

FATF



FATF REPORT

Horizontal Review of Gatekeepers' Technical Compliance Related to Corruption

July 2024





Horizontal Review of Gatekeepers' Technical Compliance Related to Corruption





The Financial Action Task Force (FATF) is an independent inter-governmental body that develops and promotes policies to protect the global financial system against money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction. The FATF Recommendations are recognised as the global anti-money laundering (AML) and counter-terrorist financing (CFT) standard.

For more information about the FATF, please visit
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Scope:

In June 2022, the FATF Plenary agreed to undertake a project entitled Horizontal Review of DNFBP Technical Compliance Related to Corruption. This project was scoped to conduct a review of FATF members' compliance with Recommendation 22 (criteria 1 to 3), Recommendation 23 (criteria 1, 2 and 4) and Recommendation 28 (criteria 2 to 5) as it relates to the following non-financial professions who as gatekeepers play a role in preventing and detecting money laundering and predicate offences including corruption and who could knowingly enable corruption and related money laundering: real estate agents, lawyers, notaries, other independent legal professionals and accountants, and trust and company service providers (TCSs).

Disclaimers:

In no way should this project, its analysis or conclusions pre-empt or prejudice the results of any upcoming Mutual Evaluation Report (MER) because the Horizontal Review:

- a) only considers some of the criteria for R.22, 23 and 28 (unlike an MER which rates compliance on the basis of all criteria);
- b) only considers some DNFBP sectors (an MER also covers casinos and dealers in precious metals and stones, which are not within the scope of the Horizontal Review);
- c) does not assign ratings for compliance (as is the case in an MER);
- d) does not take into account jurisdiction context, or the number and relative importance of the criteria met or not met within the Recommendation (as is the case in an MER); and,
- e) will not duplicate the mutual evaluation process, as it is a desk-based review which does not analyse effectiveness.

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Contents

Executive Summary	5	Hong Kong, China	32
		Iceland	33
Introduction	6	Indonesia	34
		Ireland	35
Horizontal Review	10	Israel	36
FATF Member-level Findings	10	Italy	37
Overview of Sector Findings	11	Japan	38
What Specific Requirements are Poorly Implemented?	16	Kingdom of Saudi Arabia	39
		Luxembourg	40
		Malaysia	41
Challenges and call to action	19	Mexico	42
		Netherlands	43
FATF Member Countries	20	New Zealand	44
Australia	21	Norway	45
Austria	22	Portugal	46
Belgium	23	Republic of Korea	47
Brazil	24	Singapore	48
Canada	25	South Africa	49
China	26	Spain	50
Denmark	27	Sweden	51
Finland	28	Switzerland	52
France	29	Türkiye	53
Germany	30	United Kingdom	54
Greece	31	United States	55

Acronyms and terminology

Accountants	Covered accountants, as identified in FATF Recommendation 22
AML/CFT	Anti-Money Laundering / Countering the Financing of Terrorism (<i>also used for Combating the financing of terrorism</i>)
CDD	Customer Due Diligence
FATF	Financial Action Task Force
Gatekeepers	The four sectors covered for the scope of this report: (1) lawyers, notaries and other independent legal professionals, (2) accountants, (3) trust and company service providers and (4) real estate agents. The definitions of these sectors, and the required applicability of the FATF Recommendations is identified in FATF Recommendation 22
Lawyers	Covered lawyers, notaries and other independent legal professionals, as identified in FATF Recommendation 22
ML	Money Laundering
MER	Mutual Evaluation Report
PEP	Politically Exposed person
Preventive Measures	The measures that countries must put into place for covered gatekeepers. R.22 (criteria 1 to 3) and R.23 (criteria 1, 2 and 4) in the context of this study
R.	Recommendation
R.22.1	Short form for criterion 1 of FATF Recommendation 22
Real Estate Agents	Covered real estate agents, as identified in FATF Recommendation 22
Score	The indicator meant to demonstrate the approximate level of FATF member compliance with the FATF Recommendations under review for this Horizontal Review. The score is derived from the findings of the technical compliance review
SRB	Self-Regulatory bodies
STR	Suspicious Transaction Report
Supervision	The measures that countries must put into place to supervise covered gatekeepers. R.28 (criteria 2 to 5) in the context of this study.
TCSP	Covered trust and company service providers, as identified in FATF Recommendation 22

Executive Summary

Corruption and money laundering are inextricably linked. Corrupt actors must launder bribes and misappropriated funds to enjoy their criminal profits. Through their role as gatekeepers to the financial system, non-financial professionals can facilitate, unwittingly or wittingly, high-level corruption.

To minimise such risks, the FATF took action over 20 years ago by requiring countries around the globe to apply AML/CFT measures to gatekeepers - lawyers, accountants, trust and company service providers, and real estate agents. These measures aim to address the vulnerability of the sectors to money laundering and corruption threats, by equipping professionals with the necessary know-how to detect indications of possible crimes. When these professionals are not regulated in accordance with the FATF Standards, they remain exposed to significant criminal risks and lack those measures that would allow them to see the red flags of money laundering.

The FATF has undertaken this Horizontal Review to assess the current state of play and identify areas that FATF members must prioritise for further improvement. This is a deep dive into the actions that FATF members have taken to apply important aspects of the FATF Recommendations to gatekeepers.

On the surface, the Horizontal Review shows positive results - over half of FATF members have scores over 80%. However, these results are less promising when one considers the context and materiality of the seven FATF members falling below the score of 50%. These jurisdictions represent more than half of the world's GDP.

Although it is a common perception that the legal profession is subject to fewer AML/CFT rules than other gatekeeper sectors, the Horizontal Review found little difference in coverage scores of the four gatekeeper sectors under the scope of the review - lawyers, accountants, trust and company service providers, and real estate agents.

Finally, this review found that some cornerstone obligations of the FATF Recommendations fall behind the compliance levels of other obligations. These requirements—conducting customer due diligence, implementing internal controls, and providing a supervisor with adequate powers to conduct risk-based supervision—are essential requirements to address the vulnerability of gatekeepers to money laundering and corruption threats.

It is urgent that those FATF members still lagging behind ensure that gatekeepers are adequately covered in line with the FATF's longstanding Recommendations in this area.

Introduction

Corruption is an existential threat to international order and a scourge on societies. It can diminish the rule of law and the impartial administration of justice while depriving citizens in jurisdictions around the world of the good governance and resources to which they are entitled. When government officials abuse public trust to enrich themselves, they undermine government's ability to provide public goods and services, foster sustainable development, and ensure fair competition. Corruption can distort markets and threatens financial integrity, and in the worst scenarios, exposes jurisdictions to serious threats to stability, such as coups, civil unrest, state capture, and even terrorism.

Corruption and money laundering are inextricably linked. Corrupt actors must launder bribes and misappropriated funds to enjoy their criminal profits. Further, corruption erodes jurisdictions' effectiveness in combating money laundering, terrorist financing, and other financial crimes. Not only can corrupt government officials undermine the institutions that are meant to fight money laundering and terrorist financing – such as financial intelligence units, police agencies, and financial supervisors – but they can compromise a jurisdiction's ability to detect and disrupt financial crime¹.

The Financial Action Task Force (FATF), an inter-governmental body and the premier global money laundering and terrorist financing watchdog, leads efforts and co-ordinated actions to strengthen jurisdictions' legal frameworks and operational effectiveness to protect financial systems and the broader economy from illicit threats, including corruption and money laundering linked to it. Over 205 jurisdictions around the world comprise the FATF Global Network, adhere to the FATF Standards, and have agreed to put in place measures to prevent and fight money laundering from various crimes, including offences related to corruption such as bribery, extortion, and theft. FATF Ministers have recognised the serious impact of grand and systemic corruption on our economies, particularly the vast amounts of illicit money it generates.

Through their role as gatekeepers to the financial system, non-financial professionals can facilitate, unwittingly or wittingly, high-level corruption. The vast majority of lawyers, accountants, trust and company service providers, and real estate agents act within the law and ethical norms. But there are, undeniably, professional enablers who service corrupt officials, helping them commit and cover-up acts of corruption and enjoy the fruits of their crooked schemes. They use their professional skills, access to the financial system, local and international networks, and the very legitimacy of their professions to facilitate corruption, such as by setting up shell companies to move criminal proceeds and helping bad actors quietly acquire luxury assets with stolen money.² Professionals who do not intend to launder ill-gotten gains may be unwittingly providing their expertise to corrupt government officials or their associates.

To minimise such risks, the FATF Standards require countries around the globe to apply AML/CFT measures to these professionals. Such measures aim to address the vulnerability of the sectors to money laundering and corruption threats, by equipping professionals with the necessary know-how to detect indications of possible crimes. However, when these professionals are not regulated in accordance with the FATF Standards, these sectors remain exposed to significant criminal risks and lack those measures, such as the application of customer due diligence, that would allow them to see the red flags of money laundering.

1. IMF (2023), *Review of The Fund's Anti-Money Laundering and Combating The Financing of Terrorism Strategy*, <https://www.imf.org/en/Publications/Policy-Papers/Issues/2023/12/05/2023-Review-of-The-Funds-Anti-Money-Laundering-and-Combating-The-Financing-of-Terrorism-542015>

2. OECD (2021), *Ending the Shell Game: Cracking Down on Professionals Who Enable Tax and White Collar Crimes*, <https://www.oecd.org/tax/crime/ending-the-shell-game-cracking-down-on-the-professionals-who-enable-tax-and-white-collar-crimes.htm>.

These professions – law, accountancy, trust and corporate services, and real estate – are often referred to as “gatekeepers”. Individuals and firms in these sectors are an entry point to the financial system, and they can and should act as a line of defence against the infiltration of dirty money into the legitimate economy and should never cross the line into conspiring with clients to commit offences. Preventive anti-money laundering and counter-terrorism financing obligations on gatekeepers are an essential component of an effective anti-money laundering and terrorism financing framework. Supervision of these obligations is a necessity as gatekeepers may also serve as an important source of crime detection for governmental authorities and investigators. The implementation of these requirements helps gatekeepers to identify areas of heightened risk and apply appropriate mitigating measures to prevent their services from being misused by criminal actors. Likewise, these measures contribute to dissuading any ill-intentioned gatekeepers from colluding with criminals to help them launder ill-gotten gains.

The FATF has found that, in some jurisdictions, gatekeepers are not covered by comprehensive anti-money laundering and counter-terrorism financing frameworks, which presents a major vulnerability. The fact that some regimes remain insufficient 20 years after international standards have been in place means that some jurisdictions are at unacceptably high exposure to the risk that these sectors could be misused, and that the professionals themselves are more likely to be unwittingly used in money laundering schemes. An evaluation of FATF members’ technical compliance with recommendations relating to gatekeepers identifies areas that require further improvement and encourages countries to improve their anti-money laundering systems in this area.

Gatekeepers, Money Laundering and Corruption

Gatekeepers have specialised knowledge that can be used to facilitate the movement of money and conceal involvement in illicit schemes. For corrupt actors, such a capability can be an advantage over carrying out these tasks directly. For example, relying on a company service provider to create a corporate entity or act as a nominee, or a lawyer to act on behalf of that company and open a bank account, may add a layer of credibility to the corrupt actors seeking to access the financial system and move money more seamlessly between jurisdictions. These interventions may also aid corrupt actors in obtaining services with less friction, as the next provider may erroneously assume that the person has been vetted or misplace trust in another professional.

Each category of gatekeeper has specific characteristics or services that can be used to obfuscate who, exactly, is carrying out transactions, and these vulnerabilities have been highlighted by the FATF and other international organisations. For example, the StaR Initiative, a collaboration between the United Nations Office of Drugs and Crime and the World Bank, noted that of its review in 150 cases involving grand corruption, 128 involved the use of shell companies.³ This finding suggests that the lawyers and trust and company service providers who form and maintain these entities are vulnerable to misuse, whether knowingly or otherwise, for their specialised knowledge including of the regulatory landscapes of jurisdictions whose laws are used to shield the ownership of assets.

Each gap and weakness in the anti-money laundering system represents an opportunity for the corrupt to further their harmful activities by co-opting or abusing gatekeepers that should be equipped to resist attempts to exploit them for illicit purposes, or gatekeepers that may be unwittingly misused for lack of appropriate regulation. Without adequate rules and oversight across these sectors, corrupt officials and kleptocrats will continue to deprive citizens of their rightful natural resources, sovereign wealth, and tax revenues. This hurts the professions and the professionals themselves. But even more critically, deficient laws and supervision over these sectors ultimately harm the jurisdictions impacted by the greed of the corrupt.

3. World Bank (2011), *The Puppet Masters: How the Corrupt Use Legal Structures to Hide Stolen Assets and What to Do About It*. <http://hdl.handle.net/10986/2363>

FATF Action on Gatekeepers

The FATF Recommendations – the international Standards designed to combat money laundering and terrorist financing – play a major role in the fight against corruption. Through continually updating the FATF Recommendations to ensure their relevance, the international community has taken decisive action to require jurisdictions to bring gatekeepers within their regulatory frameworks for combating financial crime. This approach, focused on preventive measures, requires jurisdictions to implement several rules designed to require gatekeepers to prevent, identify, and report on suspicions of financial crime. The FATF's implementation of this approach on lawyers, accountants, real estate professionals and TCSPs acknowledges the role that the participants of these sectors play as gatekeepers of the financial system and the money laundering risks, including those risks associated with or resulting from corruption, that gatekeepers are exposed to in this role.

The FATF's approach focused on gatekeeper preventive measures is aimed at averting these sectors from being used to launder illicit proceeds. However, preventive measures are only useful if they are actually put into place. That is why the FATF also requires governments to have adequate powers to supervise covered gatekeepers for compliance with AML/CFT laws and regulations, including the ability to impose effective, proportionate, and dissuasive administrative, civil and criminal penalties, if warranted, for failure to comply with preventive measure requirements. These supervisory powers to penalise non-compliance are complemented by law enforcement powers which should be used to take action against gatekeepers who knowingly facilitate corruption and resulting money laundering activities. These powers, whether supervisory enforcement measures for failure to comply, or criminal powers for knowingly facilitating crime, are required to deter misconduct by sector participants.

In 2022, the FATF published the *Report on the State of Effectiveness and Compliance with the FATF Standards*¹ which found that almost half of the 120 assessed jurisdictions across the FATF Global Network fail to apply the required obligations to gatekeepers. Further, this report shows that gatekeepers generally have a poor to very poor understanding of their financial crime risks and regularly fail to mitigate these risks, making them vulnerable to exploitation by corrupt actors. Consequently, FATF Ministers demanded action to address the detrimental impact that systemic corruption has on economies and societies,⁴ and directed the FATF to undertake more work examining the link between the lack of implementation of preventive measures by gatekeepers and corruption.

As a result, the FATF decided to conduct a Horizontal Review – a deep dive into the actions that FATF members have taken to apply important aspects of the FATF Recommendations to gatekeepers. The review focuses on certain set of specific Recommendations⁵ which are directly relevant to combatting money laundering linked to corruption. The FATF has already analysed most FATF members' overall compliance in the recent past through its Mutual Evaluation and follow-up processes. But importantly, for this Horizontal Review, the FATF provided all members the opportunity to update their domestic legal framework and submit new information to the FATF – such as new laws and regulations enacted or other measures implemented to bring gatekeepers under their regulatory regimes, as required by the FATF Standards since 2003.

4. FATF Ministerial Declaration (2022), <https://www.fatf-gafi.org/content/dam/fatf-gafi/FATF/FATF-Ministerial-Declaration-April-2022.pdf.coredownload.pdf>.

5. FATF Recommendation 22 (criteria 1 to 3), 23 (criteria 1, 2 and 4) and 28 (criteria 2 to 5) as it relates to real estate agents, lawyers, notaries, other independent legal professionals and accountants, and trust and company service providers (TCSPs)

This Horizontal Review has already driven compliance with the FATF Standards. Thirty of thirty-five FATF members with finalised Mutual Evaluations took additional steps to regulate gatekeepers since their last FATF assessment and provided new information on the measures that they have taken to improve during this Horizontal Review process. The FATF's spotlight on the theme of corruption and the role of gatekeepers is intended to foster more positive change in global AML/CFT regimes. The results of this review should encourage jurisdictions to finally close the loopholes that can enable corruption and money laundering, tear at the foundations of trust in government and threaten the security and prosperity of our citizens.

Horizontal Review

The FATF's *Report on the State of Effectiveness and Compliance with the FATF Standards*¹, published in April 2022, found that gatekeepers generally have a poorer understanding of their risks than financial institutions and regularly fail to mitigate them, making them vulnerable to exploitation. This report also found that the majority of jurisdictions that had been assessed at the time of the report's release had failing ratings for the imposition of preventive measures on gatekeeper sectors. This is unsatisfactory and must improve.

To drive compliance with the FATF Standards and develop an up-to-date global assessment of the FATF membership's compliance with requirements applied to gatekeepers, the FATF conducted a Horizontal Review of FATF members' levels of compliance in this area. This review focused on those categories of gatekeepers whose services may be used, knowingly or otherwise, to enable corruption and related money laundering with a view to identifying the most critical areas of non-compliance that require swift improvement. These gatekeeper requirements (including the requirement to implement an AML/CFT compliance programme, collect and record customer identification and report suspicious transactions) have been requirements for the FATF's membership for over 20 years.

