures you intend to take to comply fully with this Recommendation and the timing of such measures.					
7.6. Is a criminal conviction a prerequisite to the entry of a final order of confiscation?					No
7.7. Can a request for any type of legal assistance be acted upon in the requested state if a criminal conviction will not be sought (e.g., because a civil <i>in rem</i> action will be brought) in the requesting state?					Yes
7.8. If YES, please specify in the space below what type of assistance.					
The United States will cooperate with foreign law enforcement to the extent its laws permit in the identification, seizure, and forfeiture of the proceeds of money laundering and related crimes. Informal law enforcement assistance, such as consensual witness interviews, collection of public information, and routine police investigation is available to foreign authorities through their contacts with U.S. law enforcement officials. The U.S. mutual assistance statute (28 U.S.C. § 1782) and U.S. mutual legal assistance treaties (including the applicable provisions of the Vienna Convention) and relevant executive agreements, provide for formal assistance, including inter alia, in accordance with the terms of such agreements, freezing and confiscation, production of financial records and witness testimony.					

The U.S. has both civil and criminal forfeiture capabilities. Although previously, U.S. law provided for the civil forfeiture of the proceeds of foreign drug trafficking deposited or invested in the United States, under the newly enacted Civil Asset Forfeiture Reform Act (CAFRA), the ability of the U.S. to render international forfeiture cooperation is enhanced. As provided in CAFRA, which became effective on August 23, 2000, the United States can freeze for a limited time, the assets of a person charged or arrested in another country with a crime for which forfeiture would be available in the U.S. CAFRA amended 18 U.S.C. § 981(a)(1)(C) to authorize the civil forfeiture of the proceeds of any offense defined as "specified unlawful activity" in 18 U.S.C. § 1956(c)(7) (the money laundering statute). Additionally, the U.S. can now register and enforce foreign forfeiture judgments at the request of countries with which it has a forfeiture cooperation obligation either pursuant to a mutual legal assistance treaty (MLAT) or other agreement. CAFRA limits enforcement proceedings to foreign offenses recognized under the Vienna Convention and the money laundering statute. This covers those specified unlawful activities listed at 18 U.S.C. § 1956(c)(7), including: drug trafficking, murder, kidnapping, robbery, extortion, destruction of property by means of explosive or fire, and fraud by or against a foreign bank.

7.9. Are your legal authorities allowed to void contracts or render them unenforceable in order to preserve property for confiscation where the parties to the contract knew or should have known that the contract entered into would impede the ability of law enforcement to recover financial claims?	Yes
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7.10. If NO to questions 7.6. or 7.7., please specify in the space below the measures you intend to take to fully implement this Recommendation and the timing of such measures.

Based on our understanding of question 7.6, a NO answer indicates compliance with this Recommendation. Therefore, no explanation is provided, as the U.S. is in full compliance with this Recommendation.

### III. ROLE OF THE FINANCIAL SYSTEM<sup>3</sup> IN COMBATING MONEY LAUNDERING

#### Recommendation 8

*Recommendations 10 to 29 should apply not only to banks, but also to non-bank financial institutions. Even for those non-bank financial institutions which are not subject to a formal prudential supervisory regime in all countries, for example bureaux de change, governments should ensure that these institutions are subject to the same anti-money laundering laws or regulations as all other financial institutions and that these laws or regulations are implemented effectively.*

8.1. Please identify the categories of non-bank financial institutions (NBFIs) subject to the full range of anti-money laundering laws and regulations? For each category of NBFI, indicate: Yes or No.

a. Bureaux de change	No	Other NBFI (Please specify):	
b. Stockbrokers	No	e.	No
c. Insurance companies	No	f.	No
d. Money remittance/transfer companies	No	g.	No

8.2. If NO to any of categories 'a' through 'g', please specify in the space below the measures you intend to take to comply fully with this Recommendation and the timing of such measures.

Bureaux de change (currency exchangers), securities brokers and dealers, money transmitters, and casinos are subject to federal anti-money laundering laws (in general, the Bank Secrecy Act or "the BSA").

<sup>3</sup> All references in this questionnaire, unless otherwise indicated, refer to both banks and non-bank financial institutions (NBFIs).

These businesses have long been required, for example, to report currency transactions over \$10,000, record transmittals of funds of \$3,000 or more (and provide that information to law enforcement upon request), and maintain records of such transactions for at least five years.

The U.S. Treasury Department is moving forward with new regulations to extend mandatory suspicious activity reporting to money transmitters, casinos, and brokers and dealers in securities. On March 14, 2000, the Treasury Department's Financial Crimes Enforcement Network (FinCEN) issued a final rule requiring money transmitters (including the U.S. Postal Service) and money order and traveler's check businesses to report suspicious transactions. Reporting will begin January 1, 2002. (In Arizona, bureaux de change (currency exchangers) and money transmitters are currently required by state law to report suspicious transactions to the Office of the Arizona Attorney General. In other states, some of these businesses have begun to report suspicious transactions on a voluntary basis.)

Reportable transactions under the new rule for money transmitters (and money order and traveler's check businesses) include:

-- transactions involving funds derived from illegal activity or intended or conducted in order to hide or disguise funds or assets derived from illegal activity;

-- transactions designed, whether through structuring or other means, to evade the requirements of the BSA; and

-- transactions that appear to serve no business or apparent lawful purpose.

Like the suspicious activity reporting rule for banks, the new rule incorporates a "safe harbor" that provides broad protection from liability to customers of financial institutions that report suspicious transactions. In addition, the rule specifically prohibits persons filing suspicious activity reports from disclosing, except to law enforcement and regulatory agencies, that a report has been filed or from providing any information that would disclose that a report has been prepared or filed. Failure to report a suspicious transaction may subject money transmitters (and money order and traveler's check businesses) to possible civil money penalties or criminal sanction, or both.

FinCEN has also issued a proposed rule that would require casinos to report suspicious transactions. The proposed rule is similar to the rule for banks, money transmitters, and money order and traveler's check businesses. The proposal includes a safe harbor provision, prohibits disclosure of the filing of a suspicious transaction report (except to law enforcement and regulatory agencies), and provides that failure to report a suspicious transaction may subject a casino to civil and criminal penalties. FinCEN is currently working on a final rule based on the notice of proposed rulemaking. (State law in Nevada, which has perhaps the greatest amount of casino business in the United States, requires Nevada casinos to report suspicious transactions.)

A final rule was published on August 20, 1999, that requires money services businesses (MSBs) to register with the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN). MSBs include businesses that provide the services of currency exchange (bureaux de change), money transmission, check cashing, and/or the issuance/sale/redemption of money orders and traveler's checks. MSBs must register with FinCEN by December 31, 2001, and renew their registration every two years thereafter. The MSB registry will be maintained in a centralized database. Failure to register is a crime subject to penalties. MSBs are also subject to Bank Secrecy Act (BSA) requirements to report currency transactions over \$10,000, to record transmittals of funds of \$3,000 or more (and to provide that information to law

enforcement upon request), and to maintain such records for at least five years.

For the past several years, FinCEN has been working with the securities industry, self-regulatory organizations, securities regulators, and law enforcement to develop an effective and practical system of suspicious transaction reporting for securities brokers and dealers. A proposed rule requiring suspicious transaction reporting by members of the securities industry is under development and should be issued in the near future. Meanwhile, many securities firms currently file suspicious transaction reports voluntarily and have implemented procedures to identify suspicious transactions.

The United States is engaged in an ongoing dialogue with the insurance industry regarding development of an appropriate system of money laundering controls within the industry. There is a growing awareness within the industry of the importance of due diligence in opening and handling accounts, and the need for money laundering prevention measures. Insurance companies are required to report to the Treasury Department receipts of cash or certain monetary instruments totaling \$10,000 or more from clients in the course of their business. Furthermore, a voluntary system of suspicious transaction reporting has evolved through the consultation process, and a number of insurance companies voluntarily file reports of suspicious activity. The United States will continue its efforts to engage the industry in implementation of anti-money laundering measures. Treasury is assessing the vulnerabilities within the industry; a study group established to examine actual and potential abuses within the insurance industry (as well as within travel agencies and certain other service providers) will report its findings by the end of 2000, including recommendations regarding the extension of BSA requirements, including suspicious transaction reporting, to those sectors of the financial industry.

The United States is in substantial compliance with Recommendation 8 as a number of systems are in place, additional measures are in the process of implementation, and others will be implemented in the near future.

