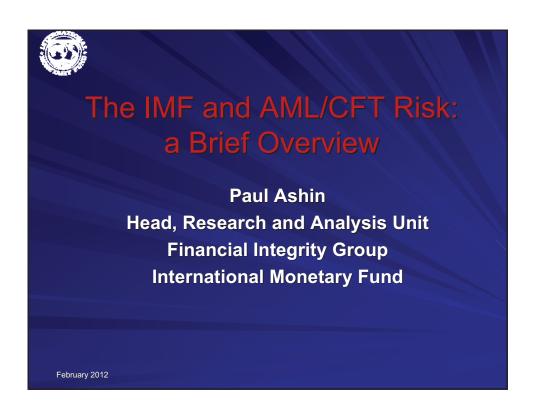
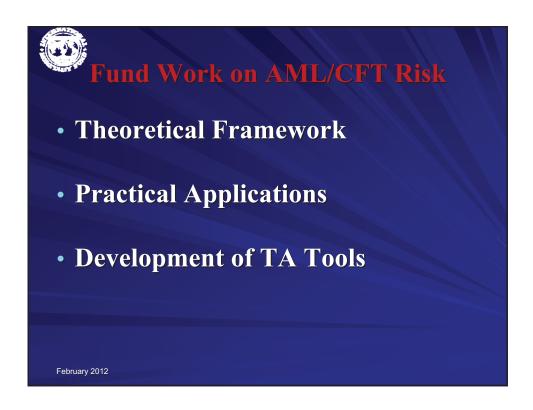
EEF.IO/3/12 6 February 2012

Vienna, 6-7 February 2012

Session III: AML/CFT National Risk Assessments

ENGLISH only







Theoretical

Framework paper

- Presents risk management standards
- Applies them to AML/CFT
- Drafts have circulated
- Work was suspended in order to focus on practical case studies

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Practical Applications

Pacific Islands

Uruguay

Peru

Thailand

Other seminars and activities

South East Asia

South Asia

East Africa

Upcoming/In progress - EUR PNRA (in cooperation with the OSCE)



Technical Assistance Toolbox

Work in Progress

- Risk Assessment Modules
- · Risk Assessment Procedures
- Flexible Modalities

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Elements of Risk

Risk = Likelihood X Consequence

Likelihood

- Threat
- $\ Vulnerability$

Consequence

- Social
- Economic
- Political



Threat

Demand for ML/FT

POC is a proxy

Other elements

- Composition of POC
- Characteristics of criminal organizations
- Characteristics of launderers

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Vulnerability

- Systemic characteristics that facilitate ML
- "Weaknesses" in AML/CFT controls
- Other systems that impact on ML and FT activity (e.g., CJS, Border)
- Financial services products open to ML abuse
- · Geographical, social, and economic conditions.



Risk Assessment Modalities

- Workshop based
- In-country TA project
- Combined approach (PIC/PNRA)
 - Country Work
 - Deskwork
 - Workshop validation and discussion

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Risk Assessment Procedures

- Combination of objective data and structured perceptions
- Data collection and analysis
 - Crime statistics
 - Financial Sector characteristics
 - AML/CFT regime and controls
- Expert sessions and workshops
 - Data Validation
 - Surveys and judgments
- Interagency Process
- Reporting and outcome



- Risk Assessment => Risk mitigation
- National strategies and other policy processes
 - Resource allocation
 - Policy making
 - Legislative drafting
- Concrete Examples
 - Peru
 - Thailand