FATF Member-level Findings

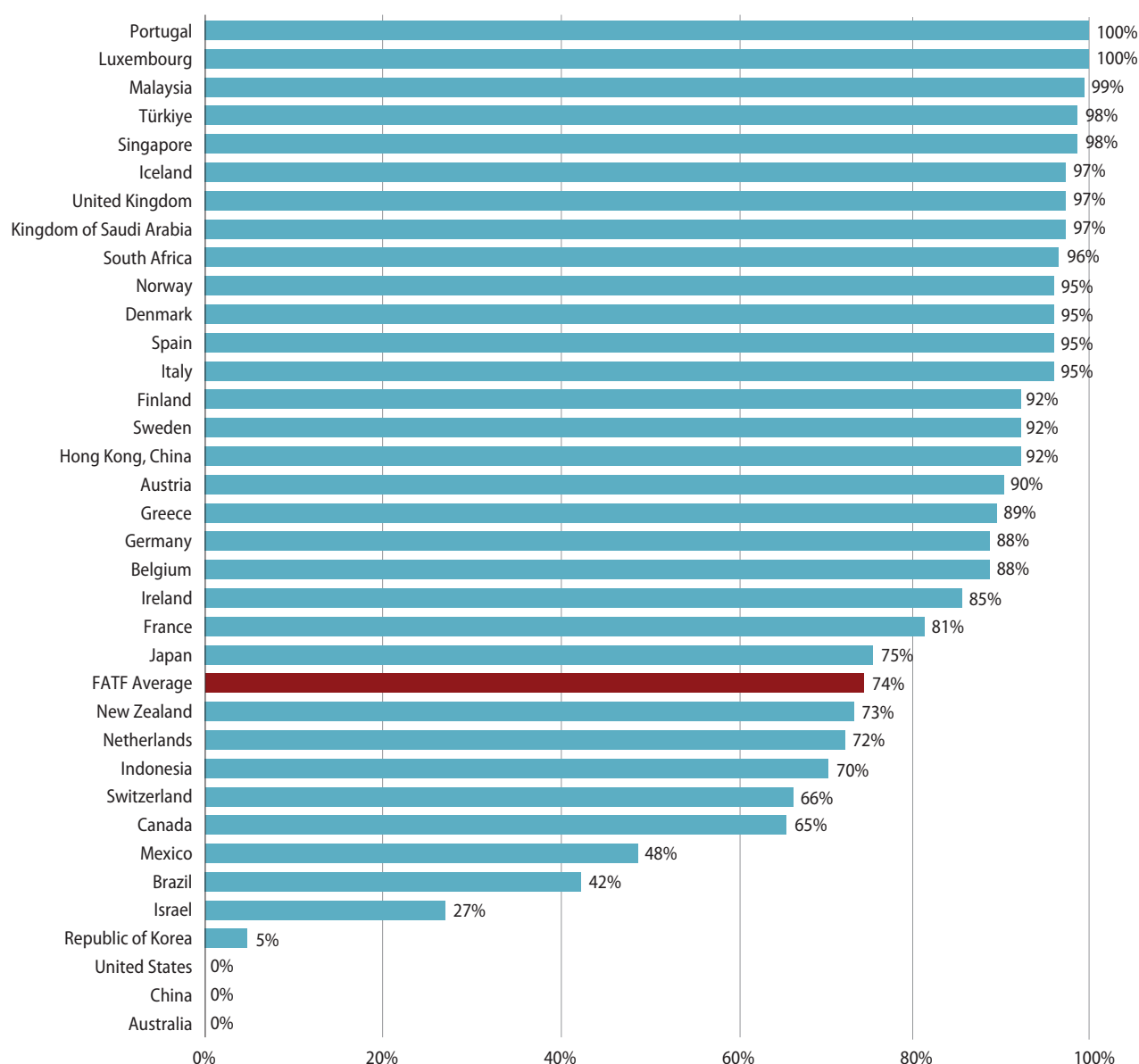
While the FATF has already analysed most FATF members' overall compliance in the recent past through its mutual evaluations, this exercise focuses on targeted areas and presents a snapshot of current compliance. FATF members were provided the opportunity to improve their domestic legal framework for gatekeepers and submit new information to the FATF. This Horizontal Review has already had material effect: 30 of 35 FATF members with finalised Mutual Evaluations took additional steps to regulate gatekeepers since their last FATF assessment and provided new information on the measures that they have taken to improve during this Horizontal Review process. These improvements are welcome and strengthen FATF members' compliance with the FATF Recommendations. Now, over half of FATF members have a score in the Horizontal Review of over 80%⁶.

However, these results are less promising when one considers the context of the seven FATF members falling with a score under 50% – these jurisdictions represent more than half of the world's GDP (50.89%)⁷. On a global level, even a few significant jurisdictions with weak compliance can greatly affect the risk picture and open the door to corruption and money laundering. These materially significant jurisdictions need to do better given the global reach of their economies. Jurisdictions with large economies export their goods and services, and tend to have large financial centres, therefore any issue in the coverage of gatekeepers goes well beyond their borders. These results also do not account for the fact that non-FATF members contribute to the global risk picture, and many continue to have lower compliance than required.

The only three FATF members that were identified as jurisdictions under increased monitoring during the FATF's 4th round of mutual evaluations now feature among the top performers. Iceland (listed in 2019), South Africa (listed in 2023) and Türkiye (listed in 2021) all exhibit high levels of compliance with FATF's gatekeeper recommendations. At the time of their listing, each of these jurisdictions had items related to gatekeeper risk-based supervision included in their FATF action plans. This demonstrates the effectiveness of the FATF's public listing process.

6. The FATF has not re-rated jurisdictions' technical compliance ratings as a result of this Horizontal Review. As the scope of the Horizontal Review has only scoped in parts of the FATF Recommendations related to gatekeeper and supervisory compliance related to corruption, the FATF was not able to re-rate jurisdictions for improvements in complete FATF Recommendations. This report indicates a 'score' as the output of the assessment of these requirements.

7. <https://www.imf.org/external/datamapper/datasets/WEO>

Figure 1. FATF Members' Scores for FATF's Gatekeeper Recommendations

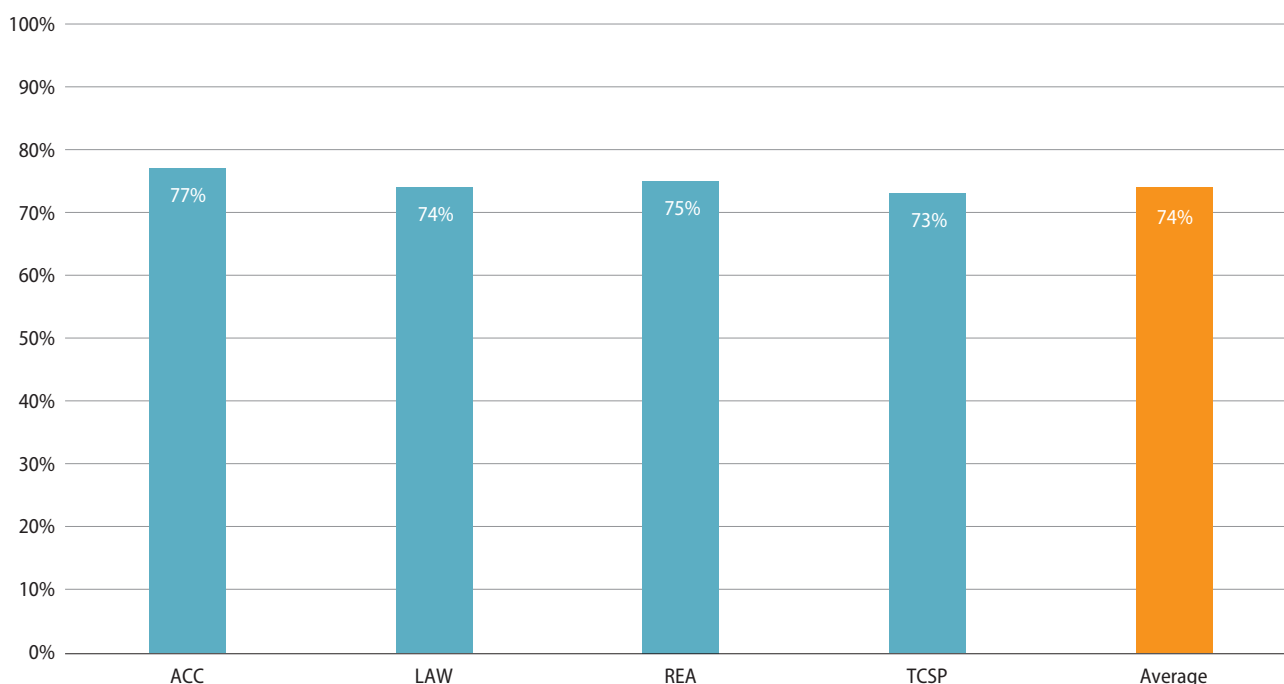
Source: FATF

Overview of Sector Findings

Most gatekeepers are ethical, do not knowingly launder funds and put in place measures so that they are not misused. However, the FATF has acknowledged that these gatekeepers face money laundering risks that need to be appropriately mitigated as demonstrated by the inclusion of these gatekeepers in the FATF Standards in 2003. To this end, governments must ensure that gatekeepers are in-scope of anti-money laundering systems in line with FATF's Recommendations. Countries' compliance with these requirements has slowly risen over time to now have reached a 74% score, more than 20 years after FATF members committed to adhering to these standards.

There is very little variation across the four gatekeeper sectors, meaning that the deficiencies present in the domestic regime tend to impact all gatekeepers. There are very few exceptions to this rule and the outliers in any given FATF member are only incrementally different (e.g., one sectoral score might be only slightly better than the rest). This

Figure 2. FATF Members' Scores for FATF Requirements for each Gatekeeper Sector



Note: Small variances between the FATF average compliance ratings (Fig. 1) and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

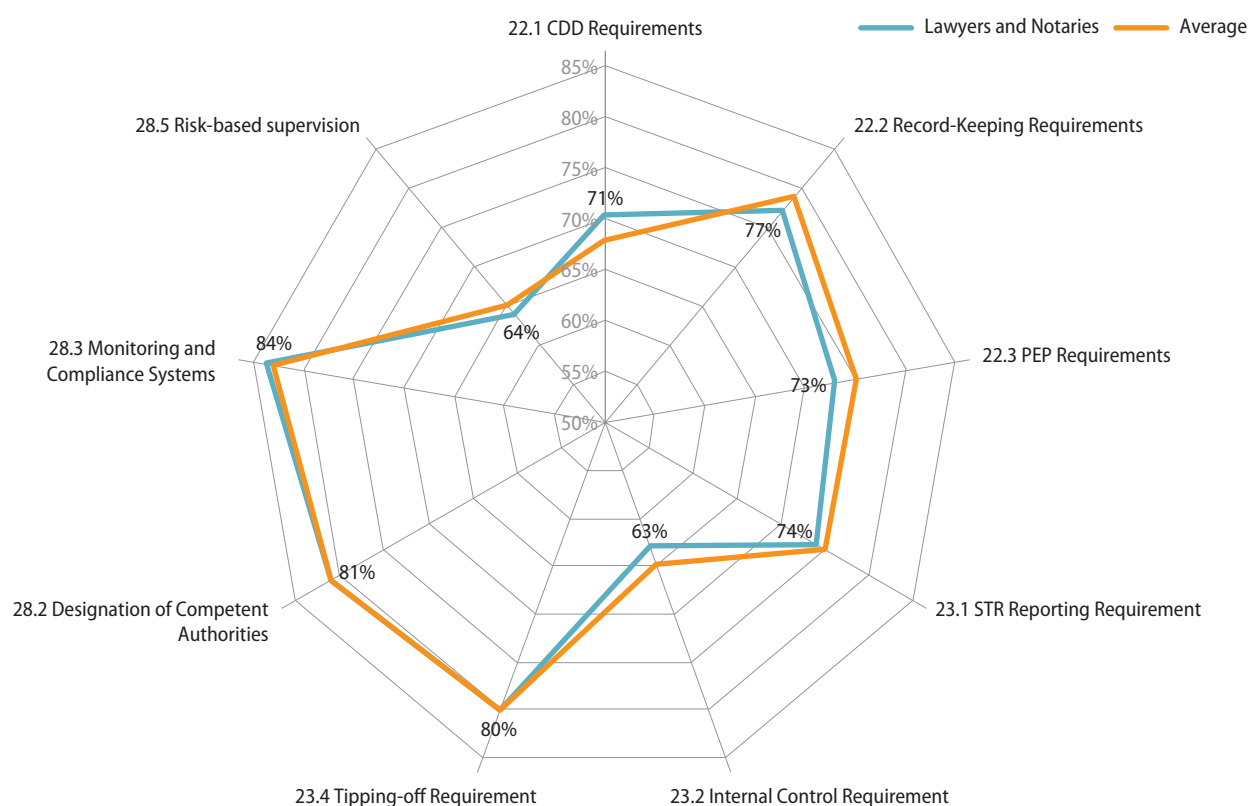
Source: FATF

similarity between gatekeeper sectors is, in and of itself, surprising. There is a common perception that the legal profession, due to solicitor/client privilege, is subject to fewer AML/CFT rules than other gatekeeper sectors, and that narrative is simply false. When FATF members decide to apply these rules to gatekeepers more broadly, they also impose the same rules on lawyers, with very few exceptions.

While obligations may be mostly similar across the sectors, there are some differences, and that can affect the manner in which they can enable corruption and money laundering wittingly or unwittingly, including in the absence of requirements to apply preventive measures:

Lawyers

Corrupt actors and their money launderers can exploit lawyers and other legal professionals to hide and move the proceeds of crime. Lawyers providing transactional services to clients (as opposed to litigation or defence) can acquire property, manage money, operate bank accounts, form trusts and companies and serve key roles in them, and help buy and sell other businesses, among other things. These tasks are perfectly legal, but they can also be essential components in a money laundering scheme, which may not necessarily be identified by the lawyer if AML/CFT preventive measures are not applied. Because of the involvement of lawyers, the underlying transactions may also acquire an air of legitimacy to outside parties. Criminal cases reveal that some lawyers have been involved in the kleptocratic crimes of dictators and oligarchs, drug trafficking organisations, and white-collar criminals committing fraud with thousands of victims. Examples range from some lawyers helping corrupt government officials conceal embezzled funds through shell companies or arrange a kickback system as part of a sovereign debt offering, to participating in and concealing financial fraud using their own trust accounts. Those legal professionals who participate in such criminal conduct are not representative of the legal sector writ large. However, a lack of comprehensive AML/CFT obligations covering the legal profession, overreliance on self-regulation, and a lack of guidance and enforcement can leave the sector vulnerable to money laundering.

Figure 3. FATF Members' Scores for Preventive Measures on Lawyers and Notaries

Source: FATF

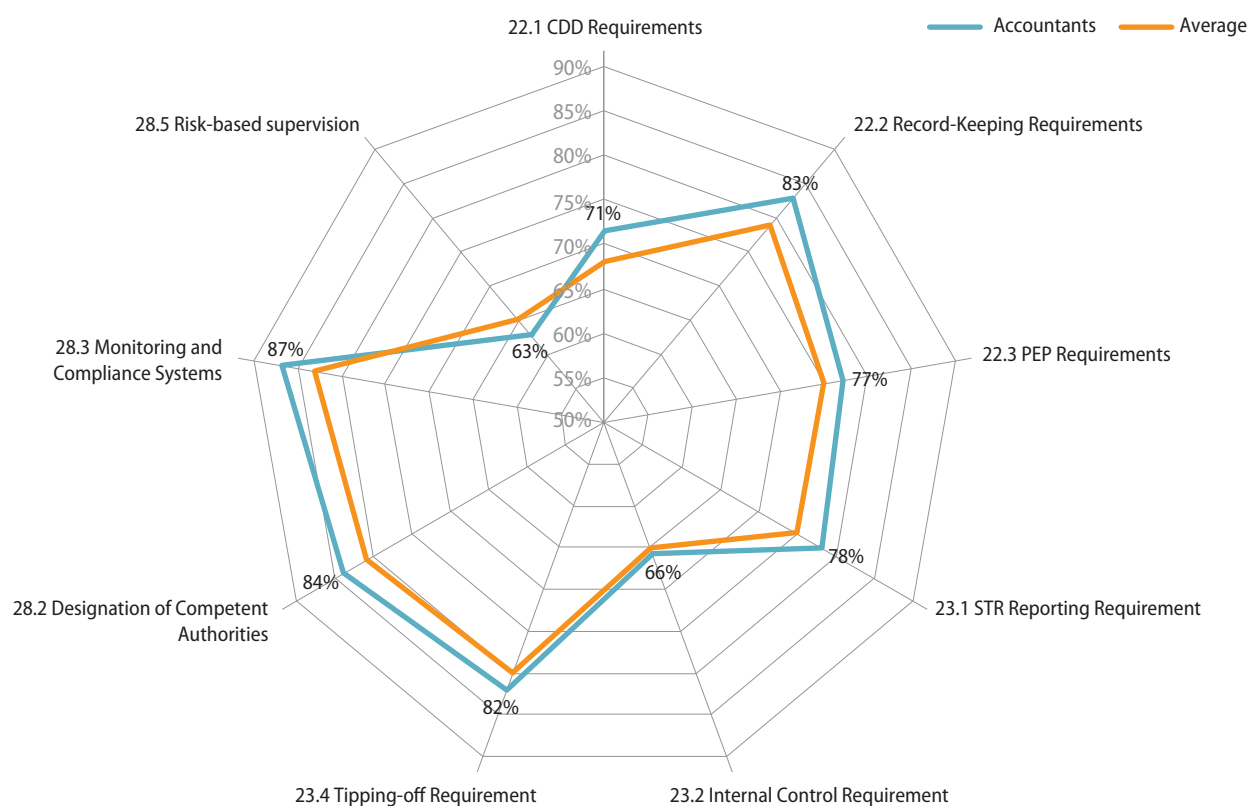
Coverage of lawyers is broadly in line with averages, except with respect to one requirement which is noticeably lower than average: the requirement to take measures with respect to politically exposed people. This is worrying in the context of lawyers and other legal professionals, who can act transnationally on behalf of clients, including the corrupt (wittingly or unwittingly), without the requirement to take enhanced measures or report at all on activities related to kleptocrats.

There has been resistance against imposing AML/CFT measures for the legal profession in some FATF member jurisdictions using the argument that it encroaches legal secrecy privileges. It is clear that these requirements can be implemented without encroaching on this fundamental principle, as can be evidenced by the fact that most FATF members have successfully implemented such requirements for lawyers and other legal professionals.

Accountants

Accountants provide a wide range of services depending on the jurisdiction in which they operate. Services may be provided by Certified Public Accountants (CPAs); non-licensed public and private accountants; internal and external auditors; and bookkeeping, accounting, and auditing clerks.

