



SUGGESTED ACTIONS TO SUPPORT THE USE OF NEW TECHNOLOGIES FOR AML/CFT

A responsible use of new technologies, including digital identity and cutting-edge transaction monitoring and analysis solutions (including collaborative analytics) can assist effective, risk-based implementation of the FATF Standards by the public and private sectors, as well as promote financial inclusion.

The following principles advance the San Jose Principle to pursue positive and responsible innovation endorsed by FATF in 2017. New technologies for AML/CFT must be developed and implemented in a way which reflects threats as well as opportunities, ensuring that their use is compatible with international standards of data protection and privacy, and cybersecurity.



CREATE AN ENABLING ENVIRONMENT BY BOTH GOVERNMENT AND THE PRIVATE SECTOR FOR RESPONSIBLE INNOVATION TO ENHANCE AML/CFT EFFECTIVENESS:

Innovative solutions that facilitate the implementation of AML/CFT measures, including risk assessments, CDD and other requirements, and strengthen their supervision and examination.

Good practices for updating internal legacy systems or replacing them with new technologies.

Appropriate safeguards and features for new AML/CFT solutions, including: explainability and transparency of processes and outcomes; oversight by humans; respect for privacy and data protection; strong cybersecurity; and alignment with global, national, and technical standards and best practises.



ENSURE PRIVACY AND DATA PROTECTION WHEN IMPLEMENTING NEW TECHNOLOGIES:

Ensure there is a valid legal basis for the processing of personal data when deploying new technologies.

Protect personal information in line with national and international legal frameworks.

Process data for an explicit, specified and legitimate purposes, consistent with national and international rules.

Support the responsible development and adoption of innovative privacy-preserving technologies to enable robust AML/CFT information sharing and analysis, while preserving privacy.



PROMOTE AML/CFT INNOVATION WHICH SUPPORTS FINANCIAL INCLUSION BY DESIGN:

Mitigate the obstacles to financial inclusion through the development and implementation of innovative solutions

Ensure responsible innovation consistent with the FATF objective to promote financial inclusion



DEVELOP AND COMMUNICATE POLICIES AND REGULATORY APPROACHES TO INNOVATION THAT ARE FLEXIBLE, TECHNOLOGY-NEUTRAL, OUTCOMES-BASED AND IN LINE WITH THE RISK-BASED APPROACH:

Consider the impact of new technologies holistically, in the context of the structural and organisational changes that accompany them, their possible unintended consequences, and their overall impact on AML/CFT effectiveness, and financial inclusion.

Issue and/or update clear policy statements, guidance, use cases, best practises or regulations, as necessary to inform and encourage the responsible use of new technologies for AML/CFT

Consult with counterparts and regulated entities to inform relevant policy and decision-making processes.



EXERCISE INFORMED OVERSIGHT:

Build expertise in new technologies, to enable informed regulation and supervision of their use, including for specific AML/CFT compliance purposes.

Identify explicit, well-defined uses of new technologies for AML/CFT supervision and examination

Understand the risks and benefits associated with new technologies, and appropriate risk-mitigation measures that preserve their benefits.

Use technology to enhance AML/CFT supervision



PROMOTE AND FACILITATE COOPERATION:

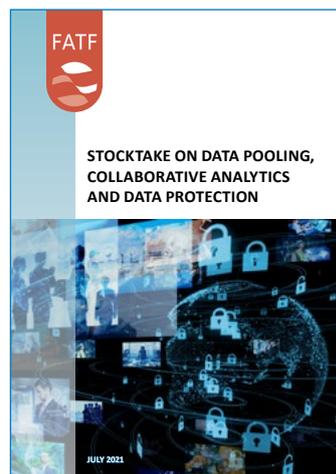
Co-operate and co-ordinate with all relevant authorities to facilitate a comprehensive, coordinated approach to understanding and addressing risks and benefits in the use of new technologies for AML/CFT, including data protection and privacy authorities.

Consider developing collaborative environments to facilitate cross-government and/or public private research and development of new technologies and innovative solutions.

Participate in international efforts to develop global principles governing the use of new technologies for AML/CFT to help ensure their alignment with human rights, the improvement of the implementation of global AML/CFT, cybersecurity, data privacy and protection measures, as well as relevant technical standards and trust frameworks.



Opportunities and Challenges of New Technologies for AML/CFT, July 2021



Stocktake on Data Pooling, Collaborative Analytics and Data Protection, July 2021