### **Recommendation 9**

*The appropriate national authorities should consider applying Recommendations 10 to 21 and 23 to the conduct of financial activities as a commercial undertaking by businesses or professions which are not financial institutions, where such conduct is allowed or not prohibited. Financial activities include, but are not limited to, those listed in the attached annex. It is left to each country to decide whether special situations should be defined where the application of anti-money laundering measures is not necessary, for example, when a financial activity is carried out on an occasional or limited basis.*

**NOTE: Answers to the following questions will not be used in assessing compliance with the FATF 40 Recommendations.**

9.1. Where the appropriate Recommendations have been applied to the conduct of financial activities as a commercial undertaking by businesses or professions which are not financial institutions, please indicate for each business or profession whether or not the specific Recommendation applies.

	10	11	12	13	14	15	16	17	18	19	20	21	23
a. Casinos	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>								
b. Lawyers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>				
c. Notaries	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Accountants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>				
Other (Please specify):													
e.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
f.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
g.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

9.2. If NO to any category, please indicate in the space below the measures you intend to take to implement this Recommendation and the timing of such measures. If you do not intend to implement this Recommendation, or you are unable to do so, please provide the reasons.

Before addressing the specific recommendations for each of the categories of businesses or professions listed in Recommendation 9, we believe it would be helpful to clarify the treatment of casinos under U.S. law and the scope of permitted activities for U.S. notaries. Under U.S. law, casinos (including card clubs) are financial institutions subject to federal anti-money laundering law (the Bank Secrecy Act or "BSA"). In the United States, notaries perform very limited functions as compared to notaries in other countries. Notaries serve as witnesses to signatories on documents; they identify their clients and require their clients to provide verification of their identity prior to providing services. However, notaries do not conduct financial transactions for their clients or serve as financial intermediaries. Therefore, to a large extent the Recommendations addressed in this question are not applicable to notaries in the United States.

Regarding Recommendation 10 (concerning verification of identity), casinos, which are financial institutions under U.S. anti-money laundering law, must secure and maintain a record of certain identifying information about a customer at the time the customer makes a deposit of funds, opens an account, or obtains a line of credit with the casino. The information includes the name, permanent address, and social security number (or passport number in the case of a nonresident alien), and the name and address must be verified.

Lawyers and accountants provide a broad range of professional services to clients, including creating companies and trusts, facilitating real estate transactions, and conducting or facilitating financial transactions on behalf of their clients. Lawyers and accountants are required to report the receipt of cash (and certain monetary instruments) totaling \$10,000 or more from a client in a transaction (or related transactions) in the course of their business. To comply with this reporting requirement, lawyers and accountants are required to identify the individual conducting the transactions. Further, the identification of the individual must be verified. Verification of the identity of a person who is an alien must be made by examination of such person's passport, alien identification card, or other official document evidencing nationality or residence. Verification of the identity of any other person may be made by examination of a document normally acceptable as a means of identification when cashing or accepting checks (for example, a driver's license or a credit card). For other activities, lawyers and accountants often need to identify their client in order to satisfy their obligations under applicable professional standards, even if for those transactions there is no statutory requirement to identify the client.

Notaries would also be required to report the receipt of cash totaling \$10,000 or more in a transaction (or related transactions) in their business, and identify and verify the identity of the client. Given the nature of

activities of notaries in the United States, it is unlikely that U.S. notaries would engage in transactions triggering the reporting requirement. As indicated above, notaries serve as witnesses to signatories on documents; they identify their clients and require their clients to provide verification of their identity prior to providing services.

Regarding Recommendation 11 (concerning beneficial owners), as explained above, in situations where lawyers or accountants conduct transactions on behalf of clients, they are required to report transactions that involve the receipt of cash (or certain monetary instruments) totaling \$10,000 or more. If such a transaction must be reported, lawyers and accountants must also identify the principal if they know or have reason to know that the person presenting the transaction is acting as the agent for another. Notaries would be subject to this same requirement, but as explained above, they are unlikely to engage in transactions triggering the reporting requirement.

Regarding Recommendation 12 (concerning five-year record retention), casinos must maintain and retain certain records, for a period of five years, including those pertaining to customer deposit and credit accounts, extensions of credit in excess of \$2,500, foreign transactions, records required by other governmental agencies (i.e., state, local or tribal), checks or other monetary instruments in excess of \$3,000, and internal records that monitor a customer's gaming activity. Attorneys and accountants required to report the receipt of cash (or certain monetary instruments) totaling \$10,000 or more must keep a copy of the report for five years (as would notaries).

Recommendation 13 does not apply directly to lawyers, accountants, or notaries. The U.S. government is involved in ongoing examination of new and developing technologies that might favor anonymity, including Internet gaming activity.

Regarding Recommendations 14 and 15, FinCEN has published a notice of proposed rulemaking that would require casinos to report suspicious activity. See the response to Recommendation 8, above. Lawyers, accountants, and notaries are not required to report suspicious activity. The United States is currently examining the issue in consideration of possible future changes to its suspicious activity reporting regime.

Recommendations 16, 17, and 18 do not apply to lawyers, accountants, and notaries as they are not required to report suspicious activities.

Relative to Recommendation 19, casinos must establish a BSA compliance program consisting of internal controls, internal and/or external independent testing for compliance, training, a person with accountability for compliance, and the use of automated systems to assist in compliance. As for lawyers and accountants, see the response to question 27.3.

Recommendations 20 and 21 do not have practical application to casinos, lawyers, accountants, or notaries.

To the extent that these Recommendations apply to casinos, lawyers, accountants, or notaries, the United States has already or is currently considering applying the relevant provisions of Recommendations 10-21 to certain non-financial service providers. Therefore, we consider the United States to be in compliance with this Recommendation.

## Customer Identification and Record-keeping Rules

### Recommendation 10

Financial institutions should not keep anonymous accounts or accounts in obviously fictitious names: they should be required (by law, by regulations, by agreements between supervisory authorities and financial institutions or by self-regulatory agreements among financial institutions) to identify, on the basis of an official or other reliable identifying document, and record the identity of their clients, either occasional or usual, when establishing business relations or conducting transactions (in particular opening of accounts or passbooks, entering into fiduciary transactions, renting of safe deposit boxes, performing large cash transactions).

In order to fulfil identification requirements concerning legal entities, financial institutions should, when necessary, take measures:

(i) to verify the legal existence and structure of the customer by obtaining either from a public register or from the customer or both, proof of incorporation, including information concerning the customer's name, legal form, address, directors and provisions regulating the power to bind the entity.

(ii) to verify that any person purporting to act on behalf of the customer is so authorised and identify that person.

10.1. Are any financial institutions allowed to keep anonymous accounts or accounts in an obviously fictitious name?

a. Banks	No	e. Money remittance/transfer companies	No
b. Bureaux de change	No	Other NBFIs (Please specify):	
c. Stockbrokers	No	f.	No
d. Insurance companies	No	g.	No

10.2. If YES to any of categories 'a' through 'g', please specify in the space below the measures you intend to take to comply fully with these provisions of Recommendation 10 and the timing of such measures.

10.3. Are financial institutions required to identify<sup>4</sup>, on the basis of an official or other reliable identifying document, and record the identity of their clients (account holders and non-account holders) when establishing business relations, particularly when:

Opening accounts or passbooks?

	Identify	Record		Identify	Record
a. Banks	Yes	Yes	e. Money remittance/transfer companies	Yes	Yes
b. Bureaux de change	Yes	Yes	Other NBFIs (Please specify):		
c. Stockbrokers	Yes	Yes	f.	No	No
d. Insurance companies	No	No	g.	No	No

Entering into fiduciary transactions?

	Identify	Record		Identify	Record
a. Banks	Yes	Yes	e. Money remittance/transfer companies	No	No

<sup>4</sup> The requirement must be imposed by law, regulations, an agreement between supervisory authorities and financial institutions, or a self-regulatory agreement among financial institutions.

b. Bureaux de change	No	No	Other NBF1 (Please specify):		
c. Stockbrokers	Yes	Yes	f.	No	No
d. Insurance companies	No	No	g.	No	No

Renting of safe deposit boxes?

	Identify	Record		Identify	Record
a. Banks	Yes	Yes	e. Money remittance/transfer companies	n/a	n/a
b. Bureaux de change	n/a	n/a	Other NBF1 (Please specify):		
c. Stockbrokers	n/a	n/a	f.	No	No
d. Insurance companies	n/a	n/a	g.	No	No

10.4. Are financial institutions required to identify, on the basis of an official or other reliable identifying document, and record the identity of their clients (account holders and non-account holders) when conducting large cash transactions? If yes, please indicate the amount of the cash threshold that would require identification and/or recording (type of currency, amount and USD equivalent).