In some jurisdictions, accountants may provide financial record keeping, auditing, or advisory services, rather than managing or holding client funds. An accountant's knowledge about creating and structuring companies, accounts, and payments, in addition to knowledge of financial statements and tax rules, could be attractive to those looking to launder money. The risks which accountants are exposed to varies widely depending on factors including the regulatory framework, services offered, and the range of activities that accountants carry out by law. But fundamentally, accountants can sign off on financial transactions which may serve to conceal movements or ultimate control over assets, which

Figure 4. FATF Members' Scores for Preventive Measures on Accountants

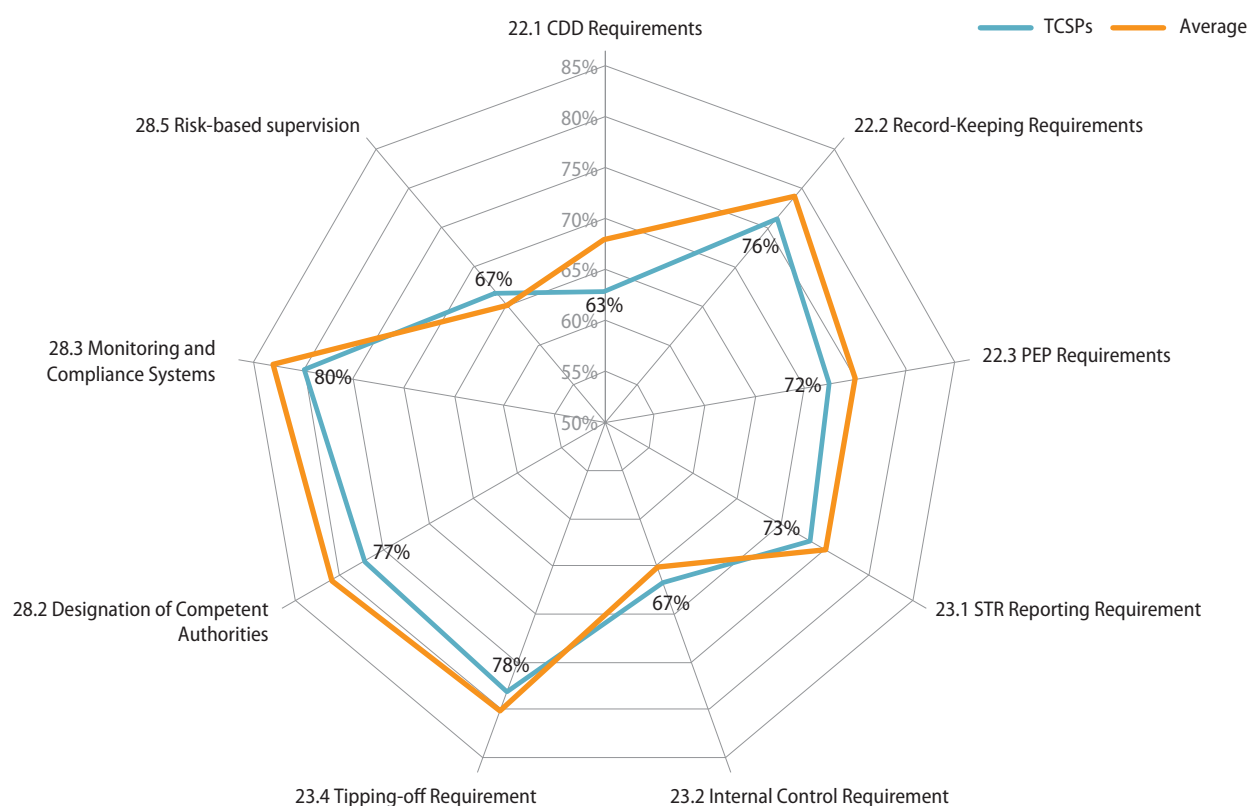
Source: FATF

means these professionals can be misused to facilitate crime. At the same time, accountants have both legal and ethical obligations to disclose fraud and material misstatements, which makes them an important gatekeeper sector.

Accountants have the highest scores amongst the gatekeeper sectors, which is a broad reflection of FATF members' understanding the financial role played by accountants, and how that financial role can be crucial to money laundering schemes, if misused by criminals.

Trust and Company Service Providers

TCSPs are persons or businesses which act as a formation agent of legal persons for a third party, or provide other services related to legal entities or trust and other legal arrangements. These tasks include, among other things, acting as a director of a company or a nominee shareholder for another person. Corrupt government officials can abuse these acts to hide their interests and identity. TCSPs have specialised knowledge of laws and the characteristics of different entity types which can form part of a complex web of companies, trusts, foundations, and partnerships, established in multiple jurisdictions. These layers, along with name changes and ownership transfers, can frustrate the ability of both competent authorities and counterparties to uncover the beneficial owner of the whole structure. When jurisdictions do not implement FATF Recommendations related to TCSPs, corrupt actors can use these services to move or hide their criminally derived wealth. This distinct vulnerability presents a significant risk, as shell companies and complex ownership structures are one of the most common means of facilitating and concealing financial crime. Unlike the legal, accounting and real estate sectors, the TCSP sector is less easily defined, as it is 'activity based' as opposed to 'credential based'. A TCSP is defined functionally by the services it provides, not the licences or professional accreditations it may hold. Some jurisdictions do categorise firms and individuals that primarily perform trust and company services as a separate sector, even if other professionals may secondarily conduct TCSP activity.

Figure 5. FATF Members' Scores for Preventive Measures on TSCPs

Source: FATF

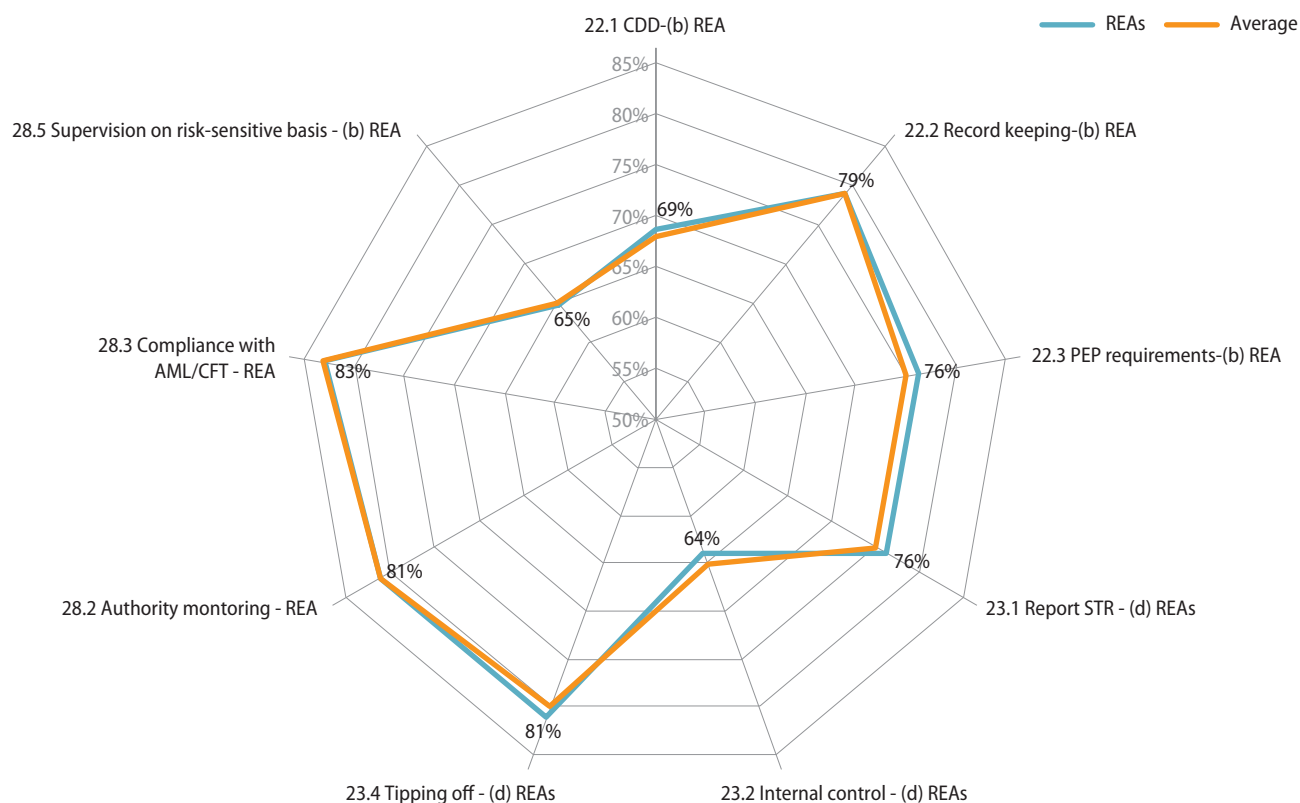
The imposition of requirements on TSCPs is mixed when compared to gatekeepers in general. These types of gatekeepers have higher requirements for internal controls and receive more risk-based supervision, which could indicate that jurisdictions with such sectors understand the risks they pose and apply mitigation measures. There is, however, a worrying finding in that TSCPs have the lowest levels of requirements for customer due diligence, given the inextricable link between this sector's activity and the potential for the misuse of its services for the obfuscation of beneficial ownership.

Real Estate Sector

Real estate is attractive to both criminals and investors because it is a stable asset class and likely to appreciate over time. Buying and selling real estate can be a particularly effective way to launder illicit proceeds. The reasons are straightforward: it is possible to invest significant amounts of money in a single transaction while potentially obscuring the identity of the beneficial owner via the use of corporate vehicles, agents, and/or intermediaries. Real estate transactions may involve large sums and compared to financial sector transactions, can be subject to much less scrutiny, particularly when no loan through a financial institution is involved. Corrupt actors have been documented taking advantage of both residential and commercial real estate sectors. They have transacted in many types of properties from luxury condominiums to office buildings, agricultural land and industrial factories. These physical assets allow the corrupt to invest and/or covertly park their wealth and potentially gain a profit later. This is an especially large and diverse sector, with many individuals and small firms.

Broadly, the real estate sector has the same requirements as the average gatekeeper across the study.

Figure 6. FATF Members' Scores for Preventive Measures on REAs



Source: FATF

What Specific Requirements are Poorly Implemented?

Preventive Measures

Looking at the specific preventive measures requirements that a jurisdiction must implement, most requirements have a stable level of compliance. Two requirements stand out as having a lower score than the others: (1) customer due diligence measures, and (2) internal controls.

1. Internal Controls

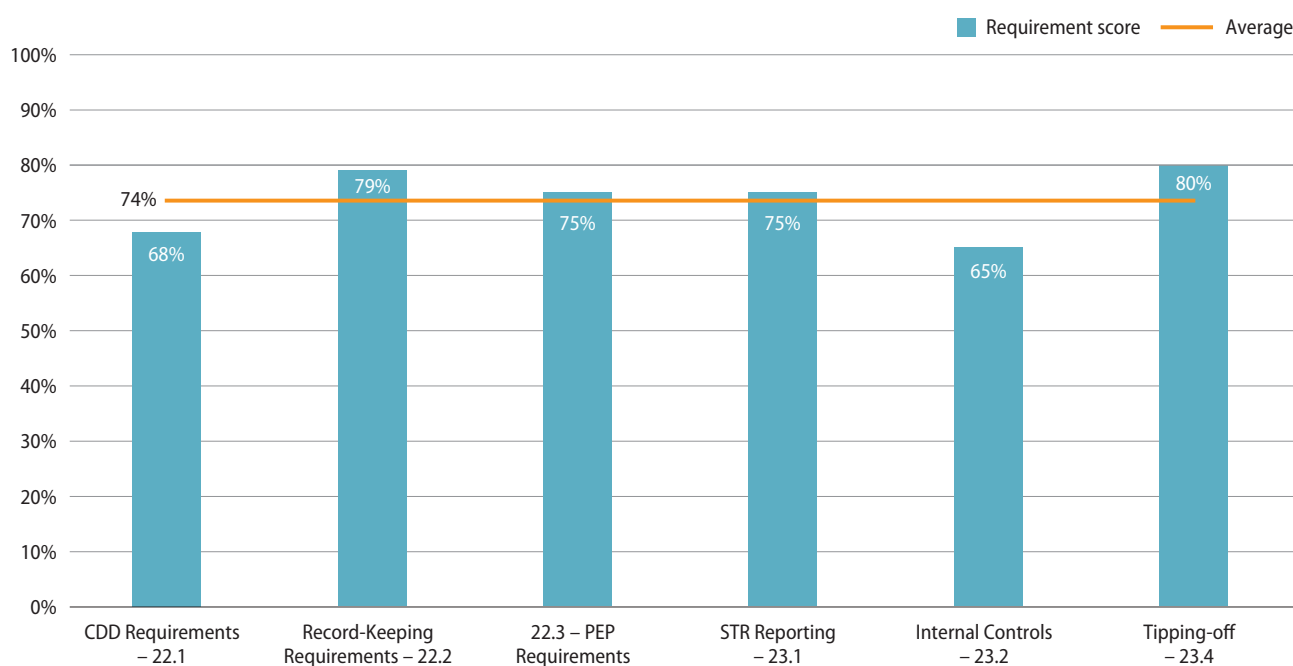
Internal controls – which constitute requirements such as the implementation of a compliance regime, the appointment of a compliance officer, developing standards in hiring employees and delivering employee training – have the lowest score across the Horizontal Review. These internal controls are the fundamental building blocks of gatekeepers' incorporation into the global regime combatting money laundering and terrorist financing and, when not present, leave gatekeepers open to exploitation by the corrupt and money launderers.

Some jurisdictions have decided not to implement the full set of internal controls. The most frequent deficiency involves the lack of requirement for an independent audit of the compliance system. This may be difficult for gatekeepers, many of whom are sole proprietor or small business owners, to implement on the scale of financial institutions given the comparative size of financial institutions that have dedicated audit staff and departments. This obligation can, however, be successfully implemented proportionately. Audit remains a critical function of any compliance regime to ensure that the regime is tested. Numerous jurisdictions have successfully imposed this requirement, while taking steps to support gatekeepers in this endeavour by providing tools to assist small business.

2. Customer Due Diligence Measures

Customer due diligence (CDD) requirements form a critical part of the value chain of the anti-money laundering system. Without appropriate CDD, the private sector is unable to effectively detect suspicious transactions, FIUs cannot conduct financial analysis and law enforcement cannot acquire records—both of which frustrate efforts to detect, investigate and prosecute money laundering activity. The lower score means that in some FATF members where gatekeepers are covered, the gatekeepers are not required to conduct a full range of CDD activities to begin this value chain.

Figure 7. FATF Members' Scores for Preventive Measures for Gatekeepers



Source: FATF

Supervision

Supervisors play a crucial role in preventing money laundering. They take a risk-based approach and ensure that gatekeepers understand the risks facing their businesses and how to mitigate them. Supervisors also have the task to ensure that these businesses comply with their AML/CFT obligations and take appropriate action if they fail to do so. Additionally, supervisors have the opportunity to guide gatekeepers and provide them with the opportunity to ask relevant questions during their oversight activities.

Most FATF members have implemented supervisory frameworks to gatekeeper sectors. Two requirements stand out as having lower scores than the others: (1) the powers of supervisors, and (2) risk-based supervision.

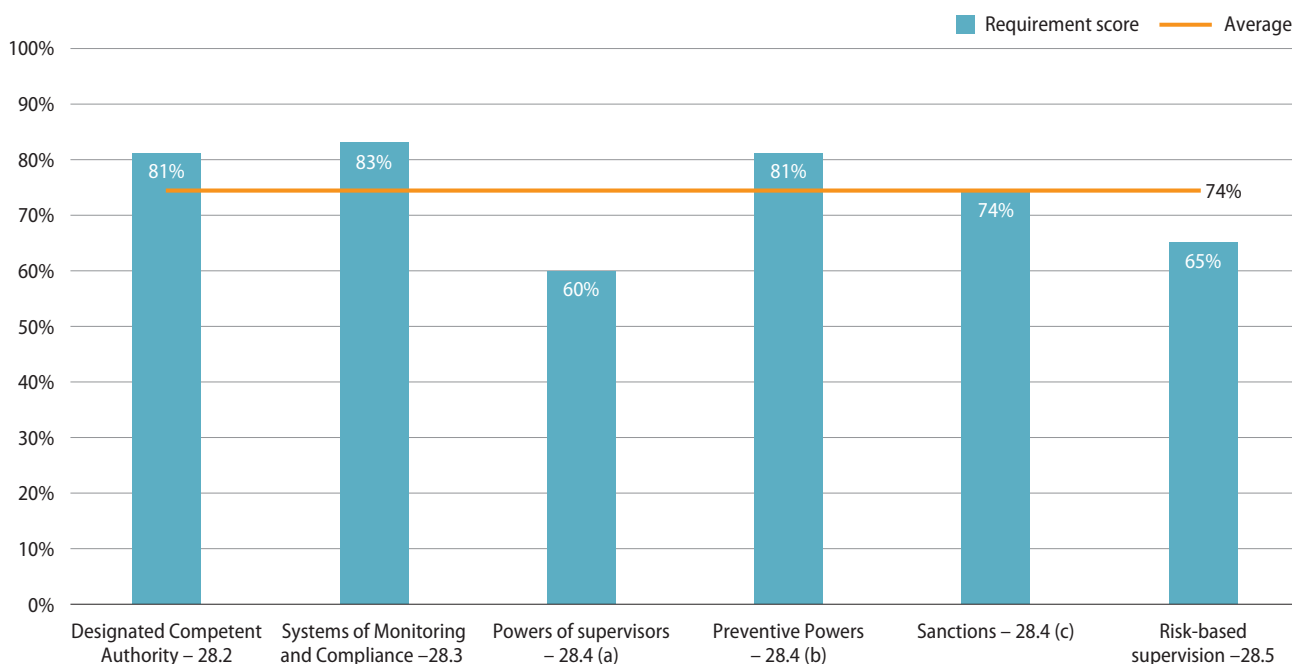
1. Powers of Supervisors

The lowest score in the entirety of the Horizontal Review is for the powers provided to supervisors. These powers include the requirement to equip supervisors with the ability to impose effective, proportionate, and dissuasive administrative, civil and criminal penalties, if warranted, for failure to comply with preventive measure requirements. Such a low score indicates that some gatekeepers in FATF members remain insufficiently supervised as their supervisors are not appropriately equipped.

