




FINANCIAL ACTION TASK FORCE
GROUPE D'ACTION FINANCIÈRE

The Revised FATF Standards

4. Money Laundering Offence and Confiscation

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Overview

- The money laundering offence (R.3)
- The scope of predicate offences (Glossary)
- Consequences of the expansion of the scope of the predicate offences
- Confiscation (R.4)

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The Money Laundering Offence

- Changes to the Structure and Form
 - Merged the old R.1 and R.2
 - Shorter Recommendation, longer Interpretive Note
 - Requirement to have Ancillary Offences added from Methodology to Interpretive Note


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Predicate Offences

- List of designated categories of offences (in Glossary) for money laundering:
 - Added - tax crimes (related to direct taxes and indirect taxes)
 - Clarified - smuggling (including in relation to customs and excise duties and taxes)
- Requirement remains to apply the crime of ML to a range of serious offences in each designated category of offences
- Each country can determine which tax crimes are serious offences and have to be included


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Predicate Offences – Consequences of the inclusion of tax crimes

- “Competent Authorities” includes authorities responsible for investigating ML & associated predicate offences: **investigative authorities for tax crimes** (as associated to ML) are included
- International cooperation requirements – e.g. ability to cooperate and investigate in relation to tax crimes
- Financial institutions should **report suspicions** that funds are the proceeds of a “criminal activity”, i.e. at a minimum, predicate offences as required by the Standards

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Confiscation (R.4)

- Minor technical changes:
 - Terrorist Financing Convention added expressly to Recommendation
 - TF text moved from old SR.III
 - Clarification that it deals with freezing / seizure & confiscation of property related to TF, terrorist acts or terrorist organisations
- Countries should have mechanisms for managing and disposing of property
- Countries should consider adopting non-conviction based confiscation

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