	Identify	Record	Threshold
a. Banks	Yes	Yes	\$10,000 (\$3,000 for sales of bank checks or drafts, cashier's checks, money orders, or traveler's checks or for funds transfer transactions)
b. Bureaux de change	Yes	No	(Record should be Yes.) \$10,000 (\$3,000 for sales of money orders or checks or for funds transfer transactions)
c. Stockbrokers	Yes	Yes	\$10,000 (\$3,000 for funds transfer transactions)
d. Insurance companies	Yes	Yes	\$10,000
e. Money remittance/transfer companies	Yes	Yes	\$10,000 (\$3,000 for funds transfer transactions or for sales of money orders or traveler's checks)
Other NBF1 (Please specify):			
f. Other MSBs	Yes	Yes	\$10,000 (\$3,000 for sales of money orders or traveler's checks or funds transfer transactions)
g. Casinos and Card Clubs	Yes	Yes	\$10,000 (\$3,000 for checks or other

monetary instruments or funds transfer transactions; \$2,500 for extensions of credit)
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10.5. If NO to any of categories 'a' through 'g' of questions 10.3. or 10.4., please specify in the space below the measures you intend to take to comply fully with these provisions of Recommendation 10 and the timing of such measures.

Non-bank financial institutions (including stockbrokers) are not permitted to offer deposit accounts, passbook accounts, or safe deposit boxes to their clients, so those questions do not apply to NBFIs.

Depository institutions must maintain records of the identity of account holders (31 CFR § 103.34(a)). Similar requirements are imposed on accounts at other sorts of financial institutions, such as money transmitters, brokers or dealers in securities, casinos, and currency exchangers. See 31 CFR § 103.33, §103.35, §103.36, and §104.37.

Under the BSA, all financial institutions, including currency exchangers (bureaux de change) and other NBFIs, are required to verify and record the identity of their customers who conduct large currency transactions. See 31 CFR § 103.28 and §103.29. Insurance companies are not defined as financial institutions for purposes of the reporting and recordkeeping requirements of the BSA, although, as a trade or business, they have an obligation under 26 U.S.C. § 6050I, to verify and record the identity of their customers who conduct large currency transactions.

The United States is in compliance.

10.6. When they identify legal entities, do all financial institutions take measures to verify the legal existence and structure of the customer by obtaining either from a public register or from the customer, or both, proof of incorporation, including information concerning the customer's name, legal form, address, directors and provisions regulating the power to bind the entity?	No
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10.7. Do all financial institutions take measures to verify that any person purporting to act on behalf of a customer legal entity is so authorised and identify that person?	No
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10.8. If NO to questions 10.6. or 10.7., please specify in the space below the measures you intend to take to comply fully with these provisions of Recommendation 10 and the timing of such measures.

Depository financial institutions and stockbrokers do take such measures when necessary; however, NBFIs are not permitted to maintain depository account relationships with their clients. Further, due to the nature of many NBFIs businesses, numerous transactions are nominal in amount and unlikely to be related to money laundering activity. Therefore, it would not be necessary to require them to identify and verify the identity of all their customers or the beneficial owners of all transactions. However, NBFIs are required to identify the transactor and the beneficial owner of currency transactions over \$10,000, currency transactions of \$3,000 or more involving the sale of money orders or traveler's checks, and transmittals of funds of \$3,000 or more, and to verify the identity of the transactor in each of those transactions.

10.9. If a financial institution from another country seeks to establish a business relationship at a financial institution in your country:

a. Which categories of institutions (in the other country) are exempt from identification requirements?	None
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b. To which countries does this apply?	All
10.10. If a potential client is introduced by a financial institution from another country, and seeks to effect a one-off transaction greater than EUR 15,000 <sup>5</sup> :	
a. Is the potential client exempt from identification requirements?	No
b. To which countries does this apply (i.e., the country of the financial institution making the introduction)?	All

### Recommendation 11

*Financial institutions should take reasonable measures to obtain information about the true identity of the persons on whose behalf an account is opened or a transaction conducted if there are any doubts as to whether these clients or customers are acting on their own behalf, for example, in the case of domiciliary companies (i.e. institutions, corporations, foundations, trusts, etc. that do not conduct any commercial or manufacturing business or any other form of commercial operation in the country where their registered office is located).*

11.1. Are financial institutions <u>required</u> to take reasonable measures to obtain information about the true identity of the person <sup>6</sup> on whose behalf an account is opened or a transaction is conducted (beneficial owner) if there are any doubts as to whether the client or customer is acting on his own behalf?			
a. Banks	Yes	e. Money remittance/transfer companies	Yes
b. Bureaux de change	Yes	Other NBFIs (Please specify):	
c. Stockbrokers	Yes	f.	No
d. Insurance companies	Yes	g.	No
11.2. Does this requirement include taking reasonable measures to obtain information about the true identity of the beneficial owners of domiciliary companies?			Yes
11.3. If NO to questions 11.1. ('a' through 'g') or 11.2., please specify in the space below the measures you intend to take to comply fully with these provisions of Recommendation 11 and the timing of such measures.			
Both the suspicious activity reporting rules and the statute making money laundering a crime (18 U.S.C. § 1956) generate an implicit duty to inquire, to avoid liability, about the identity of the person on whose behalf an account is opened or a transaction is conducted. Moreover, the large currency transaction reporting rule (31 CFR § 103.22), the rules requiring the cross-border transportation of currency or monetary instruments (31 CFR § 103.23), and the funds transfer recordkeeping rules (31 CFR § 103.33(e), (f), and (g)), all explicitly require banks and other financial institutions to obtain and record information on whose behalf a transaction is conducted. Insurance companies are subject to similar requirements to obtain and record information on whose behalf large currency transactions are conducted (26 U.S.C. § 60501).			
11.4. Are financial institutions <u>required</u> to take reasonable measures to obtain information about the true identity of the person on whose behalf an account is opened or a transaction is conducted (beneficial owner) if the person opening the account or conducting the transaction is a lawyer, notary or accountant undertaking financial activities as listed in the Annex to Recommendation 9?			

<sup>5</sup> Approximately USD 15,000 or the equivalent in the respective national currency. This threshold may be lower in some jurisdictions.

<sup>6</sup> Natural or legal person (individual or a company).

<sup>7</sup> "Letter box companies", that is, institutions, corporations, foundations, trusts, etc., that do not conduct any commercial or manufacturing business or any other form of commercial operation in the country where their registered office is located.

	Lawyers	Notaries	Accountants
a. Banks	Yes	Yes	Yes
b. Bureaux de change	Yes	Yes	Yes
c. Stockbrokers	Yes	Yes	Yes
d. Insurance companies	Yes	Yes	Yes
e. Money remittance/transfer companies	Yes	Yes	Yes
Other NBFIs (Please specify):			
f.	No	No	No
g.	No	No	No
11.5. If NO to any of categories 'a' through 'g', please specify in the space below the measures you intend to take to comply fully with these provisions of Recommendation 11 and the timing of such measures.			

## Recommendation 12

*Financial institutions should maintain, for at least five years, all necessary records on transactions, both domestic or international, to enable them to comply swiftly with information requests from the competent authorities. Such records must be sufficient to permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of criminal behaviour.*

*Financial institutions should keep records on customer identification (e.g. copies or records of official identification documents like passports, identity cards, driving licenses or similar documents), account files and business correspondence for at least five years after the account is closed.*

*These documents should be available to domestic competent authorities in the context of relevant criminal prosecutions and investigations.*

12.1. Do financial institutions maintain all necessary records on transactions, both domestic or international, for at least five years?

a. Banks	Yes	e. Money remittance/transfer companies	Yes
b. Bureaux de change	Yes	Other NBFIs (Please specify):	
c. Stockbrokers	Yes	f.	No
d. Insurance companies	Yes	g.	No

12.2. If NO to categories 'a' through 'g', specify in the space below for each type of financial institution how long records are kept. Please also specify the measures you intend to take to comply fully with these provisions of Recommendation 12 and the timing of such measures.

12.3. Do financial institutions keep records on customer identification, account files, and business correspondence for at least five years after the account is closed?

a. Banks	Yes	e. Money remittance/transfer companies	No
b. Bureaux de change	No	Other NBFIs (Please specify):	
c. Stockbrokers	Yes	f.	No
d. Insurance companies	No	g.	No

12.4. If NO to categories 'a' through 'g', specify in the space below for each type of financial institution how long records are kept. Please also specify the measures you intend to take to comply fully with these provisions of Recommendation 12 and the timing of such measures.