2. Risk-based Supervision

A worrying finding of the report is the comparatively low-level of risk-based supervision, coupled with lesser powers of supervisors, for gatekeepers. Gatekeeper supervisors face a volume challenge, but this volume challenge makes the necessity to implement a risk-based approach more crucial. Unlike financial institutions, which are often much less numerous and whose financial activity is more concentrated, the gatekeeper sectors often number in the hundreds of thousands or even millions in FATF member jurisdictions. Not imposing a risk-based approach on these gatekeepers means that the riskiest gatekeepers can go unsupervised by competent authorities for years. This is a heightened challenge when gatekeepers are supervised by self-regulatory bodies that may be less equipped than governments to develop risk matrices and deal with this volume challenge.

Figure 8. FATF Members' Scores for Supervision of Gatekeepers



Source: FATF

Challenges and call to action

The FATF has highlighted money laundering risks in these gatekeeper sectors for decades. FATF members have been required to impose preventive measures on gatekeepers and supervise them since 2003. The fact that some regimes remain insufficient 20 years after international standards have been in place means that some jurisdictions have unacceptably high exposure to the risk that these sectors could be misused, and that the professionals themselves are more likely to be unwittingly used in money laundering schemes. When gatekeepers are not sufficiently regulated or supervised, this can have a downstream effect on the effectiveness of criminal prosecutions, including of those facilitators, by making it more difficult to prove the intent and knowledge required for the money laundering offence. Additionally, international cooperation can be hindered: if the information sought about suspects is not kept by regulated professions, or the financial intelligence is not generated in the first place, it cannot be shared in cross-border money laundering investigations that are frequent in grand corruption cases.

This Horizontal Review shows that there has been an improvement in global compliance with gatekeeper requirements over the past two decades. Yet this Horizontal Review shows that too many governments still fail to address the risk of gatekeepers lending their skills, wittingly or unwittingly, to criminals in the same way that they address similar risks posed by financial institutions.

In many jurisdictions, the anti-money laundering obligations imposed on financial institutions have a long history and maturity. This is not yet true of all gatekeepers, as they have not been brought under the AML/CFT/CPF regulatory regime by all FATF members. The results of this Horizontal Review and the outcomes of the nearly complete FATF 4th round of Mutual Evaluations show that FATF members need to strengthen the rules and oversight of these sectors for AML/CFT purposes.

FATF members still lagging behind must urgently ensure that gatekeepers are adequately covered in line with the FATF's longstanding Recommendations in this area. FATF members should work with the sectors, industry associations, and civil society to ensure that these critical sectors – lawyers, accountants, trust and company service providers, and real estate professionals – are subject to all necessary preventive measures, that they are informed and assisted in implementing these measures, supervised and made more resilient against attempts to exploit them for illicit financial purposes, and that complicit enablers are investigated and held accountable.

FATF



Member Countries

July 2024



Australia

0% /74% FATF average¹



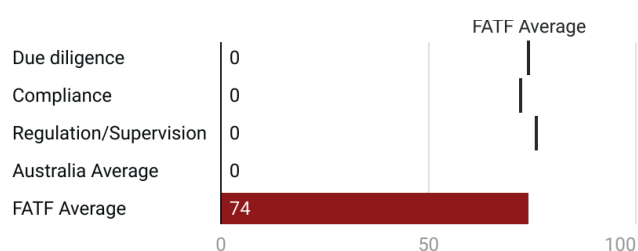
Australia does not have requirements to cover any of the gatekeeper sectors. In Australia, these sectors are required to implement none of the preventive measures that have been required by the FATF Standards since 2003. Australia's supervisors have none of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- Have all gatekeeper sectors subject to all of the AML/CFT obligations, including CDD and other measures.
- Have a designated competent authority responsible for monitoring compliance (i.e., supervisors) for all gatekeeper sectors.
- The supervisors should have all of the necessary powers and tools to ensure compliance.
- Supervision of gatekeeper sectors should be performed on a risk-sensitive basis.

Lawyers and Notaries

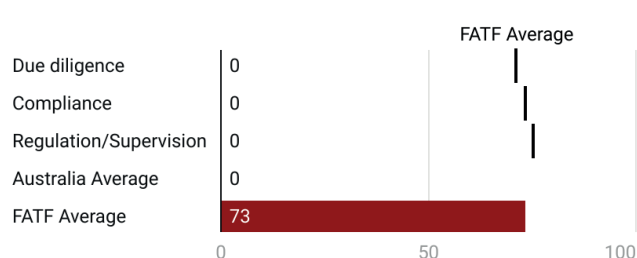
% score



Source: FATF

Trust and company service providers

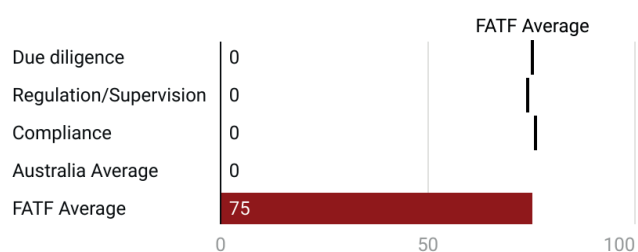
% score



Source: FATF

Real Estate Agents

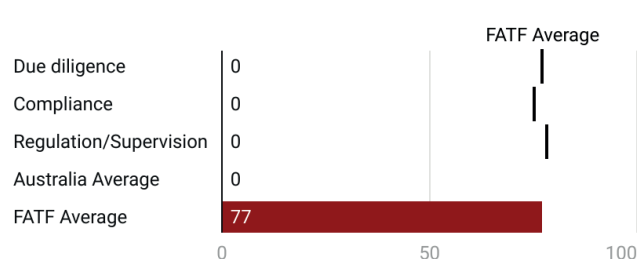
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Austria

90% /74% FATF average¹



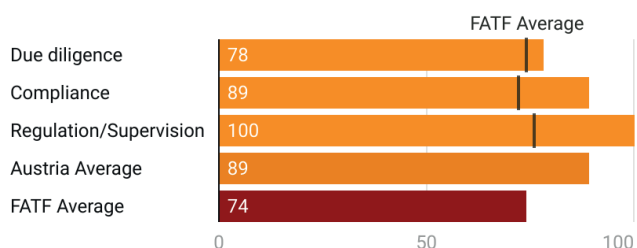
Austria has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Austria, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. Austria's supervisors have all of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- None.

Lawyers and Notaries

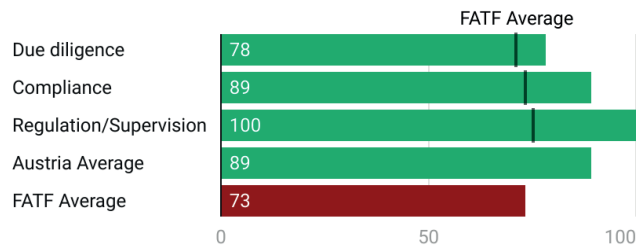
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Source: FATF

Trust and company service providers

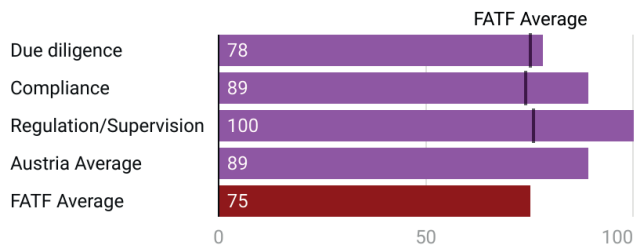
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Source: FATF

Real Estate Agents

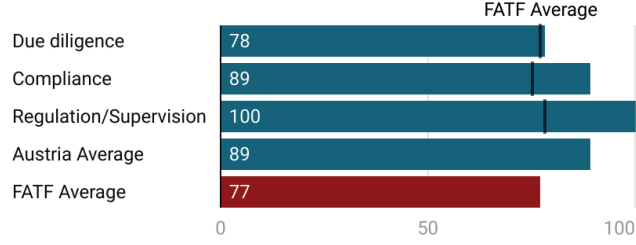
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Belgium

88% /74% FATF average¹



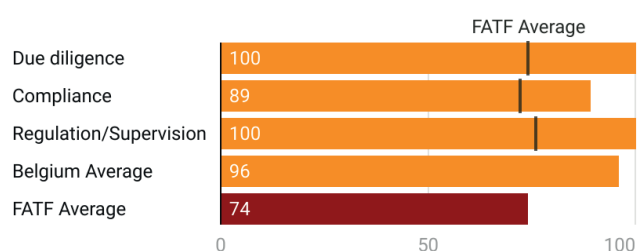
Belgium has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Belgium, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. Belgium's supervisors have all of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- None.

Lawyers and Notaries

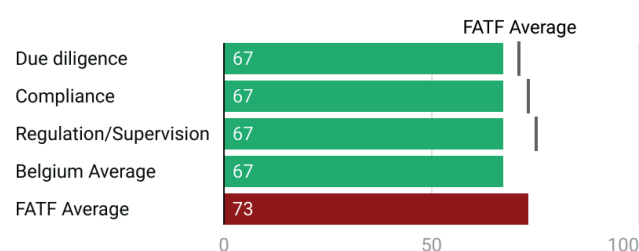
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Source: FATF

Trust and company service providers

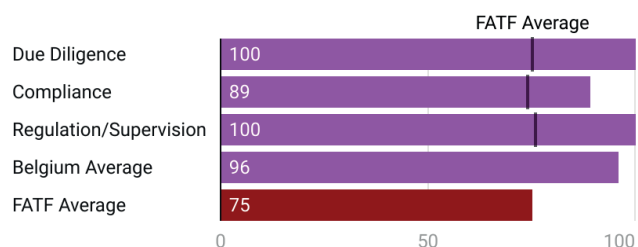
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Source: FATF

Real Estate Agents

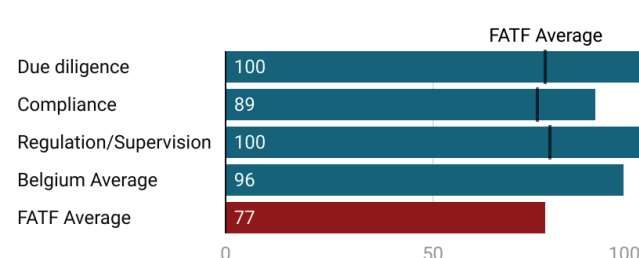
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Brazil

42% /74% FATF average¹



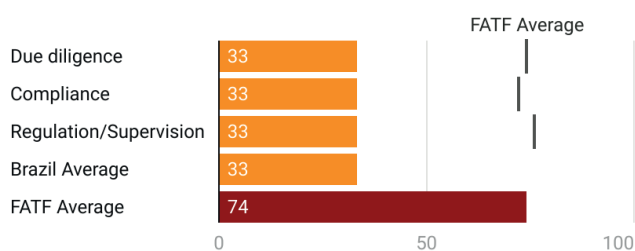
Brazil has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Brazil, these sectors are required to implement some of the preventive measures that have been required by the FATF Standards since 2003. Brazil's supervisors have little of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- Have all gatekeeper sectors subject to all of the AML/CFT obligations, including CDD and other measures.
- Have a designated competent authority responsible for monitoring compliance (i.e., supervisors) for all gatekeeper sectors.
- The supervisors should have all of the necessary powers and tools to ensure compliance.
- Supervision of gatekeeper sectors should be performed on a risk-sensitive basis.

Lawyers and Notaries

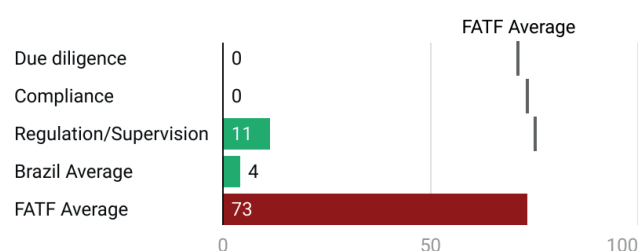
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Source: FATF

Trust and company service providers

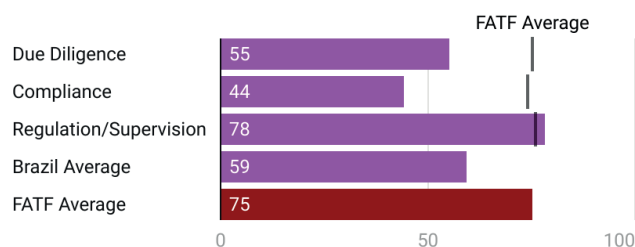
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Source: FATF

Real Estate Agents

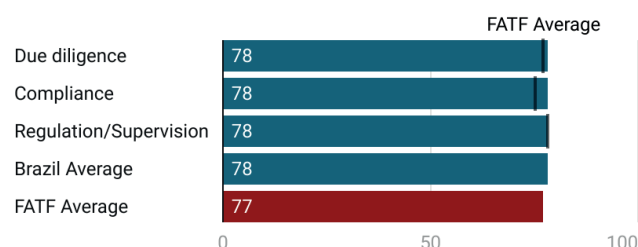
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Canada

65% /74% FATF average¹



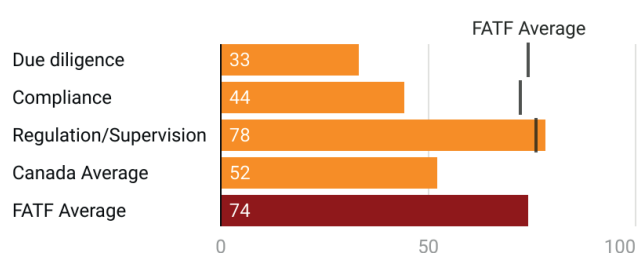
Canada has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Canada, these sectors are required to implement some of the preventative measures that have been required by the FATF Standards since 2003. Canada's supervisors have most of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- Have all gatekeeper sectors subject to all of the AML/CFT obligations, including CDD and other measures
- Have a designated competent authority responsible for monitoring compliance (i.e., supervisors) for all gatekeeper sectors.

Lawyers and Notaries

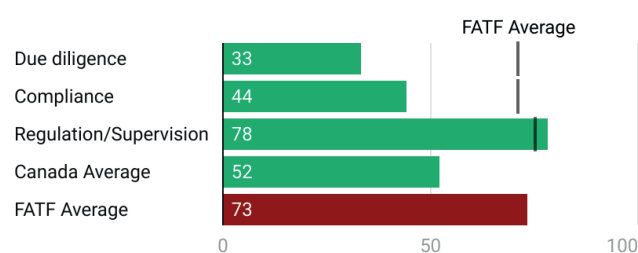
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Source: FATF

Trust and company service providers

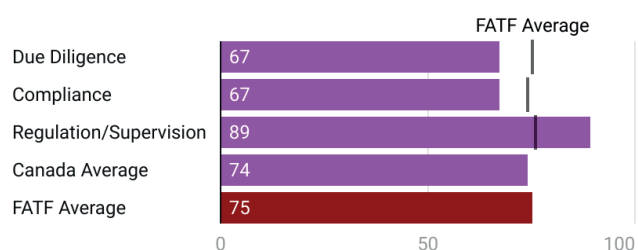
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Source: FATF

Real Estate Agents

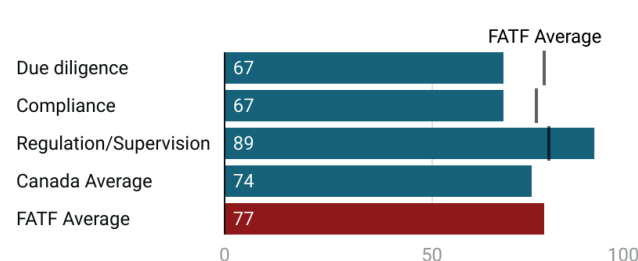
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Source: FATF

Accountants

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Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

China

0% /74% FATF average¹



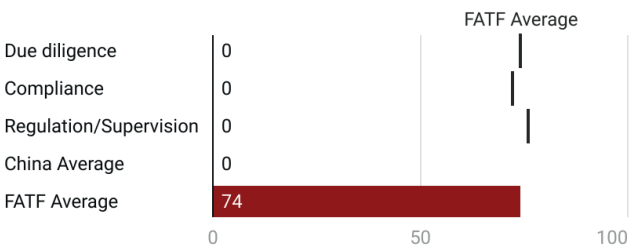
China does not have requirements to cover any of the gatekeeper sectors. In China, these sectors are required to implement none of the preventive measures that have been required by the FATF Standards since 2003. China’s supervisors have none of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- Have all gatekeeper sectors subject to all of the AML/CFT obligations, including CDD and other measures.
- Have a designated competent authority responsible for monitoring compliance (i.e., supervisors) for all gatekeeper sectors.
- The supervisors should have all of the necessary powers and tools to ensure compliance.
- Supervision of gatekeeper sectors should be performed on a risk-sensitive basis.

Lawyers and Notaries

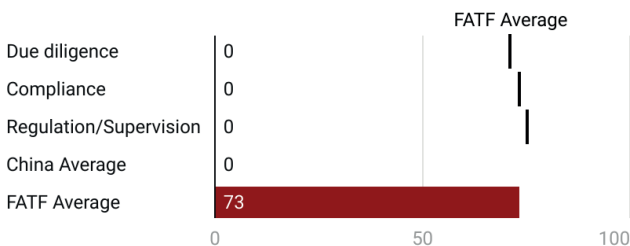
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Source: FATF

Trust and company service providers

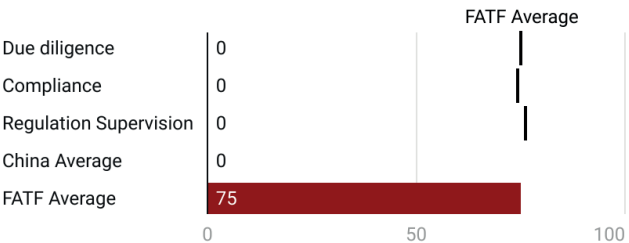
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Source: FATF

Real Estate Agents

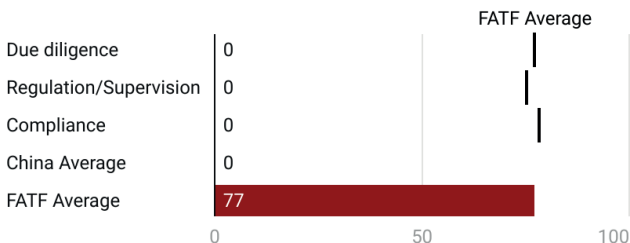
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Denmark

95% /74% FATF average¹



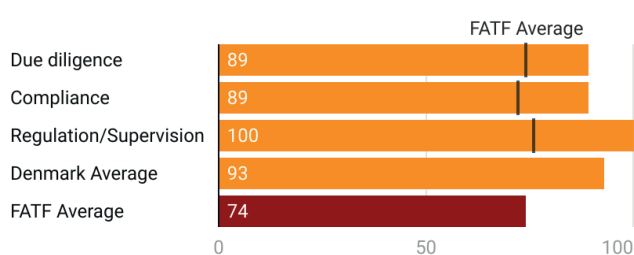
Denmark has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Denmark, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. Denmark's supervisors have all of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- None.

Lawyers and Notaries

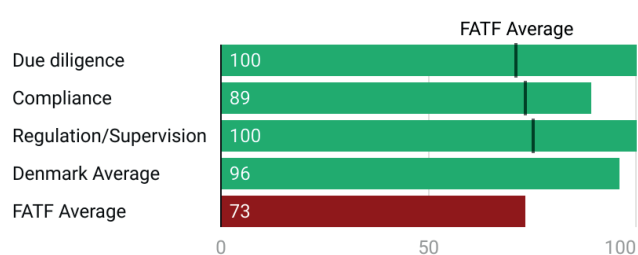
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Source: FATF

Trust and company service providers

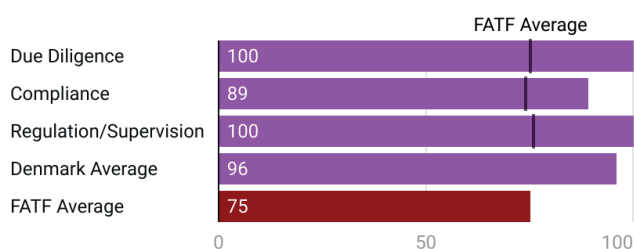
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Source: FATF

Real Estate Agents

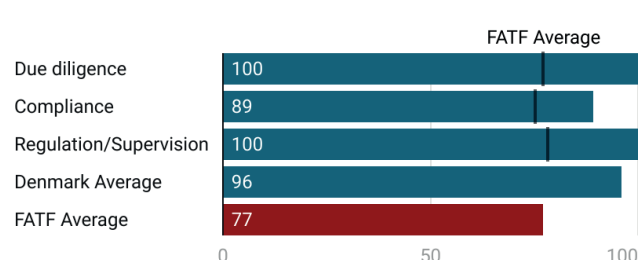
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Finland

92% /74% FATF average¹



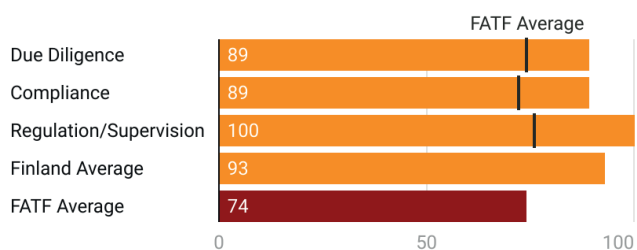
Finland has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Finland, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. Finland's supervisors have most of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- None.

Lawyers and Notaries

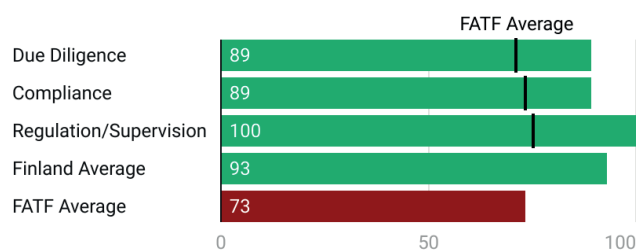
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Source: FATF

Trust and company service providers

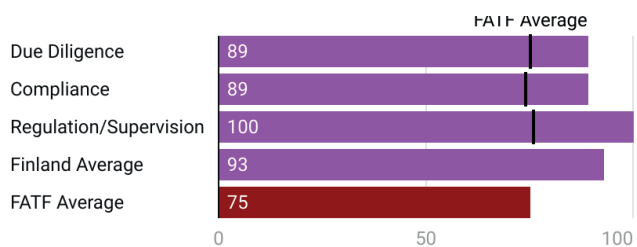
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Source: FATF

Real Estate Agents

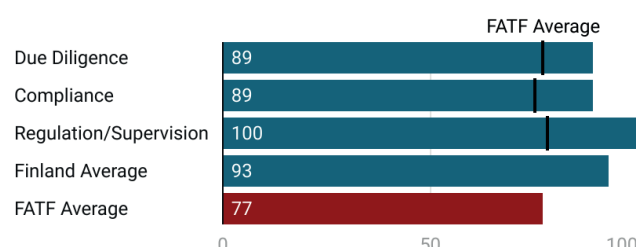
% score



Source: FATF +

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

France

81% /74% FATF average¹



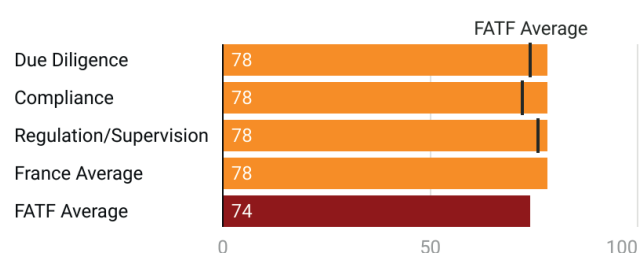
France has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In France, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. France's supervisors have most of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- Ensure gatekeeper sectors are subject to all of the AML/CFT obligations, including CDD and other measures.

Lawyers and Notaries

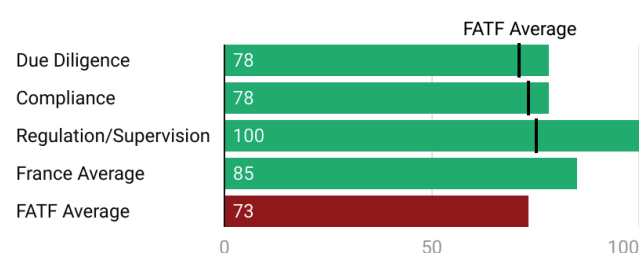
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Source: FATF

Trust and company service providers

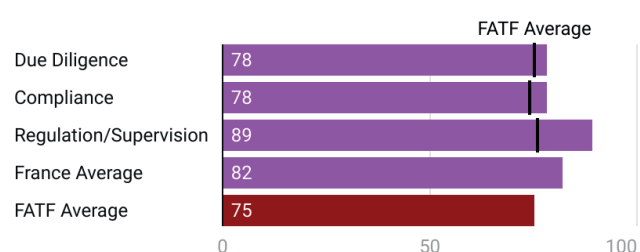
% score



Source: FATF

Real Estate Agents

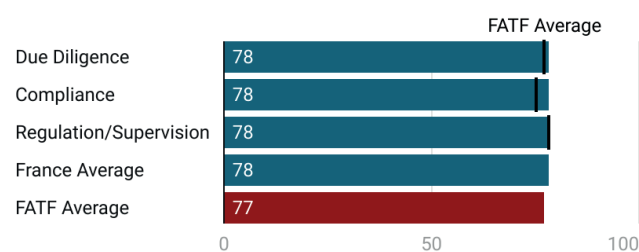
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Germany

88% /74% FATF average¹



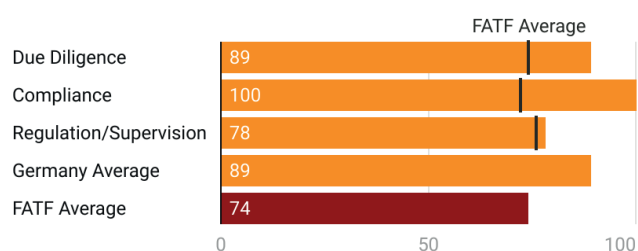
Germany has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Germany, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. Germany's supervisors have most of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- None.

Lawyers and Notaries

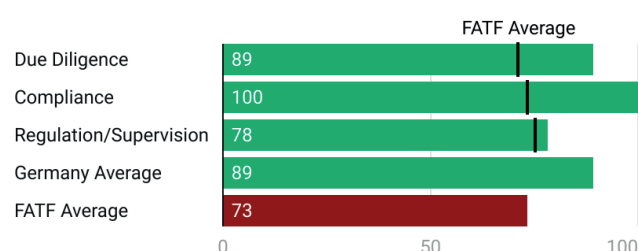
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Source: FATF

Trust and company service providers

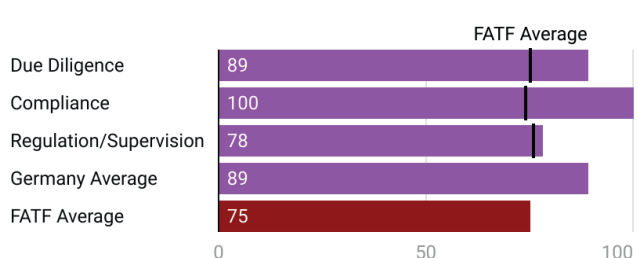
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Source: FATF

Real Estate Agents

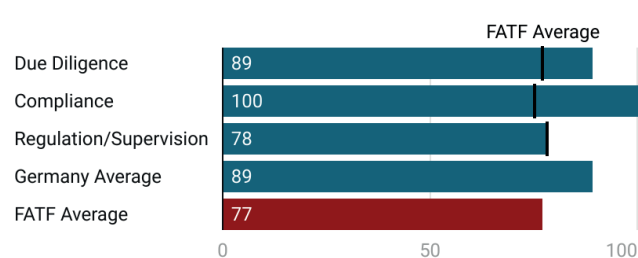
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Greece

89% /74% FATF average¹



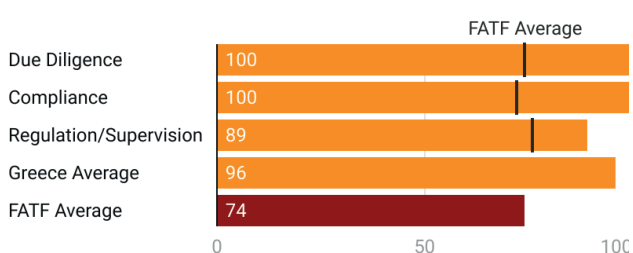
Greece has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Greece, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. Greece's supervisors have most of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- None.

Lawyers and Notaries

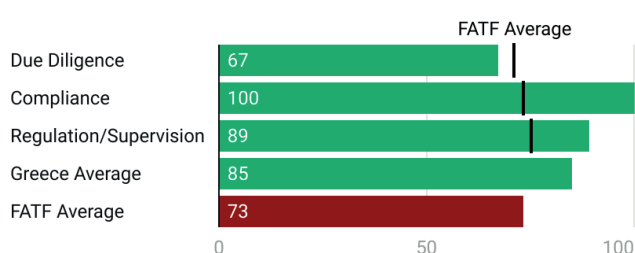
% score



Source: FATF

Trust and company service providers

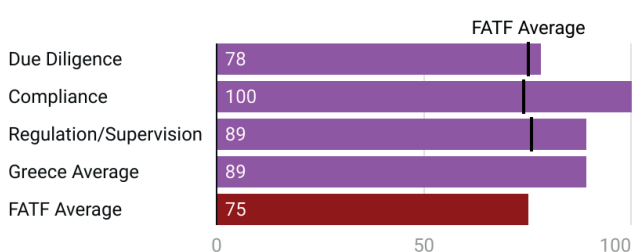
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Source: FATF

Real Estate Agents

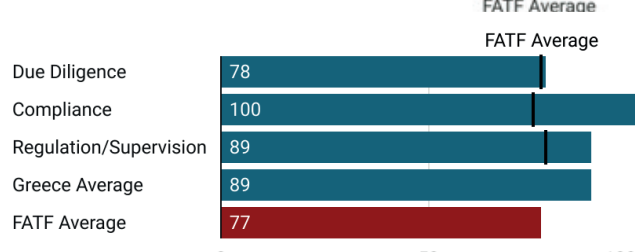
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Hong Kong, China

92% /74% FATF average¹



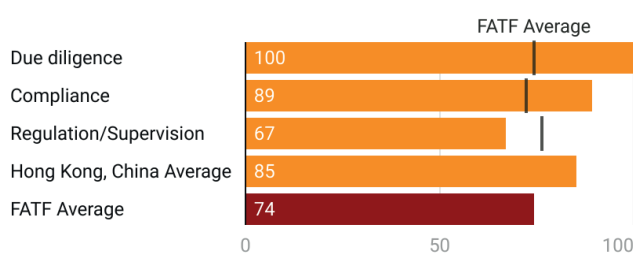
Hong Kong, China has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Hong Kong, China, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. Hong Kong, China's supervisors have most of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- None.

Lawyers and Notaries

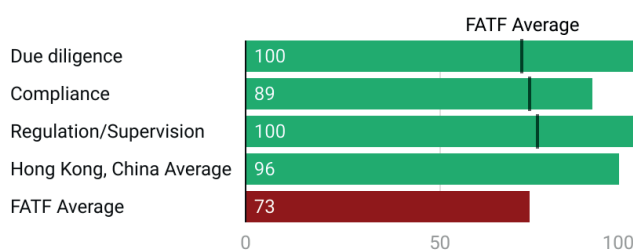
% score



Source: FATF

Trust and company service providers

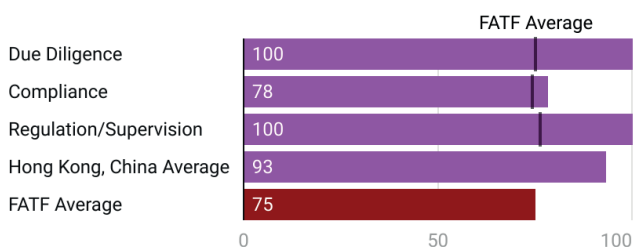
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Source: FATF

Real Estate Agents

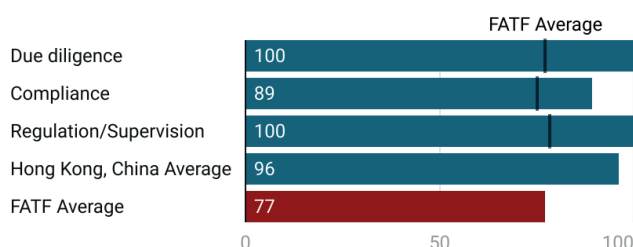
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Iceland

97% /74% FATF average¹



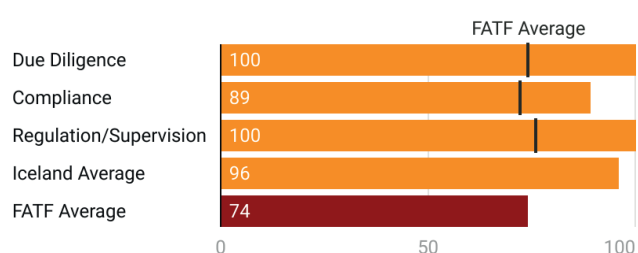
Iceland has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Iceland, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. Iceland's supervisors have all of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- None.

Lawyers and Notaries

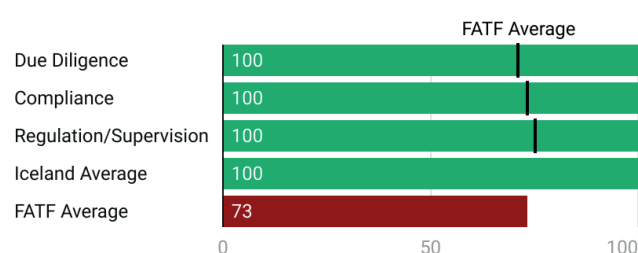
% score



Source: FATF

Trust and company service providers

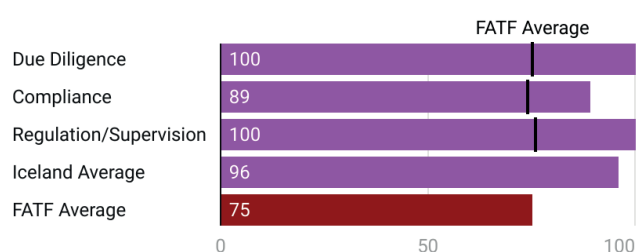
% score



Source: FATF

Real Estate Agents

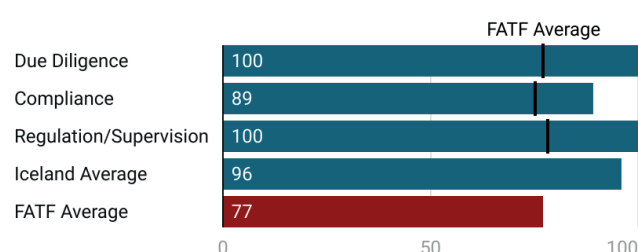
% score



Source: FATF

Accountants

% score

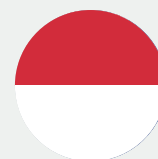


Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Indonesia

69% /74% FATF average¹



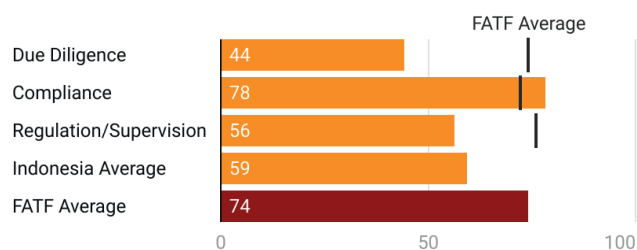
Indonesia has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Indonesia, these sectors are required to implement some of the preventive measures that have been required by the FATF Standards since 2003. Indonesia's supervisors have some of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- Ensure gatekeeper sectors are subject to all of the AML/CFT obligations, including CDD and other measures.
- The supervisors should have all of the necessary powers and tools to ensure compliance.
- Supervision of gatekeeper sectors should be performed on a risk-sensitive basis.