Again, NBFIs do not maintain depository accounts for their customers. However, customer identification records are required to be maintained for at least five years for certain transactions conducted by NBFIs, such as transmittals of funds of \$3,000 or more, and sales of money orders or traveler's checks of \$3,000 or more in cash. Some, but not all, states impose five year records retention requirements on bureaux de change and/or money transmitters.

12.5. Can financial institutions make these documents available to domestic competent authorities in the context of relevant criminal prosecutions and investigations?

a. Banks	Yes	e. Money remittance/transfer companies	Yes
b. Bureaux de change	Yes	Other NBFi (Please specify):	
c. Stockbrokers	Yes	f.	No
d. Insurance companies	Yes	g.	No

12.6. If NO to categories 'a' through 'g', please specify in the space below the measures you intend to take to comply fully with these provisions of Recommendation 12 and the timing of such measures.

### Recommendation 13

*Countries should pay special attention to money laundering threats inherent in new or developing technologies that might favour anonymity, and take measures, if needed, to prevent their use in money laundering schemes.*

**NOTE: Answers to the following questions will not be used in assessing compliance with the FATF 40 Recommendations.**

13.1. Have you undertaken any specific programmes, initiatives, or other actions since the last self-assessment exercise to counter money laundering threats inherent in new or developing technologies?	Yes
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13.2. If YES, Please describe these measures.	<p>On an ongoing basis, FinCEN monitors new and emerging technologies, financial services, and commercial developments -- particularly regarding the Internet and smart cards -- and works with the private sector to encourage the implementation of money laundering safeguards in new technologies. FinCEN now prepares and distributes an internal governmental monthly publication entitled "Cybernotes" which reports on significant commercial, legal and regulatory developments affecting financial services using emerging technologies. FinCEN is currently in the process of finalizing and will publish for general audiences a comprehensive survey of developments affecting stored value products, Internet banking operations, and Internet gaming activities.</p> <p>On August 20, 1999, a final rule was issued treating issuers, sellers, and redeemers of stored value cards as financial institutions subject to the general</p>
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requirements of the BSA.

The Department of Justice will lead an interagency study group that will examine how offshore financial institutions are using the Internet to offer money laundering services, and the extent to which this practice has facilitated money laundering by persons in the United States. By December, the study group will report on its findings.

An interagency working group formed this year is reviewing how current anti-money laundering statutes and regulations apply to stored value cards, and will develop recommendations as to whether current law needs to be amended to address their potential use in money laundering schemes.

**Increased Diligence of Financial Institutions**

**Recommendation 14**

*Financial institutions should pay special attention to all complex, unusual large transactions, and all unusual patterns of transactions, which have no apparent economic or visible lawful purpose. The background and purpose of such transactions should, as far as possible, be examined, the findings established in writing, and be available to help supervisors, auditors and law enforcement agencies.*

14.1. Are financial institutions required to pay special attention to all complex, unusual large transactions, and all unusual patterns of transactions, which have no apparent economic or visible lawful purpose?

a. Banks	Yes	e. Money remittance/transfer companies	Yes
b. Bureaux de change	No	Other NBFIs (Please specify):	
c. Stockbrokers	No	f.	No
d. Insurance companies	No	g.	No

14.2. Do financial institutions examine, as far as possible, the background and purpose of such transactions?

a. Banks	Yes	e. Money remittance/transfer companies	Yes
b. Bureaux de change	No	Other NBFIs (Please specify):	
c. Stockbrokers	No	f.	No
d. Insurance companies	No	g.	No

14.3. Do financial institutions establish their findings in writing, and are these findings available to help supervisors, auditors and law enforcement agencies?

a. Banks	Yes	e. Money remittance/transfer companies	Yes
b. Bureaux de change	No	Other NBFIs (Please specify):	
c. Stockbrokers	No	f.	No
d. Insurance companies	No	g.	No

14.4. If NO to any of categories 'a' through 'g' in questions 14.1. to 14.3., please specify in the space below the measures you intend to take to comply fully with this Recommendation and the timing of such measures.

Please see the responses to questions 8.2 and 9.2 regarding current requirements imposed on bureaux de change, stockbrokers, insurance companies, money transmitters, other MSBs, and casinos to report large currency transactions, to record transmittals of funds of \$3,000 or more, and to record certain sales of money orders and travelers checks, as well as to report suspicious activity (by some MSBs) and current efforts underway to issue regulations to require additional NBFIs to report suspicious transactions.

When the suspicious activity reporting rule for money transmitters goes into effect on January 1, 2002, money transmitters will need to consider the background and purpose of certain transactions to determine whether they must be reported to the U.S. Department of the Treasury as suspicious transactions.

**Recommendation 15**

*If financial institutions suspect that funds stem from a criminal activity, they should be required to report promptly their suspicions to the competent authorities.*

15.1. If financial institutions suspect that funds stem from a criminal activity, are they required to promptly report their suspicions to the competent authorities?

a. Banks	Yes	e. Money remittance/transfer companies	Yes
b. Bureaux de change	No	Other NBF1 (Please specify):	
c. Stockbrokers	No	f.	No
d. Insurance companies	No	g.	No

15.2. If NO to any of categories 'a' through 'g', please specify in the space below the measures you intend to take to comply fully with this Recommendation and the timing of such measures.

Please see the responses to questions 8.2 and 9.2 regarding current efforts underway to require NBFIs to report suspicious transactions. Some bureaux de change are required to report suspicious transactions (in Arizona, they must file suspicious transaction reports with the Office of the Attorney General).

**Recommendation 16**

*Financial institutions, their directors, officers and employees should be protected by legal provisions from criminal or civil liability for breach of any restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provision, if they report their suspicions in good faith to the competent authorities, even if they did not know precisely what the underlying criminal activity was, and regardless of whether illegal activity actually occurred.*

16.1. Has your government enacted legal provisions to protect financial institutions, their directors, officers and employees from criminal or civil liability for breach of any restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provision, if they report their suspicions in good faith (even if the institutions did not know precisely what the underlying criminal activity was, and regardless of whether illegal activity actually occurred)?

a. Banks	Yes	e. Money remittance/transfer companies	Yes
b. Bureaux de change	Yes	Other NBF1 (Please specify):	
c. Stockbrokers	Yes	f.	No

d. Insurance companies	Yes	g.	No
16.2. If NO to any of categories 'a' through 'g', please specify in the space below the measures you intend to take to comply fully with this Recommendation and the timing of such measures.			

### Recommendation 17

*Financial institutions, their directors, officers and employees, should not, or, where appropriate, should not be allowed to, warn their customers when information relating to them is being reported to the competent authorities.*

17.1. Are financial institutions, and their directors, officers and employees prohibited from warning their customers that information relating to them is being reported to the competent authorities?

a. Banks	Yes	e. Money remittance/transfer companies	Yes
b. Bureaux de change	Yes	Other NBFIs (Please specify):	
c. Stockbrokers	Yes	f.	No
d. Insurance companies	Yes	g.	No

17.2. If NO to any of categories 'a' through 'g', please specify in the space below which types of financial institutions are allowed to warn their customers, and please also indicate the measures you intend to take to comply fully with this Recommendation and the timing of such measures.

Banks and (beginning January 1, 2002) money transmitters must report suspicious transactions. Stockbrokers and insurance companies may voluntarily report suspicious transactions. Whether a suspicious activity report is required or is filed voluntarily, the financial institution making the report (as well as its officers and employees) is barred from disclosing to the client that the report has been filed. Please see also the responses to questions 8.2 and 9.2 regarding efforts underway to require additional NBFIs to report suspicious transactions.

### Recommendation 18

*Financial institutions reporting their suspicions should comply with instructions from the competent authorities.*

18.1. Are financial institutions which report suspicious transactions required to comply with instructions from the competent authorities?

a. Banks	Yes	e. Money remittance/transfer companies	Yes
b. Bureaux de change	Yes	Other NBFIs (Please specify):	
c. Stockbrokers	Yes	f.	No
d. Insurance companies	Yes	g.	No

18.2. If NO to any of categories 'a' through 'g', please specify in the space below which types of financial institutions are allowed to warn their customers, and please also indicate the measures you intend to take to comply fully with this Recommendation and the timing of such measures.

United States authorities do not have the automatic right to freeze assets; whether to close an account is left to the discretion of a financial institution. However, in virtually all cases where law enforcement works together with a financial institution, there is close cooperation to accomplish enforcement goals.

## Recommendation 19

Financial institutions should develop programmes against money laundering. These programmes should include, as a minimum :

(i) the development of internal policies, procedures and controls, including the designation of compliance officers at management level, and adequate screening procedures to ensure high standards when hiring employees;

(ii) an ongoing employee training programme;

(iii) an audit function to test the system.