Lawyers and Notaries

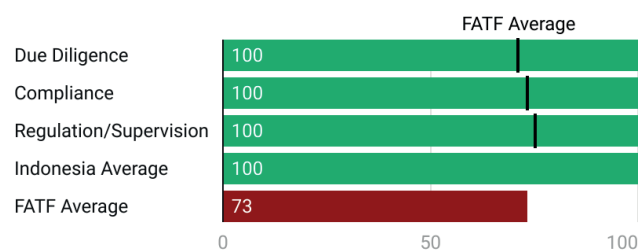
% score



Source: FATF

Trust and company service providers

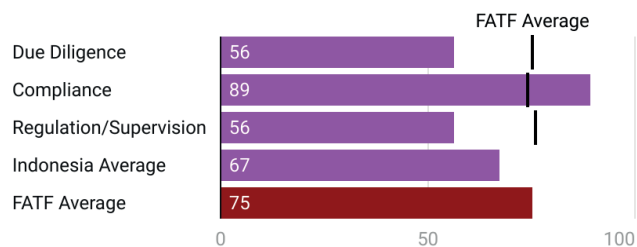
% score



Source: FATF

Real Estate Agents

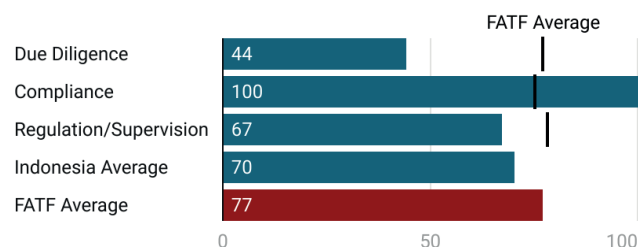
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Ireland

85% /74% FATF average¹



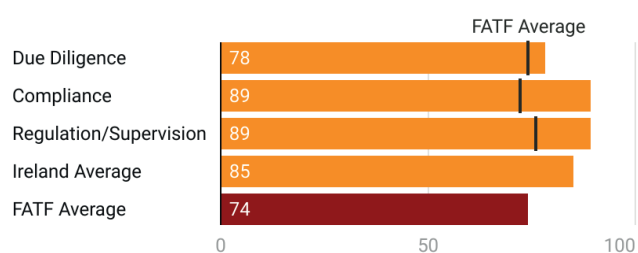
Ireland has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Ireland, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. Ireland's supervisors have most of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- None.

Lawyers and Notaries

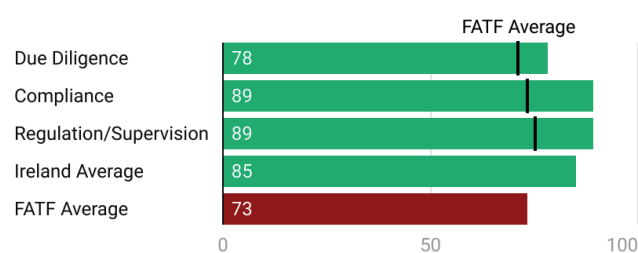
% score



Source: FATF

Trust and company service providers

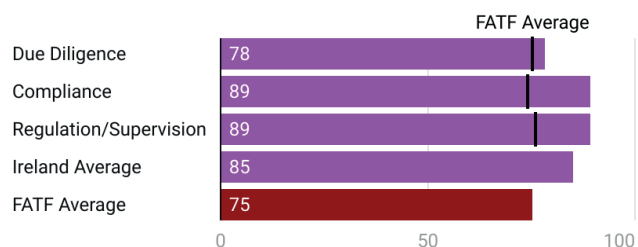
% score



Source: FATF

Real Estate Agents

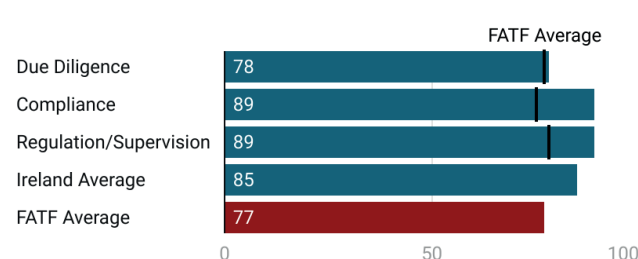
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Israel

27% / 74% FATF average¹



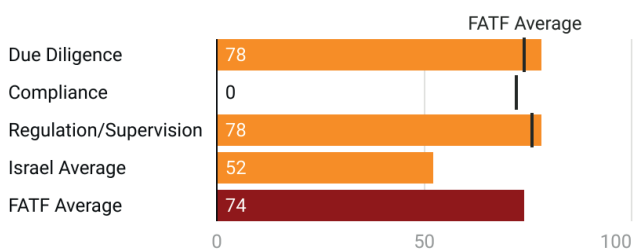
Israel has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Israel, these sectors are required to implement little of the preventive measures that have been required by the FATF Standards since 2003. Israel's supervisors have little of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- Have all gatekeeper sectors subject to all of the AML/CFT obligations, including CDD and other measures.
- Have a designated competent authority responsible for monitoring compliance (i.e., supervisors) for all gatekeeper sectors.
- The supervisors should have all of the necessary powers and tools to ensure compliance.
- Supervision of gatekeeper sectors should be performed on a risk-sensitive basis.

Lawyers and Notaries

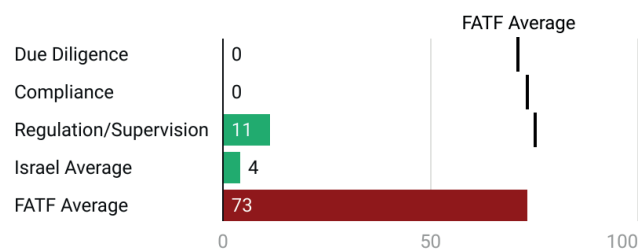
% score



Source: FATF

Trust and company service providers

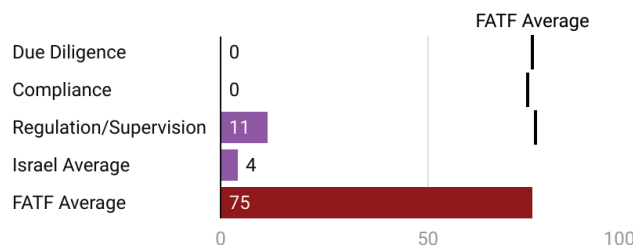
% score



Source: FATF

Real Estate Agents

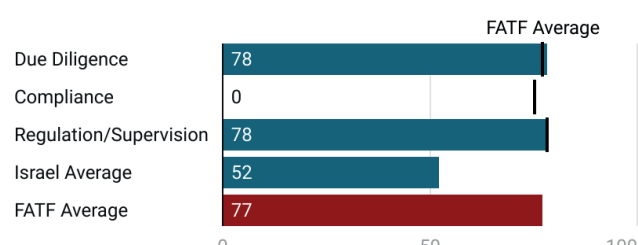
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Italy

95% /74% FATF average¹



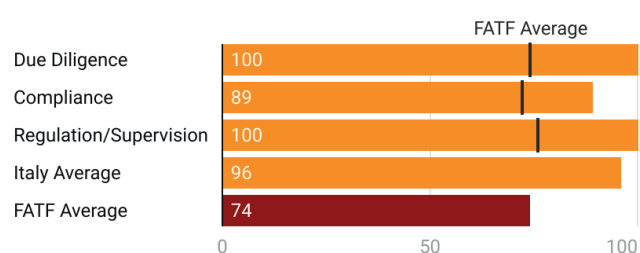
Italy has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Italy, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. Italy's supervisors have all of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- None.

Lawyers and Notaries

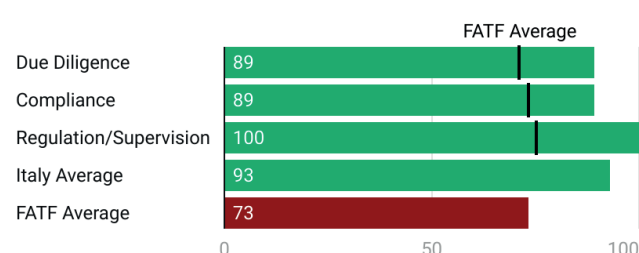
% score



Source: FATF

Trust and company service providers

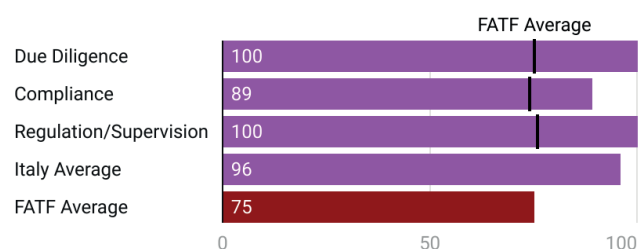
% score



Source: FATF

Real Estate Agents

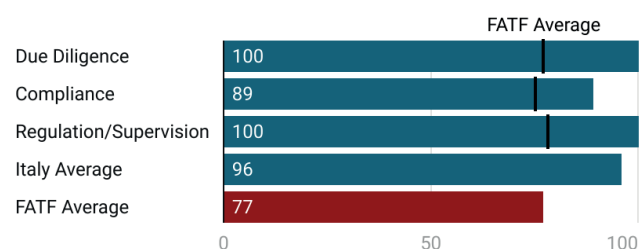
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Japan

76% / 74% FATF average¹



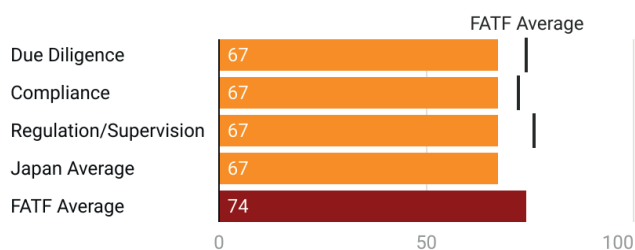
Japan has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Japan, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. Japan's supervisors have most of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- Supervision of gatekeeper sectors should be performed on a risk-sensitive basis.

Lawyers and Notaries

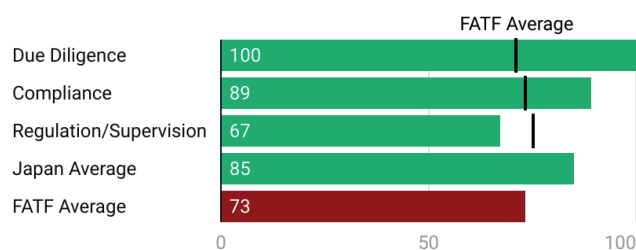
% score



Source: FATF

Trust and company service providers

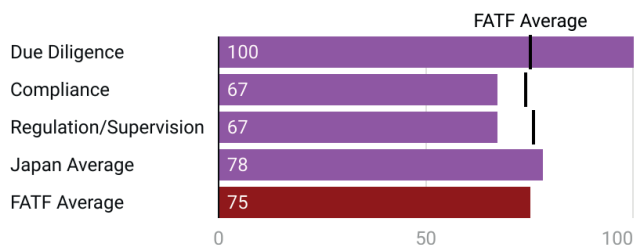
% score



Source: FATF

Real Estate Agents

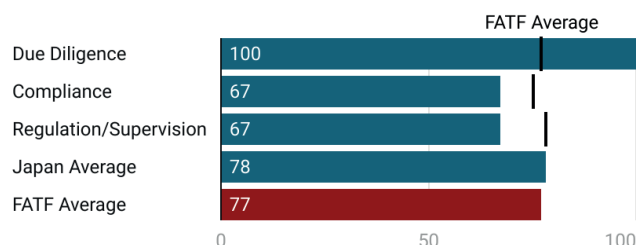
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Kingdom of Saudi Arabia

97% /74% FATF average¹



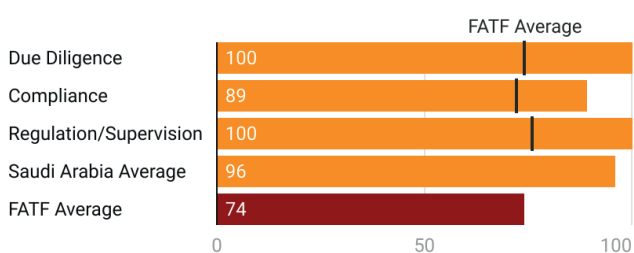
Saudi Arabia has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Saudi Arabia, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. Saudi Arabia's supervisors have all of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- None.

Lawyers and Notaries

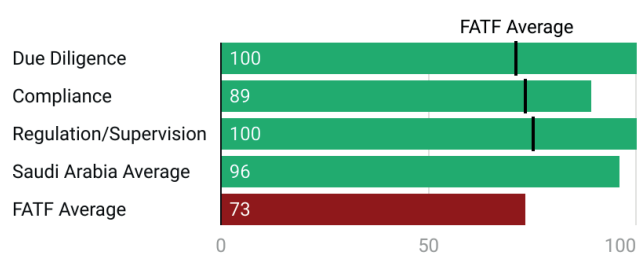
% score



Source: FATF

Trust and company service providers

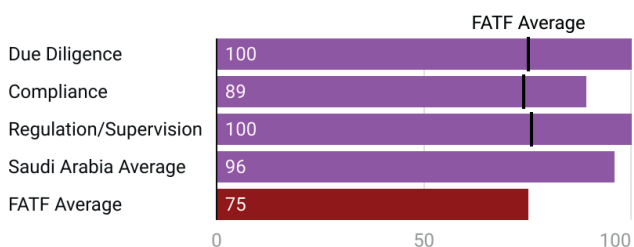
% score



Source: FATF

Real Estate Agents

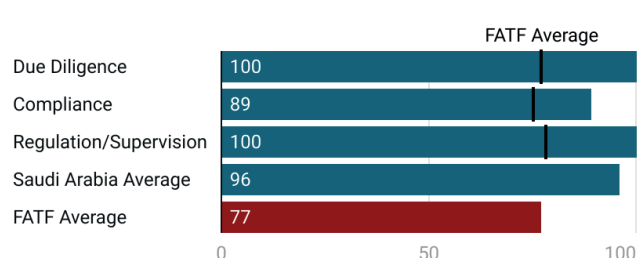
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Luxembourg

100% /74% FATF average¹



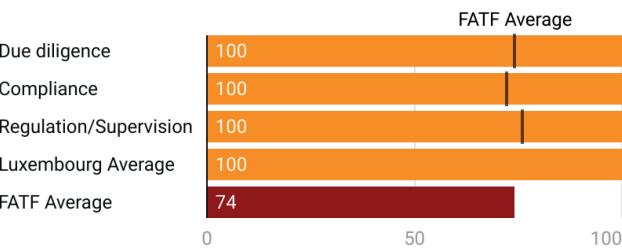
Luxembourg has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Luxembourg, these sectors are required to implement all of the preventive measures that have been required by the FATF Standards since 2003. Luxembourg’s supervisors have all of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- None.

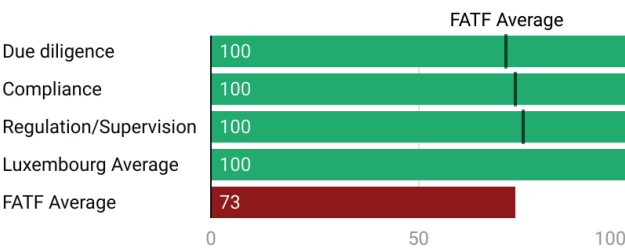
Lawyers and Notaries

% score



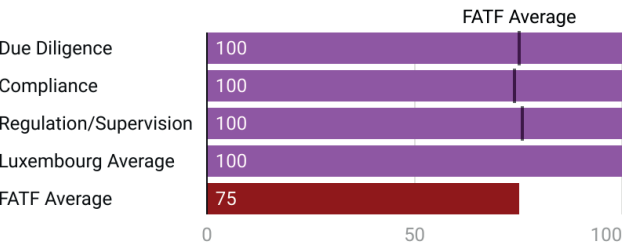
Trust and company service providers

% score



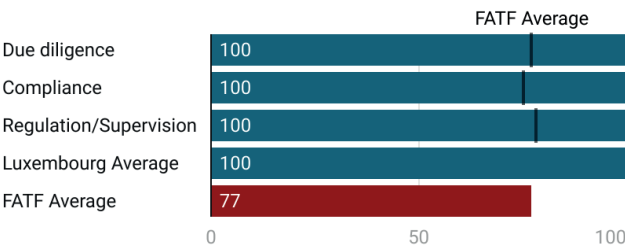
Real Estate Agents

% score



Accountants

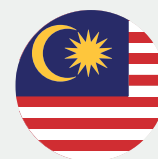
% score



1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Malaysia

99% /74% FATF average¹



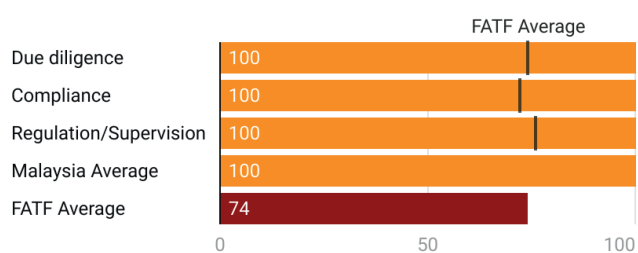
Malaysia has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Malaysia, these sectors are required to implement all of the preventive measures that have been required by the FATF Standards since 2003. Malaysia's supervisors have most of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- None.

Lawyers and Notaries

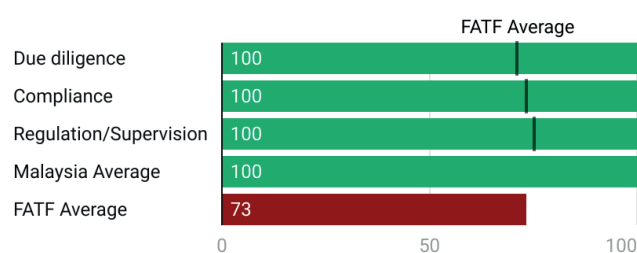
% score



Source: FATF

Trust and company service providers

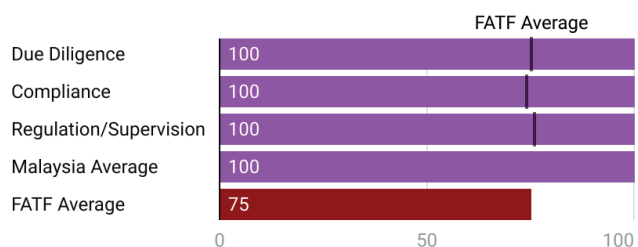
% score



Source: FATF

Real Estate Agents

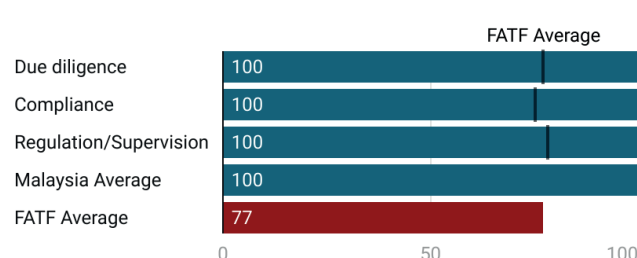
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Mexico

48% /74% FATF average¹



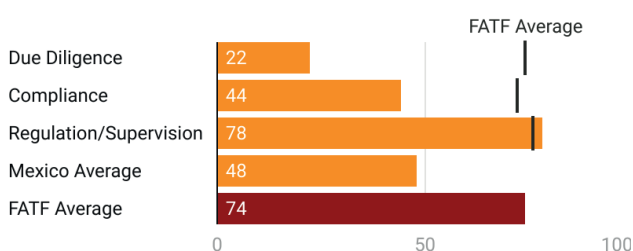
Mexico has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Mexico, these sectors are required to implement some of the preventive measures that have been required by the FATF Standards since 2003. Mexico's supervisors have some of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- Ensure gatekeeper sectors are subject to all of the AML/CFT obligations, including CDD and other measures
- The supervisors should have all of the necessary powers and tools to ensure compliance.
- Supervision of gatekeeper sectors should be performed on a risk-sensitive basis.

Lawyers and Notaries

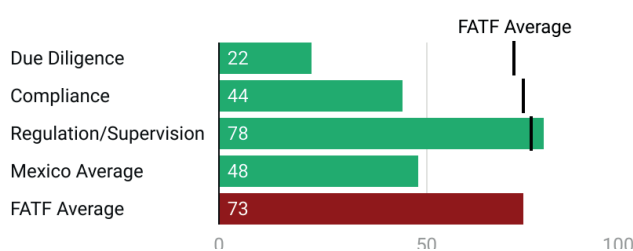
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Source: FATF

Trust and company service providers

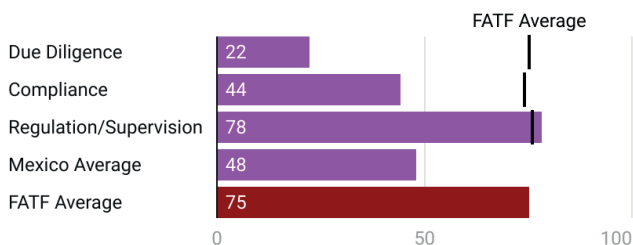
% score



Source: FATF

Real Estate Agents

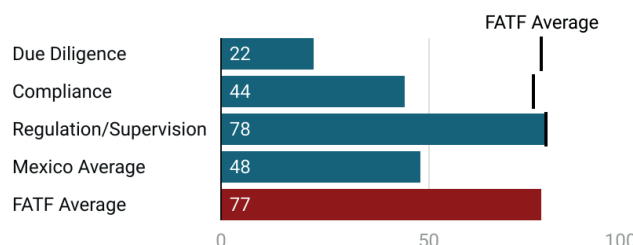
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Netherlands

72% /74% FATF average¹



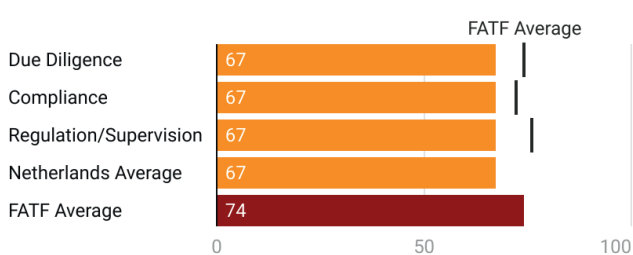
The Netherlands has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In the Netherlands, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. The Netherlands' supervisors have most of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- None.

Lawyers and Notaries

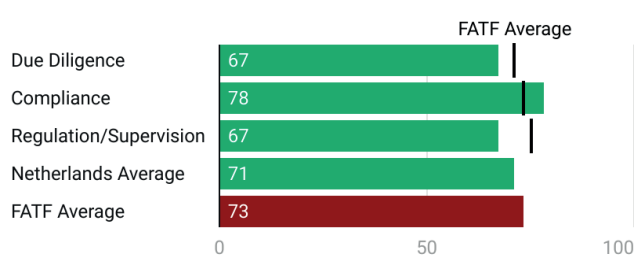
% score



Source: FATF

Trust and company service providers

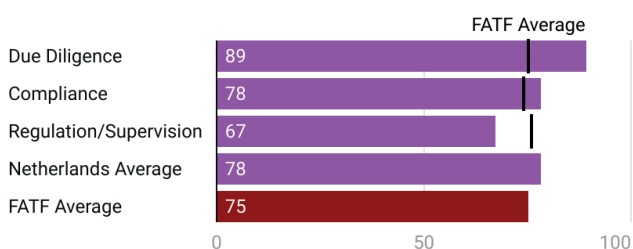
% score



Source: FATF

Real Estate Agents

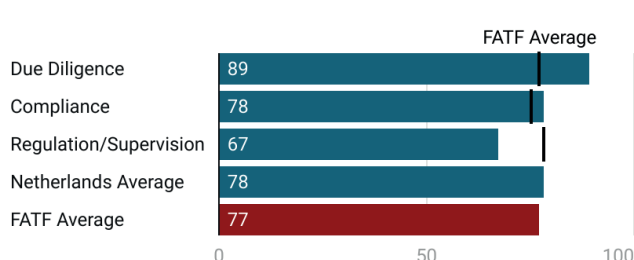
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

New Zealand

73% /74% FATF average¹



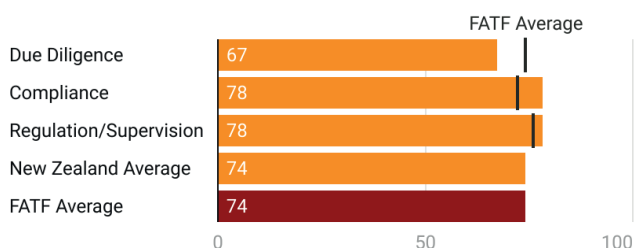
New Zealand has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In New Zealand, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. New Zealand's supervisors have most of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- Ensure gatekeeper sectors are subject to all of the AML/CFT obligations, including CDD and other measures.
- The supervisors should have all of the necessary powers and tools to ensure compliance.
- Supervision of gatekeeper sectors should be performed on a risk-sensitive basis.

Lawyers and Notaries

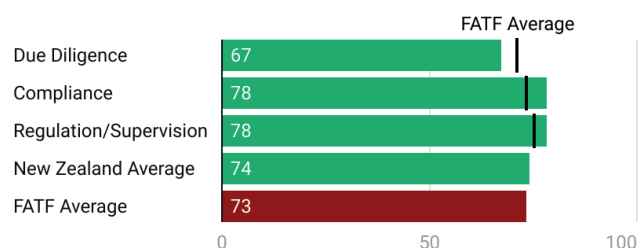
% score



Source: FATF

Trust and company service providers

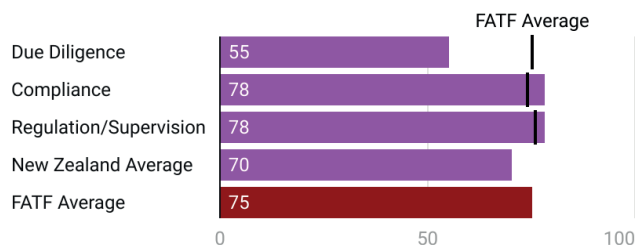
% score



Source: FATF

Real Estate Agents

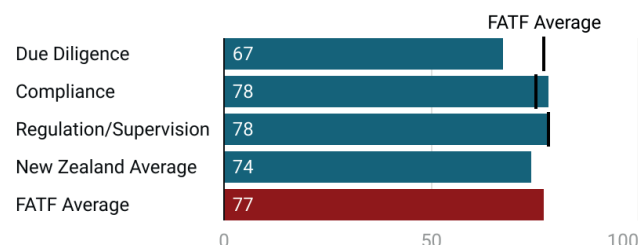
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Norway

95% /74% FATF average¹



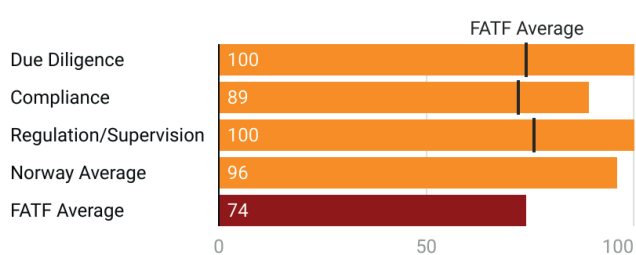
Norway has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Norway, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. Norway's supervisors have all of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- None.

Lawyers and Notaries

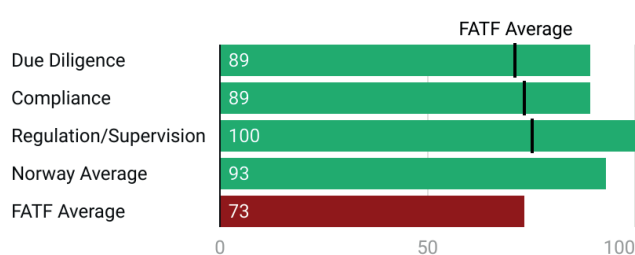
% score



Source: FATF

Trust and company service providers

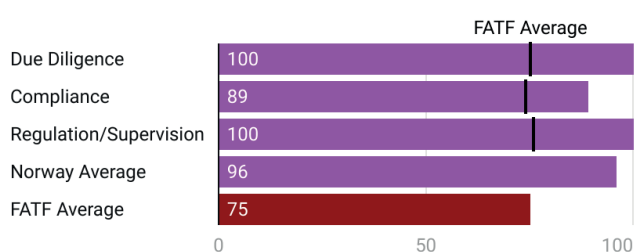
% score



Source: FATF

Real Estate Agents

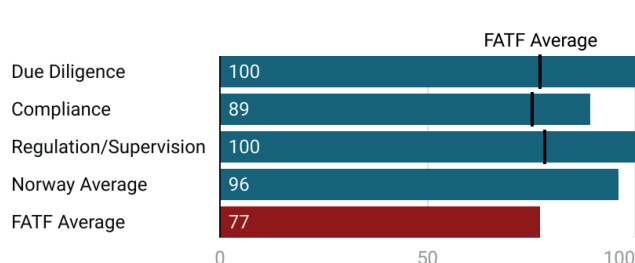
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Portugal

100% /74% FATF average¹



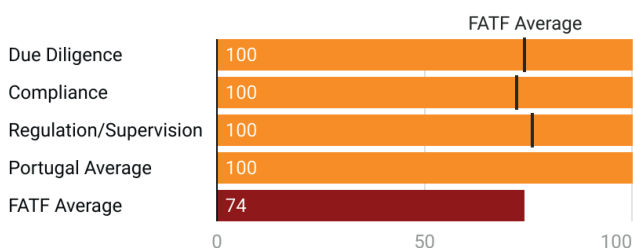
Portugal has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Portugal, these sectors are required to implement all of the preventive measures that have been required by the FATF Standards since 2003. Portugal's supervisors have all of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- None.

Lawyers and Notaries

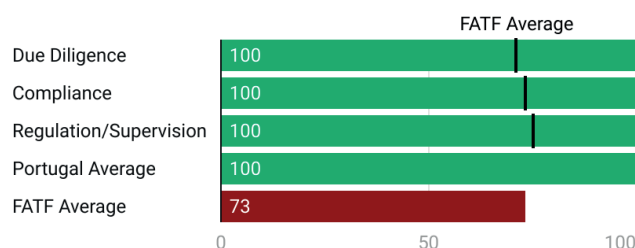
% score



Source: FATF

Trust and company service providers

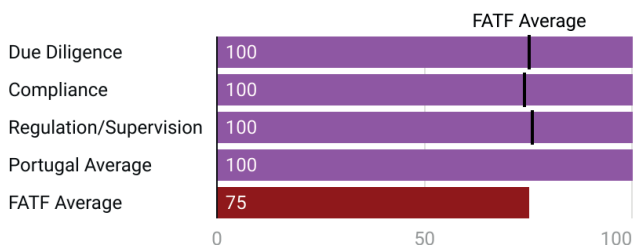
% score



Source: FATF

Real Estate Agents

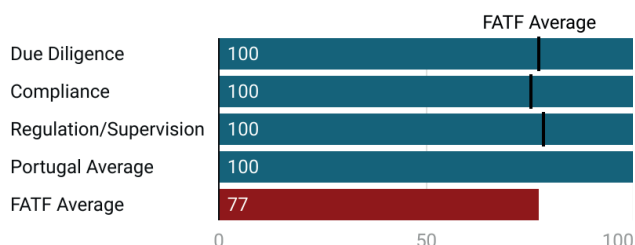
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Republic of Korea

5% /74% FATF average¹



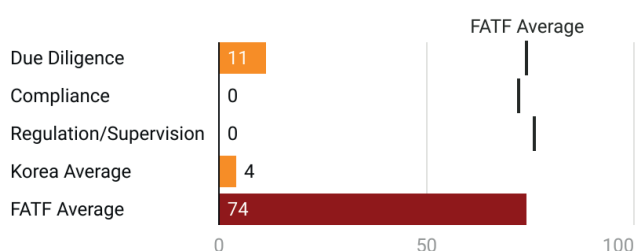
Korea has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Korea, these sectors are required to implement little of the preventive measures that have been required by the FATF Standards since 2003. Korea's supervisors have none of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- Ensure gatekeeper sectors are subject to all of the AML/CFT obligations, including CDD and other measures
- Have a designated competent authority responsible for monitoring compliance (i.e., supervisors) for all gatekeeper sectors.
- The supervisors should have all of the necessary powers and tools to ensure compliance.
- Supervision of gatekeeper sectors should be performed on a risk-sensitive basis

Lawyers and Notaries

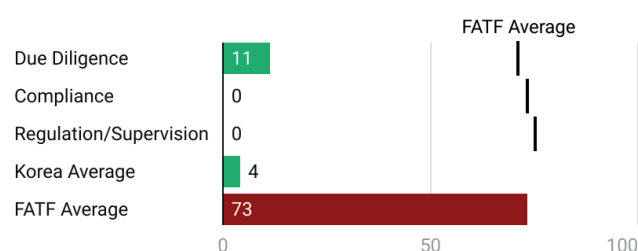
% score



Source: FATF

Trust and company service providers

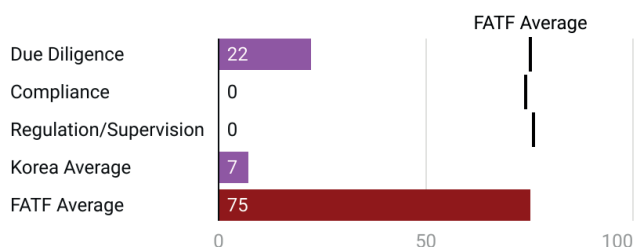
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Source: FATF

Real Estate Agents

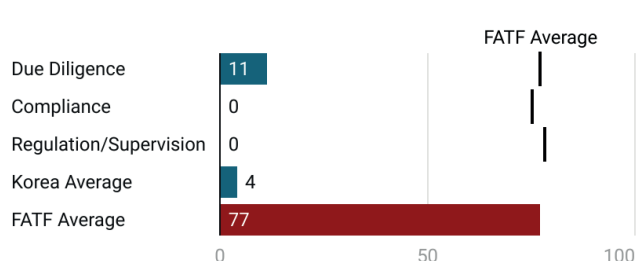
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Singapore

98% /74% FATF average¹



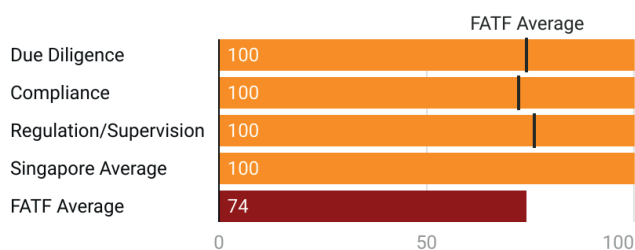
Singapore has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Singapore, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. Singapore's supervisors have most of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- None.

Lawyers and Notaries

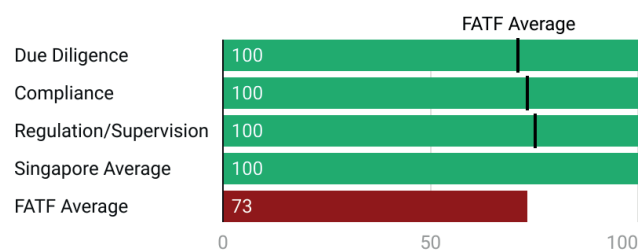
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Source: FATF

Trust and company service providers

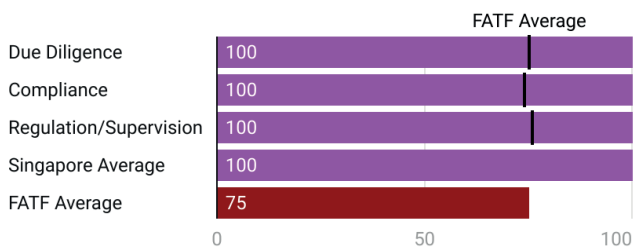
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Source: FATF

Real Estate Agents

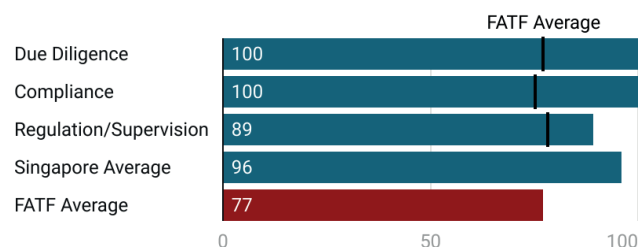
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Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

South Africa

96% /74% FATF average¹



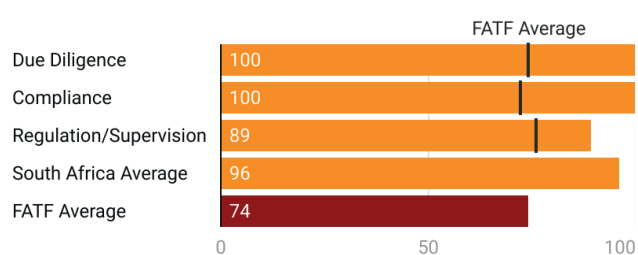
South Africa has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In South Africa, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. South Africa's supervisors have most of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- None.