19.1. Are financial institutions <u>required</u> to develop anti-money laundering programmes, which include:			
Development of internal anti-money laundering policies?			
a. Banks	Yes	e. Money remittance/transfer companies	No
b. Bureaux de change	No	Other NBF1 (Please specify):	
c. Stockbrokers	Yes	f.	No
d. Insurance companies	No	g.	No
Designation of compliance officers at management level?			
a. Banks	Yes	e. Money remittance/transfer companies	No
b. Bureaux de change	No	Other NBF1 (Please specify):	
c. Stockbrokers	Yes	f.	No
d. Insurance companies	No	g.	No
Adequate screening procedures when hiring employees?			
a. Banks	No	e. Money remittance/transfer companies	No
b. Bureaux de change	No	Other NBF1 (Please specify):	
c. Stockbrokers	Yes	f.	No
d. Insurance companies	No	g.	No
An ongoing employee training programme?			
a. Banks	Yes	e. Money remittance/transfer companies	No
b. Bureaux de change	No	Other NBF1 (Please specify):	
c. Stockbrokers	No	f.	No
d. Insurance companies	No	g.	No
An audit function to test the system?			
a. Banks	Yes	e. Money remittance/transfer companies	No
b. Bureaux de change	No	Other NBF1 (Please specify):	
c. Stockbrokers	Yes	f.	No
d. Insurance companies	No	g.	No
19.2. If NO to any of categories 'a' through 'g' for the above questions, please specify in the space below the measures you intend to take to comply fully with this Recommendation and the timing of such measures.			
Efforts are underway to encourage NBFIs to develop and implement appropriate anti-money laundering			

policies and programs into their businesses, such as those included in this Recommendation, as applicable. See also the responses to questions 8.2 and 9.2. The U.S. Treasury Department and FinCEN have established dialogues with the various industry groups and their regulators, as well as law enforcement, to establish partnerships in the development of practical and effective anti-money laundering programs for each particular NBF industry.

Although not required by the BSA, most U.S. banks have programs in place that include adequate screening procedures to ensure high standards when hiring employees.

**Measures to Cope with the Problem of Countries with No or Insufficient Anti-Money Laundering Measures**

**Recommendation 20**

*Financial institutions should ensure that the principles mentioned above are also applied to branches and majority owned subsidiaries located abroad, especially in countries which do not or insufficiently apply these Recommendations, to the extent that local applicable laws and regulations permit. When local applicable laws and regulations prohibit this implementation, competent authorities in the country of the mother institution should be informed by the financial institutions that they cannot apply these Recommendations.*

20.1. Are financial institutions required to ensure that the principles mentioned in Recommendations 10 through 19 are also applied to branches and majority-owned subsidiaries located abroad, especially in countries which do not, or insufficiently, apply the FATF Recommendations, to the extent that the laws of the host country to these branches and subsidiaries permit?

a. Banks	No	e. Money remittance/transfer companies	No
b. Bureaux de change	No	Other NBF (Please specify):	
c. Stockbrokers	No	f.	No
d. Insurance companies	No	g.	No

20.2. Please indicate the names of countries where the branches and subsidiaries of your financial institutions have experienced difficulties in implementing anti-money laundering measures.

20.3. When the laws of the host country of these branches and subsidiaries prohibit this implementation, do financial institutions inform the competent authorities in the country of the mother institution that they cannot apply the FATF Recommendations?

a. Banks	No	e. Money remittance/transfer companies	No
b. Bureaux de change	No	Other NBF (Please specify):	
c. Stockbrokers	No	f.	No
d. Insurance companies	No	g.	No

20.4. If NO to any of categories 'a' through 'g' in questions 20.1. or 20.3., please specify in the space below the measures you intend to take to comply fully with this Recommendation and the timing of such measures.

Although banks and other financial institutions are not required to ensure that their subsidiaries in foreign countries apply the principles outlined in Recommendations 10 through 19, we believe that financial institutions are careful to apply those principles to their foreign subsidiaries, given the potential for the extraterritorial application of U.S. anti-money laundering laws.

## Recommendation 21

*Financial institutions should give special attention to business relations and transactions with persons, including companies and financial institutions, from countries which do not or insufficiently apply these Recommendations. Whenever these transactions have no apparent economic or visible lawful purpose, their background and purpose should, as far as possible, be examined, the findings established in writing, and be available to help supervisors, auditors and law enforcement agencies.*

21.1. Are financial institutions required to pay special attention to business relations and transactions with persons, including companies and other financial institutions, from countries which do not, or insufficiently, apply these Recommendations?

a. Banks	Yes	e. Money remittance/transfer companies	Yes
b. Bureaux de change	No	Other NBFIs (Please specify):	
c. Stockbrokers	No	f.	No
d. Insurance companies	No	g.	No

21.2. Please indicate the names of any countries which your competent authorities have advised financial institutions do not, or insufficiently, apply these recommendations.

Banks and certain other financial institutions (issuers, sellers, and redeemers of traveler's checks and money orders, and money transmitters) are required to report suspicious transactions to the U.S. Department of the Treasury. Those institutions, through the issuance of FinCEN Advisories, have been put on notice that transactions involving the following countries merit special attention given the serious systemic weaknesses in those countries' counter-money laundering regimes:

Antigua & Barbuda  
Bahamas  
Cayman Islands  
Cook Islands  
Dominica  
Israel

Lebanon  
 Liechtenstein  
 Marshall Islands  
 Nauru  
 Niue  
 Panama  
 Philippines  
 Russian Federation  
 St. Kitts and Nevis  
 St. Vincent and the  
 Grenadines  
 Seychelles

**Other Measures to Avoid Money Laundering**

**Recommendation 22**

*Countries should consider implementing feasible measures to detect or monitor the physical cross-border transportation of cash and bearer negotiable instruments, subject to strict safeguards to ensure proper use of information and without impeding in any way the freedom of capital movements.*

**NOTE: Answers to the following questions will not be used in assessing compliance with the FATF 40 Recommendations.**

22.1. Has your government implemented any measures to detect or monitor the physical cross-border transportation of cash and bearer negotiable instruments (subject to strict safeguards to ensure proper use of information and without impeding in any way the freedom of capital movements)?	Yes
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22.2. If YES, briefly describe these measures in the space below and indicate any threshold amount.

Each person is required to file a Report of International Transportation of Currency or Monetary Instruments (CMIR) when the person transports (or causes to be transported) currency or bearer negotiable instruments in an aggregate amount exceeding \$10,000 at one time, into or out of the United States (see 31 CFR 103.23(a); see also 31 U.S.C. § 5316(a) and § 5317. In addition, each person in the United States who receives currency or other monetary instruments from a place outside the United States must report the amount, the date of receipt, the form of monetary instrument(s), and the person from whom received (on a CMIR), if the sender does not file a CMIR on the cross border transportation of funds (see 31 CFR § 103.23(b)). CMIRs filed are maintained in a centralized database, which can be queried to extract individual reports or programmed to produce reports containing aggregate data.	Threshold:	\$10,000
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### Recommendation 23

*Countries should consider the feasibility and utility of a system where banks and other financial institutions and intermediaries would report all domestic and international currency transactions above a fixed amount, to a national central agency with a computerised data base, available to competent authorities for use in money laundering cases, subject to strict safeguards to ensure proper use of the information.*

**NOTE: Answers to the following questions will not be used in assessing compliance with the FATF 40 Recommendations.**

23.1. Has your government put a system in place where financial institutions and intermediaries report all domestic and/or international currency transactions above a fixed amount to a national central agency.	Yes
23.1. If YES, please indicate in the space below whether or not the information is available to competent authorities for use in money laundering cases (subject to strict safeguards to ensure proper use of the information) and the threshold amount.	
Yes, the information is available to competent authorities for use in money laundering cases.	Threshold: \$10,000

### Recommendation 24

*Countries should further encourage in general the development of modern and secure techniques of money management, including increased use of checks, payment cards, direct deposit of salary checks, and book entry recording of securities, as a means to encourage the replacement of cash transfers.*

**NOTE: Answers to the following questions will not be used in assessing compliance with the FATF 40 Recommendations.**

24.1. Has your government or the private sector taken steps to encourage the development of modern and secure techniques of money management as a means to replace cash transfers?	Yes
24.2. If YES, please describe any initiatives taken since the last self-assessment exercise.	Financial institutions in the U.S. increasingly encourage the use of direct deposit of salary checks, use of debit cards and automatic teller machine (ATM) cards, and telephone banking and bill paying. After January 1, 1999, most federal benefits payments (and federal wage, salary, and retirement payments) must be made electronically. Many retail outlets now accept debit card and credit card payments, although only a short time ago, they did not. Increasingly, debit cards and credit cards are accepted at grocery stores. Many retailers and service providers encourage consumers to purchase products and services via the Internet, and this has become a routine method of conducting business and effecting payments by credit card. Banking transactions can also be conducted using the Internet. Credit cards are accepted as a means of payment almost universally in the United States.