Lawyers and Notaries

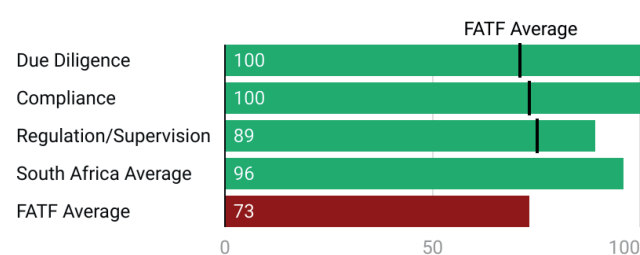
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Source: FATF

Trust and company service providers

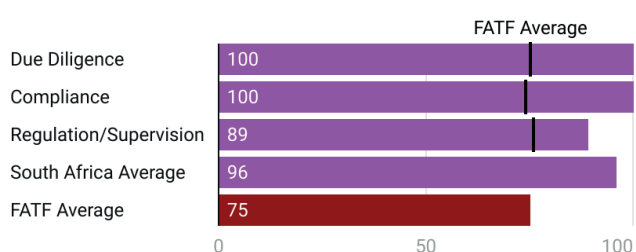
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Source: FATF

Real Estate Agents

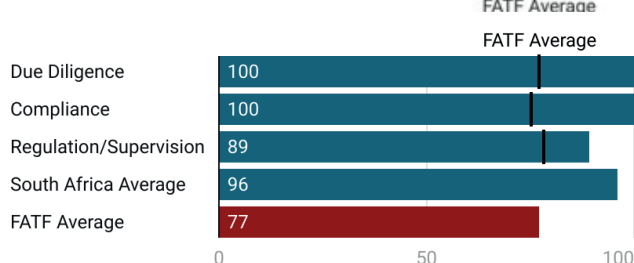
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Source: FATF

Accountants

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Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Spain

95% /74% FATF average¹



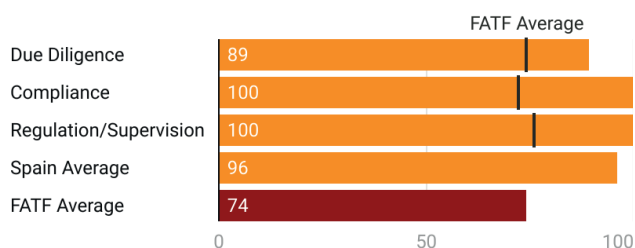
Spain has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Spain, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. Spain's supervisors have most of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- None.

Lawyers and Notaries

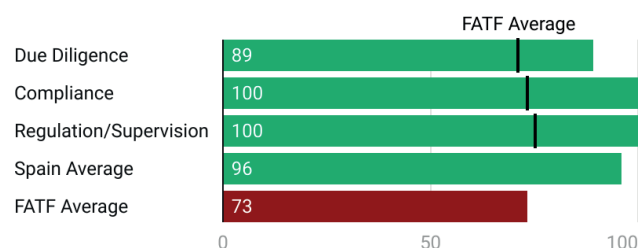
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Source: FATF

Trust and company service providers

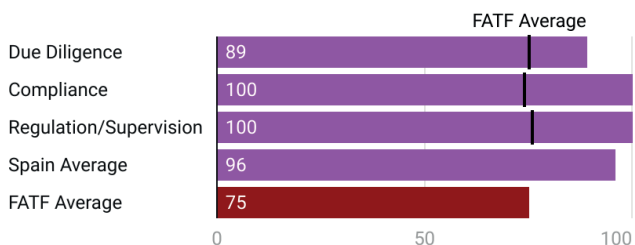
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Real Estate Agents

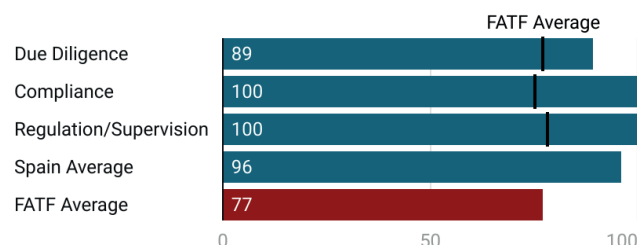
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Source: FATF

Accountants

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Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Sweden

92% /74% FATF average¹



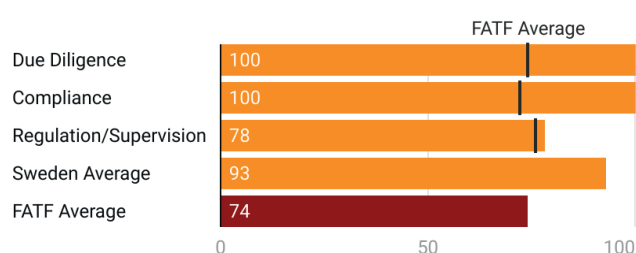
Sweden has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Sweden, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. Sweden's supervisors have most of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- Supervision of gatekeeper sectors should be performed on a risk-sensitive basis.

Lawyers and Notaries

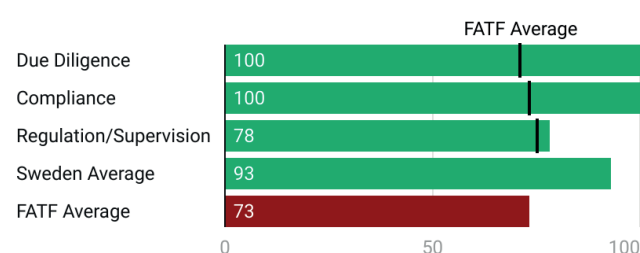
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Source: FATF

Trust and company service providers

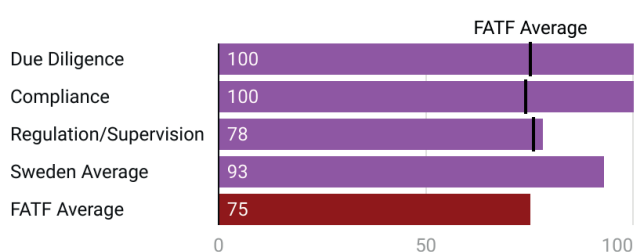
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Source: FATF

Real Estate Agents

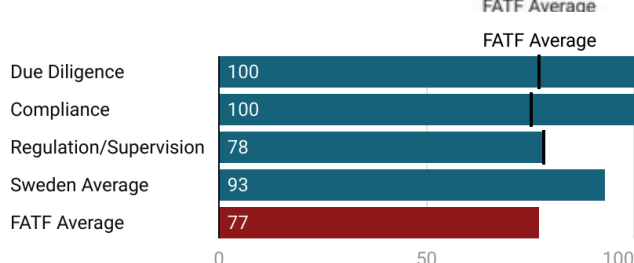
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Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Switzerland

66% /74% FATF average¹



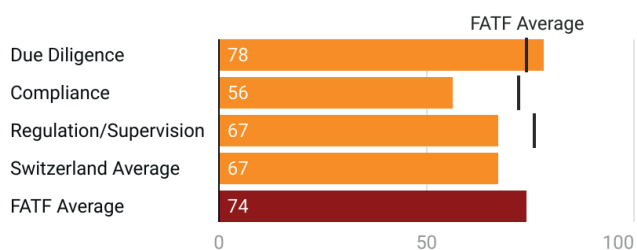
Switzerland has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents when performing as financial intermediaries. In Switzerland, these sectors are required to implement most of the preventative measures that have been required by the FATF Standards since 2003. Switzerland's supervisors have some of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- Have all gatekeeper sectors that are not financial intermediaries be subject to all of the AML/CFT obligations, including CDD and other measures, when executing non-financial activities covered in the FATF Standards.
- Supervision of gatekeeper sectors should be performed on a risk-sensitive basis.

Lawyers and Notaries

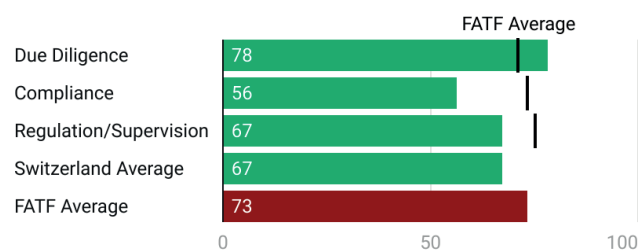
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Source: FATF

Trust and company service providers

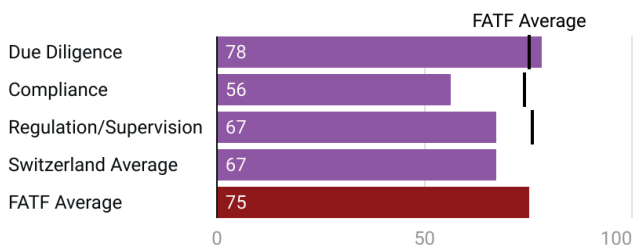
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Source: FATF

Real Estate Agents

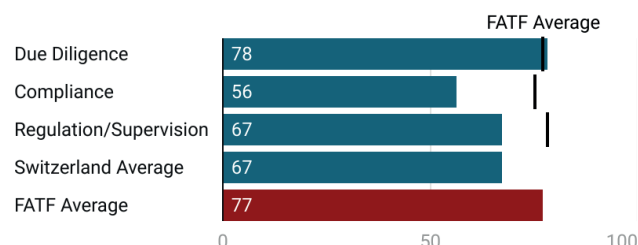
% score



Source: FATF

Accountants

% score



Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

Türkiye

98% /74% FATF average¹



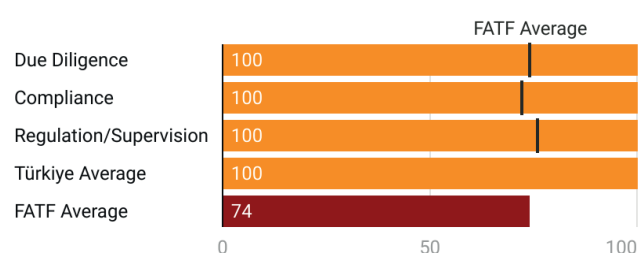
Türkiye has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In Türkiye, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. Türkiye's supervisors have most of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- None.

Lawyers and Notaries

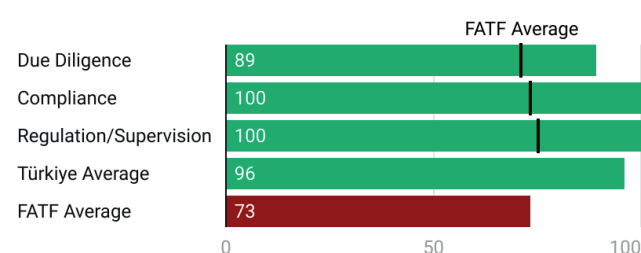
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Source: FATF

Trust and company service providers

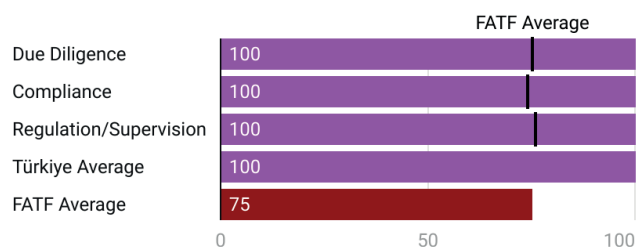
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Source: FATF

Real Estate Agents

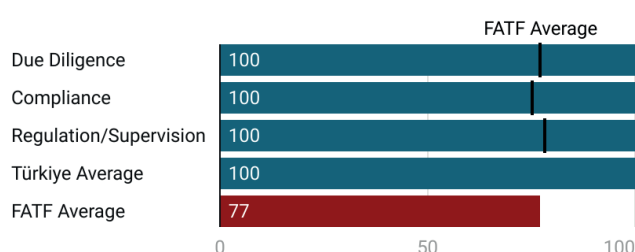
% score



Source: FATF

Accountants

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Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

United Kingdom

97% /74% FATF average¹



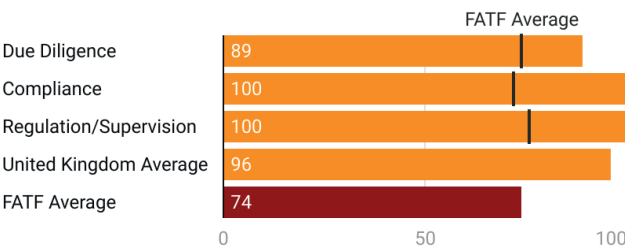
The United Kingdom has put in place requirements to cover the following gatekeeper sectors: Lawyers and notaries, accountants, TCSPs and real estate agents. In the United Kingdom, these sectors are required to implement most of the preventive measures that have been required by the FATF Standards since 2003. The United Kingdom’s supervisors have all of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- None.

Lawyers and Notaries

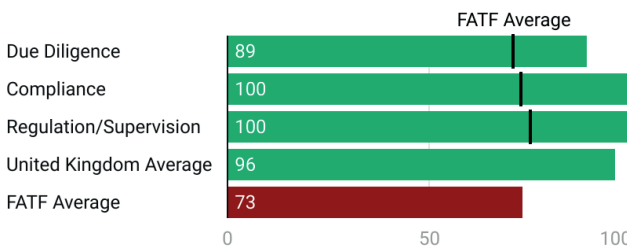
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Source: FATF

Trust and company service providers

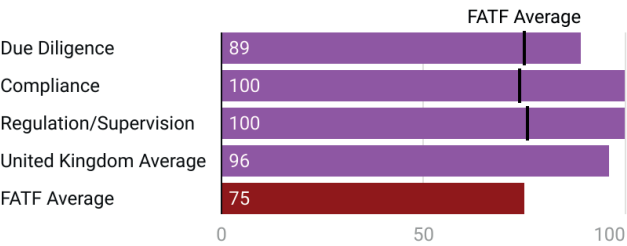
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Source: FATF

Real Estate Agents

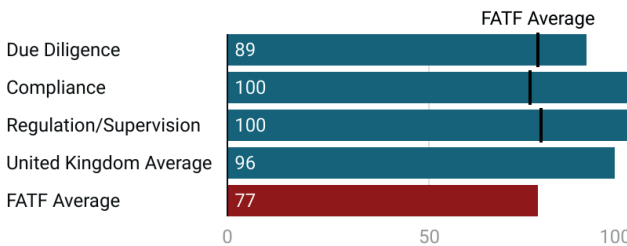
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Source: FATF

Accountants

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Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.

United States

0% /74% FATF average¹



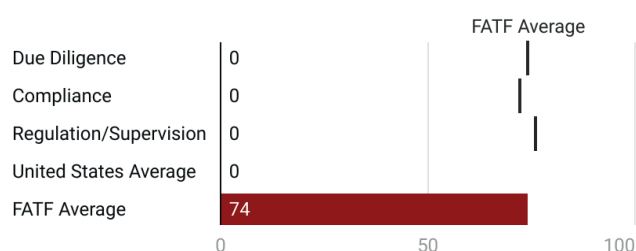
The United States does not have requirements to cover any of the gatekeeper sectors. In the United States, these sectors are required to implement none of the preventive measures that have been required by the FATF Standards since 2003. The United States' supervisors have none of the powers and tools to implement supervisory programmes on these gatekeeper sectors.

Key areas of focus include:

- Have all gatekeeper sectors subject to all of the AML/CFT obligations, including CDD and other measures
- Have a designated competent authority responsible for monitoring compliance (i.e., supervisors) for all gatekeeper sectors.
- The supervisors should have all of the necessary powers and tools to ensure compliance.
- Supervision of gatekeeper sectors should be performed on a risk-sensitive basis.

Lawyers and Notaries

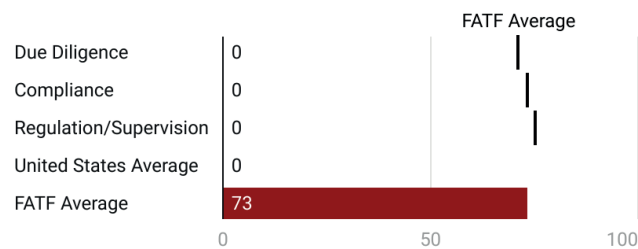
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Source: FATF

Trust and company service providers

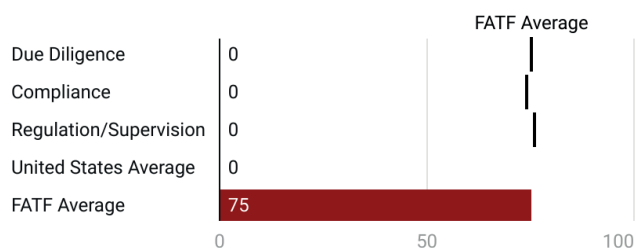
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Source: FATF

Real Estate Agents

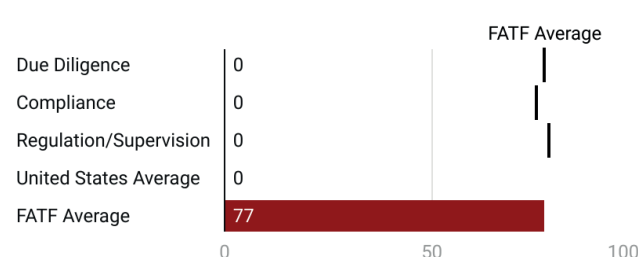
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Source: FATF

Accountants

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Source: FATF

1. Small variances between the FATF average compliance ratings and the average level of compliance for each gatekeeper sector are due to specific differences in how gatekeepers are individually rated.



FATF



www.fatf-gafi.org