## Recommendation 25

Countries should take notice of the potential for abuse of shell corporations by money launderers and should consider whether additional measures are required to prevent unlawful use of such entities.

**NOTE: Answers to the following questions will not be used in assessing compliance with the FATF 40 Recommendations.**

25.1. Are measures in place to detect and prevent the unlawful use of shell corporations by money launderers?	Yes
25.2. If YES, please describe these measures.	Banks and other depository financial institutions are required to file a suspicious activity report (SAR) when they suspect money laundering activity, including the possible use of shell corporations.

## Implementation and Role of Regulatory and Other Administrative Authorities

### Recommendation 26

The competent authorities supervising banks or other financial institutions or intermediaries, or other competent authorities, should ensure that the supervised institutions have adequate programmes to guard against money laundering. These authorities should co-operate and lend expertise spontaneously or on request with other domestic judicial or law enforcement authorities in money laundering investigations and prosecutions.

26.1. Do the competent authorities supervising financial institutions or other competent authorities ensure that the supervised institutions have adequate programmes to guard against money laundering?			
a. Banks	Yes	e. Money remittance/transfer companies	Yes
b. Bureaux de change	Yes	Other NBFi (Please specify):	
c. Stockbrokers	Yes	f.	No
d. Insurance companies	No	g.	No
26.2. If YES to question 26.1., for each category of institution please describe the measures used to ensure compliance (e.g. on-site inspections, external audit, etc.)			
Financial institution supervisors conduct on-site examinations of their institutions, including inspections for compliance with BSA reporting and recordkeeping requirements and implementation of required anti-money laundering programs.			

**NOTE: Answers to the following questions will not be used in assessing compliance with the FATF 40 Recommendations.**

26.3. Do the competent authorities supervising non-financial institutions and professions or other competent authorities ensure that adequate programmes to guard against money laundering are in place?			
a. Casinos	Yes	Other (Please specify):	
b. Lawyers	No	e.	No
c. Notaries	No	f.	No
d. Accountants	No	g.	No
26.4. Do the competent authorities supervising financial institutions or other competent authorities co-operate with and lend expertise to other domestic judicial or law enforcement authorities in money laundering investigations and prosecutions?			Yes

26.5. If NO to any of categories 'a' through 'g' of questions 26.1. or 'a' through 'g' of question 26.3., please specify in the space below the measures you intend to take to comply fully with this Recommendation and the timing of such measures.

A dialogue has been established with several relevant professional associations and international organizations to discuss the inclusion of anti-money laundering provisions within their codes of conduct. The professional association for accountants (the AICPA) has issued audit risk alerts on money laundering for the banking, securities, and insurance sectors.

**Recommendation 27**

*Competent authorities should be designated to ensure an effective implementation of all these Recommendations, through administrative supervision and regulation, in other professions dealing with cash as defined by each country.*

27.1. Has your government designated competent authorities to ensure an effective implementation of all these Recommendations, through administrative supervision and regulation, in other professions dealing with cash which are subject to the anti-money laundering laws and regulations?	Yes
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27.2. If YES, please indicate for each category of non-financial institutions and professions the appropriate competent authority.

a. Casinos		Other (Please specify):	
b. Lawyers		e.	
c. Notaries		f.	
d. Accountants		g.	

27.3. If NO, please specify in the space below the measures you intend to take to comply fully with this Recommendation and the timing of such measures.

The United States has imposed on all of these professions a requirement to report cash transactions of \$10,000. Moreover, the U.S. has adopted special recordkeeping and compliance program rules for casinos and has issued a proposed rule to require casinos and card clubs to report suspicious transactions. The comments received on the proposed rule have been reviewed; the final rule is being drafted. See also the response to question 9.2.

The United States continues to study all of these issues with a view to potential future options. A study group was established by the Treasury Department two years ago to enhance knowledge about money laundering, encourage the issuance of guidance on money laundering vulnerabilities, and promote effective internal controls. The study group continues to improve the baseline level of knowledge among a wide assortment of accounting professionals, through education and training. It has already published materials for the accounting profession that highlight the risks of money laundering activity. Going forward, the study group will develop further approaches to money laundering that can be integrated into the work of both internal and external accounting professionals. The study group will continue its work with the AICPA, as well as with other relevant accounting organizations.

An interagency working group has reviewed the professional responsibilities of lawyers and accountants with regard to money laundering and will develop and refine recommendations, and continue to meet with relevant professional associations. The working group hopes to develop recommendations by December 2000; recommendations may include enhanced professional education, and/or determinations regarding standards, rules, or legislation needed relative to lawyers and accountants.

## Recommendation 28

*The competent authorities should establish guidelines which will assist financial institutions in detecting suspicious patterns of behaviour by their customers. It is understood that such guidelines must develop over time, and will never be exhaustive. It is further understood that such guidelines will primarily serve as an educational tool for financial institutions' personnel.*

28.1. Have the competent authorities established guidelines to assist financial institutions in detecting suspicious patterns of behaviour by their customers?

a. Banks	Yes	e. Money remittance/transfer companies	Yes
b. Bureaux de change	No	Other NBF1 (Please specify):	
c. Stockbrokers	No	f. Casinos	Yes
d. Insurance companies	No	g.	No

28.2. If NO to any of categories 'a' through 'g', please specify in the space below the measures you intend to take to comply fully with this Recommendation and the timing of such measures.

Guidelines are being developed in conjunction with regulations proposed that would require suspicious activity reporting by securities brokers and dealers. Guidelines were issued in July 1998 to the casino and card club industries, in the form of potential examples of suspicious transactions, and explanation of the vulnerability of casino gaming to money laundering, and measures to detect and report suspicious casino activities.

**NOTE: Answers to the following questions will not be used in assessing compliance with the FATF 40 Recommendations.**

28.3. Have the appropriate competent authorities established guidelines to assist non-financial institutions and professions in detecting suspicious patterns of behaviour by their customers?

a. Casinos	Yes	Other (Please specify):	
b. Lawyers	No	e.	No
c. Notaries	No	f.	No
d. Accountants	No	g.	No

## Recommendation 29

*The competent authorities regulating or supervising financial institutions should take the necessary legal or regulatory measures to guard against control or acquisition of a significant participation in financial institutions by criminals or their confederates.*

29.1. Have the competent authorities regulating or supervising financial institutions taken the necessary legal or regulatory measures to guard against control or acquisition of a significant participation in financial institutions by criminals or their confederates?

a. Banks	Yes	e. Money remittance/transfer companies	No
b. Bureaux de change	No	Other NBF1 (Please specify):	
c. Stockbrokers	Yes	f.	No
d. Insurance companies	No	g.	No

29.2. If YES, for each category of institution please describe below the measures which have been taken, e.g., test of fitness and properness of senior management and major shareholders.

Due diligence is conducted prior to the issuance of a license or charter to establish the financial institution. If criminal involvement is suspected, a license or charter would not be granted. Once established, a financial institution's charter/license/registration may be revoked if the institution is found guilty of money laundering or other crimes; managers, officers and/or shareholders may be criminally prosecuted.

Due diligence is conducted prior to the issuance of a license by a state gaming regulator to a casino. If criminal involvement is suspected, a license would not be granted. Once established, a casino's license is periodically reviewed by the appropriate state gaming regulator and may be revoked if the institution is found guilty of money laundering; managers, officers, and/or shareholders may be criminally prosecuted. In addition, a federal agency must authorize casino operations established by Indian tribal organizations and federal rules require a background investigation of financiers and managers of tribal casinos to ensure that these types of individuals do not have criminal records or ties to organized crime.

29.3. If NO to any of categories 'a' through 'g', please specify in the space below the measures you intend to take to comply fully with this Recommendation and the timing of such measures.

**NOTE: Answers to the following questions will not be used in assessing compliance with the FATF 40 Recommendations.**

29.4. Have the competent authorities regulating or supervising non-financial institutions and professions taken the necessary legal or regulatory measures to guard against control or acquisition of a significant participation in financial institutions by criminals or their confederates?

a. Casinos	Yes	Other (Please specify):	
b. Lawyers	Yes	e.	No
c. Notaries	No	f.	No
d. Accountants	Yes	g.	No

#### IV. STRENGTHENING OF INTERNATIONAL CO-OPERATION

##### **Administrative Co-operation**

##### *Exchange of general information*

##### **Recommendation 30**

*National administrations should consider recording, at least in the aggregate, international flows of cash in whatever currency, so that estimates can be made of cash flows and reflows from various sources abroad, when this is combined with central bank information. Such information should be made available to the International Monetary Fund and the Bank for International Settlements to facilitate international studies.*

**NOTE: Answers to the following questions will not be used in assessing compliance with the FATF 40 Recommendations.**

30.1. Does your government record international cash flows in aggregate and make this information available to the International Monetary Fund and Bank for International Settlements to facilitate international studies?	Yes
30.2. If NO, or if you are not able to implement this Recommendation, please indicate in the space below the reasons.	

### Recommendation 31

*International competent authorities, perhaps Interpol and the World Customs Organisation, should be given responsibility for gathering and disseminating information to competent authorities about the latest developments in money laundering and money laundering techniques. Central banks and bank regulators could do the same on their network. National authorities in various spheres, in consultation with trade associations, could then disseminate this to financial institutions in individual countries.*

**NOTE: Answers to the following questions will not be used in assessing compliance with the FATF 40 Recommendations.**

31.1. Does your country have a system for gathering information on money laundering trends and techniques and then disseminating this information to financial institutions?	Yes
31.2. Is there a comparable system for gathering and disseminating this information among competent authorities?	Yes
31.3. If YES to these questions, please briefly describe the system.	<p>The United States compiles information annually on trends and patterns in money laundering in preparation for the FATF typologies exercise. The information contained in the U.S. submission is derived from information provided by U.S. law enforcement agencies, financial institution regulators, and FinCEN, based on case studies and other law enforcement information, statistics, SARs, and anecdotal information. The U.S. submission is distributed to U.S. government agencies and departments concerned with money laundering. The FATF Typologies Report is made available to U.S. financial institutions. In addition, FinCEN periodically issues advisories to U.S. financial institutions highlighting current and emerging trends and methods in money laundering. Further, the State Department publishes its annual Narcotics Control Strategy Report (INCSR) which includes a chapter on money laundering; that chapter includes current information on trends and patterns in money laundering. The INCSR is widely circulated among competent authorities, and is available to the financial institutions, as well as to the public via the Internet.</p> <p>A semi-annual publication, the SAR Activity Review, is distributed to all financial institutions in the U.S. The Review is prepared by FinCEN in cooperation with financial institution regulators, law enforcement, and industry representatives. It contains trend and pattern information, statistical analysis of the national SAR database, law enforcement case descriptions, tips on improving the SAR process, SAR questions and answers, and an industry column.</p>

**Recommendation 32**

*Each country should make efforts to improve a spontaneous or "upon request" international information exchange relating to suspicious transactions, persons and corporations involved in those transactions between competent authorities. Strict safeguards should be established to ensure that this exchange of information is consistent with national and international provisions on privacy and data protection.*

32.1. Does your domestic law allow you to make spontaneous (without request) or upon request exchanges of suspicious transaction information to foreign competent authorities?

a. Spontaneous	Yes	b. Upon request	Yes
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32.2. Has your government established strict safeguards to ensure that this exchange of information is consistent with national and international provisions on privacy and data protection? Yes

32.2. If NO to any part of questions 32.1. or 32.2., please specify in the space below the measures you intend to take to implement fully this Recommendation and the timing of such measures.

32.3. Please specify the type of unit or authority which receives suspicious or unusual transactions. (Select one)	b. Administrative unit
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32.4. Are there any restrictions to the exchange of information if the foreign authority which receives the suspicious or unusual transaction reports is not the same category of unit as the unit/authority in your country? Yes

32.5. If YES, please specify in the space below the nature of the restriction, and those categories of units/authorities with which you cannot co-operate.

Restrictions vary by jurisdiction and exact nature of the unit, dependent on bilateral treaties and agreements in force and participation in international bodies, such as the Egmont Group.

32.6. Are there any restrictions on the use that can be made of any suspicious or unusual transaction information which is exchanged? Yes

32.7. If YES, please specify the nature of the restriction.	The information may be disclosed for criminal and civil law enforcement; however, the user must be a bona fide government, or financial institution supervisory authority, for the expressed purposes in the request. The information provided could be made available to a third party government only upon prior notification and authorization of FinCEN.
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32.8. If YES to question 32.4. or 32.6., please specify in the space below the measures you are taking or intend to take to overcome these restrictions and the timing of such measures.

These restrictions are intended to protect the integrity of the information being provided to the requesting jurisdiction, not to limit the ability to provide assistance. Therefore, the U.S. government does not intend to remove these restrictions on the use of information provided to foreign authorities.

## Other Forms of Co-operation

*Basis and means for co-operation in confiscation, mutual assistance and extradition*

### Recommendation 33

*Countries should try to ensure, on a bilateral or multilateral basis, that different knowledge standards in national definitions - i.e. different standards concerning the intentional element of the infraction - do not affect the ability or willingness of countries to provide each other with mutual legal assistance.*

33.1. Can legal assistance be provided if the knowledge (*scienter*) requirement for the offence of money laundering in the requesting state is:

a. Actual knowledge?	Yes	c. Should have known?	Yes
b. Inferences drawn from objective factual circumstances?	Yes	d. Negligence?	Yes

33.2. If NO to question 33.1. ('a' through 'd'), please specify in the space below the measures you intend to take to implement this Recommendation and the timing of such measures.

### Recommendation 34

*International co-operation should be supported by a network of bilateral and multilateral agreements and arrangements based on generally shared legal concepts with the aim of providing practical measures to affect the widest possible range of mutual assistance.*

34.1. Do you have bilateral or multilateral mutual legal assistance treaties or other formal or informal co-operation agreements in force that provide for legal assistance relating to money laundering offences? Yes

34.2. If YES, please specify:

The United States has negotiated and concluded a number of bilateral mutual legal assistance treaties (MLATs) that provide for legal assistance relating to money laundering offenses, including asset forfeiture. As of September 1, 2000, the United States has 36 bilateral MLATs in force affecting 40 jurisdictions. Another 16 MLATs have been signed, but have not yet entered into force. The U.S. has also signed the Organization of American States MLAT, and is actively engaged in negotiating additional MLATs with countries around the world.

In addition, since the 1970s, the U.S. has negotiated extradition treaties that require dual criminality and, thus may include money laundering, depending on the domestic law of the other party. As of September 1, 2000, the U.S. now has bilateral extradition treaties in force with 108 countries and jurisdictions, although the pre-1970s era treaties generally do not contain the aforementioned dual criminality standard.

In addition, the United States has entered into executive agreements on forfeiture cooperation, including an agreement with the United Kingdom providing for forfeiture assistance and asset sharing in narcotics cases, and a forfeiture and asset sharing agreement with the Kingdom of the Netherlands. The U.S. has asset sharing agreements with Canada, Colombia, Ecuador, and Mexico, as well as exchanges of letters on asset sharing with Anguilla, the British Virgin Islands, the Cayman Islands,

Montserrat, and the Turks and Caicos Islands.			
<p>FinCEN has Memoranda of Understanding or exchanges of letters in place with the financial intelligence units (FIUs) of Argentina, Australia, Belgium, France, Mexico, Slovenia, Spain, and the United Kingdom to facilitate the exchange of information. In addition, Financial Information Exchange Agreements (FIEAs) facilitate the exchange of currency transaction information between the U.S. Treasury Department and finance ministries in Colombia, Ecuador, Mexico, Paraguay, Peru, and Venezuela.</p> <p>The United States has Customs Mutual Assistance Agreements (CMAAs) with the European Community and 42 jurisdictions around the world. All of the agreements are patterned after a World Customs Organization Model CMAA. These agreements can be used to assist in the gathering of information and evidence for criminal and civil cases involving trade fraud, smuggling, violations of export control laws, narcotics smuggling, and money laundering.</p>			
34.3. Are there any other provisions of your domestic law, whether formal or informal, that allow for legal assistance for money laundering?	Yes		
34.4. If YES, please specify:	FinCEN can exchange information informally with other financial intelligence units, with or without a Memorandum of Understanding. Informal law enforcement to law enforcement exchanges are also routinely and successfully used to obtain information. See also the response to question 7.8.		
34.5. If you are unable to provide a full range of legal assistance for money laundering, whether by bilateral or multilateral treaty, other co-operation agreements or by domestic law (i.e. NO to questions 34.1. and 34.3.), please specify in the space below the measures you intend to take to fully implement this Recommendation and the timing of such measures.			
34.6. Is money laundering an offence for which mutual legal assistance can be provided if the predicate crime giving rise to the money laundering offence in the requesting state is not a predicate in the requested state?	Yes		
34.7. If, in the requesting state, money laundering is an offence which can be committed by the individual who also commits the predicate offence, can assistance be provided if:			
a. The individual is only charged with money laundering?	Yes	b. The individual is charged with both the predicate and the money laundering offence?	Yes
34.8. If NO to questions 34.6. or 34.7., please specify in the space below the measures you intend to take to comply fully with this Recommendation and the timing of such measures.			

### Recommendation 35

*Countries should be encouraged to ratify and implement relevant international conventions on money laundering such as the 1990 Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime.*

**NOTE: Answers to the following questions will not be used in assessing compliance with the FATF 40 Recommendations.**

35.1. Have you signed the 1990 Council of Europe Convention on Laundering, Search, Seizure and	No
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Confiscation of the Proceeds of Crime?		
35.2. Have you ratified the Council of Europe Convention?		No
35.3. Are you party to other multilateral conventions or agreements (excluding the Vienna Convention) involving money laundering and/or asset confiscation?		No
35.4. If YES, please specify:		
35.5. If NO to question 35.1. or 35.2., please indicate whether you intend to sign and ratify the Council of Europe Convention, and, if so, when. If you do not intend to accede to the Convention, please state the reasons.		
The United States is not a member of the Council of Europe (COE) or a party to the COE Convention on Laundering, Search, Seizure, and Confiscation of the Proceeds of Crime (COE Convention). The U.S. is now reviewing its position to determine whether changes to U.S. law since 1990 may now enable it to sign and ratify the COE Convention. The U.S. supports the general objectives of the Convention.		

*Focus of improved mutual assistance on money laundering issues*

**Recommendation 36**

*Co-operative investigations among countries' appropriate competent authorities should be encouraged. One valid and effective investigative technique in this respect is controlled delivery related to assets known or suspected to be the proceeds of crime. Countries are encouraged to support this technique, where possible.*

**NOTE: Answers to the following questions will not be used in assessing compliance with the FATF 40 Recommendations.**

36.1. Does your domestic law allow you to conduct co-operative investigations with other countries regarding:			
a. Money laundering?	Yes	b. Asset seizure and confiscation	Yes
36.2. Does your domestic law allow you to conduct co-operative investigations involving controlled delivery related to assets which are known or suspected to be the proceeds of crime?			Yes
36.3. If NO to questions 36.1. or 36.2., please indicate in the space below the measures you intend to take to implement this Recommendation and the timing of such measures. If you do not intend to implement this Recommendation, or you are unable to do so, please provide the reasons.			

**Recommendation 37**

*There should be procedures for mutual assistance in criminal matters regarding the use of compulsory measures including the production of records by financial institutions and other persons, the search of persons and premises, seizure and obtaining of evidence for use in money laundering investigations and prosecutions and in related actions in foreign jurisdictions.*

37.1. Can you give effect to a legal assistance request in a money laundering case where the requesting state is seeking:	
a. Production of records <sup>a</sup> by	

<sup>a</sup> If the same records can be obtained for a requesting state through the use of seizure powers rather than production, this should be specified, and the answer to question should be positive.

Financial institutions?	Yes	Other corporations <sup>9</sup> ?	Yes	Other private persons <sup>10</sup> ?	Yes
<i>b. Searches of</i>					
Offices of financial institutions?	Yes	Offices of other juridical persons?	Yes	Homes of private persons?	Yes
<i>c. Seizure of the records held by</i>					
Financial institutions?	Yes	Third party juridical persons?	Yes	Private third parties?	Yes
37.2. If NO to any part of this question, please specify in the space below the measures you intend to take to comply fully with this Recommendation and the timing of such measures.					

**Recommendation 38**

*There should be authority to take expeditious action in response to requests by foreign countries to identify, freeze, seize and confiscate proceeds or other property of corresponding value to such proceeds, based on money laundering or the crimes underlying the laundering activity. There should also be arrangements for co-ordinating seizure and confiscation proceedings which may include the sharing of confiscated assets.*

38.1. Can you give effect to a legal assistance request where the requesting state is seeking the identification, freezing, seizure, or confiscation of the proceeds of money laundering, or of the predicate offence, or of property of corresponding value?							
<i>a. Proceeds of money laundering or predicate offence</i>							
Identification.	Yes	Freezing.	Yes	Seizure.	Yes	Confiscation.	Yes
<i>b. Property of corresponding value</i>							
Identification.	Yes	Freezing.	Yes	Seizure.	Yes	Confiscation.	Yes
38.2. Do your laws allow your competent authorities to co-ordinate seizure, freezing and confiscation proceedings with the competent authorities of other jurisdictions?							Yes
38.3. Do you have the legal means to share with another country assets confiscated as a result of a co-operative investigation?							Yes
38.4. Do you have the legal authority to receive shared assets from another country?							Yes
38.5. If NO to any part of question 38.1., please specify in the space below the measures you intend to take to comply fully with this Recommendation and the timing of such measures.							
See response to question 7.8. such legal assistance is limited to those offenses prescribed as predicates in the U.S. money laundering law.							

<sup>9</sup> Juridical persons.

<sup>10</sup> Natural persons.

### Recommendation 39

*To avoid conflicts of jurisdiction, consideration should be given to devising and applying mechanisms for determining the best venue for prosecution of defendants in the interests of justice in cases that are subject to prosecution in more than one country. Similarly, there should be arrangements for co-ordinating seizure and confiscation proceedings which may include the sharing of confiscated assets.*

**NOTE: Answers to the following questions will not be used in assessing compliance with the FATF 40 Recommendations.**

39.1. Where a defendant has committed a money laundering offence both in your jurisdiction and in another jurisdiction, do your laws allow you to agree that the defendant should be prosecuted in the other jurisdiction rather than your own ?	Yes
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39.2. If NO, please indicate whether you intend to implement this Recommendation and the timing of such measures. If you do not intend to implement this Recommendation, or you are unable to do so, please provide the reasons.
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### Recommendation 40

*Countries should have procedures in place to extradite, where possible, individuals charged with a money laundering offence or related offences. With respect to its national legal system, each country should recognise money laundering as an extraditable offence. Subject to their legal frameworks, countries may consider simplifying extradition by allowing direct transmission of extradition requests between appropriate ministries, extraditing persons based only on warrants of arrests or judgements, extraditing their nationals, and/or introducing a simplified extradition of consenting persons who waive formal extradition proceedings.*

40.1. Do your laws allow for extradition for the offence of money laundering?	Yes
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40.2. If YES, please specify in the space below the countries with which you have agreements or procedures in place to allow persons to be extradited for money laundering?
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See response to question 34.2.
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40.3. In money laundering-based extradition requests, does your domestic law allow you to make direct transmissions of extradition materials between appropriate ministries?	Yes
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40.4. Can you grant an extradition request in a money laundering case based on a:
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a. Warrant of arrest?	Yes	b. Judgement/Conviction?	Yes
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40.5. Does your domestic law allow for the extradition of your own nationals for money laundering crimes?	Yes
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40.6. Does your domestic law allow for simplified extradition procedures in money laundering cases where the person to be extradited consents to the extradition by waiving formal proceedings?	Yes
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40.7. If NO to questions 40.1., or 40.3. to 40.6., please specify in the space below the measures you intend to take to comply fully with this Recommendation and the timing of such measures.
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40.8. If NO to question 40.5., please indicate whether you can prosecute your own nationals for money laundering offences committed by them in another country.	No
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## V. STATISTICS

**NOTE: The following questions are for information only; answers are not considered in analysing compliance with the FATF 40 Recommendations.**

All the statistics sought below should be provided by calendar year for the year 1 January to 31 December 1998 as a minimum. If, at the time of submission of this questionnaire, statistics are available for CY 1999, please provide those as well.

1. How many suspicious transaction reports (or unusual transaction reports in some jurisdictions) were received from:

a. Banks?		b. NBF <sup>11</sup> ?		c. Others <sup>11</sup>	
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2. How many spontaneous or upon request exchanges of suspicious transaction information did you make to foreign competent authorities?

3. How many prosecutions were brought and how many convictions were obtained for money laundering?

a. Prosecutions		b. Convictions	
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4. What was the value (in US Dollars) of the property frozen or seized, and the value confiscated, in cases involving money laundering or crimes underlying money laundering?

*Domestic cases*

a. Frozen/seized		b. Confiscated	
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*Pursuant to mutual legal assistance requests*

a. Frozen/seized		b. Confiscated	
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<sup>11</sup> This does not refer to reports provided by government agencies.