

SUGGESTED FORMAT FOR THE NRA REPORT

General reminders:

- *This report outline serves only as a guiding format. Countries should feel free to design their own report.*
- *The report needs to be clear and self-explanatory. The report should highlight the main conclusions of the risk assessment, and its underlying considerations, and should be easy to understand by a third party who was not involved in the assessment process.*
- *The sources of information that support the analysis should be cited. Be comprehensive, as the use of a diverse and broad range of sources will contribute to the credibility and reliability of the risk assessment.*
- *The report should be comprehensive but concise: not too brief and not too long. The length of the report should depend on the country context (crime environment, complexity of the financial market, etc.). More important topic/areas may require more in-depth discussion. In general, an NRA report averages 80 to 120 pages.*
- *All the findings need to be backed by facts and supporting information, which should be included in the report in a summarized fashion. Underlying data should be kept separate (in annexes or working papers, for example). Avoid including irrelevant information and details that do not contribute to risk assessment.*
- *In each (sub-) chapter, briefly highlight the key recommendations that follow from the risk assessment. A separate action plan will allow you to capture all recommendations and proposed actions.*
- *It is recommended that someone with strong report writing skills and experience edit the final report.*

REPORT COVER

DISCLAIMER

Insert the following statement on a separate page that is located after the cover page and before the contents.

"The National Money Laundering and Terrorist Financing (ML/TF) Risk Assessment of [COUNTRY NAME] has been conducted as a self-assessment by [COUNTRY NAME] authorities, using the National ML/TF Risk Assessment Tool that has been developed and provided by the World Bank Group. The World Bank Group project team's role was limited to delivery of the tool, providing guidance on the technical aspects of the tool, and review/feedback to assist with the accurate use of it. Data, statistics, and information used for completing the National ML/TF Risk Assessment Tool modules, as well as findings, interpretation, and judgment under the scope of National ML/TF Risk Assessment, completely belong to the [COUNTRY NAME] authorities and do not reflect the views of the World Bank Group."

ACRONYMS

List any acronyms used more than three times, and define them.

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EXECUTIVE SUMMARY (3-5 pages)

Start with a short introduction of the country context. Then present the main findings of the assessment; what are the key threats and vulnerabilities, and what are the main areas of risk? Present the reasons and reference the evidence that underlies the findings. The executive summary should follow the structure of the report and be consistent with the results that are identified in the report. Begin with a discussion of the results on the national money laundering threats and vulnerabilities, including the risks at the sector level. Then discuss the findings on terrorist financing threats and vulnerabilities. Include the findings on the financial inclusion product risk assessment (if the latter was conducted as part of the NRA) separately.

INTRODUCTION

OBJECTIVES (1-2 paragraphs.)

State the objectives of the risk assessment.

THE NATIONAL RISK ASSESSMENT PROCESS (2-3 Pages)

Organization of the NRA Process

Describe how the NRA process was organized, which activities have been held: Workshops, video conferences, meetings, interviews, consultations, surveys etc.

Participants

Describe how participants were selected for the assessment process (include a list of participants in the appendix). In particular, provide background about the decision to (or not) include the participation of:

- *Private sector representatives*
- *Civil society representatives.*

Describe the quality of the collaboration and how this impacted the assessment process.

Data

Briefly describe which data-gathering activities were performed before and during the assessment.

Describe the quality of the data:

- *Were you able to support all the findings with evidence?*
- *Where were any major gaps?*
- *What were the main challenges in collecting data/ statistics?*
- *Considering the challenges in data/information collection, how should the strength/reliability of the assessment be qualified?*
- *What actions need to be taken to conduct a better analysis in the future?*

THE NATIONAL RISK ASSESSMENT TOOL (1-2 pages)

Include a short overview of the structure of the World Bank tool and link it to the chapters of the report so that the readers can understand the structure of the report more easily.

SECTION 1. MONEY LAUNDERING RISK

1.1. MONEY LAUNDERING RISK AT NATIONAL LEVEL

1.1.1. Country Context for Money Laundering

Provide brief information on the country's economy, geography, demographics, etc.

*Discuss **domestic** and international perceptions on the ML context in the country. Cite reports from open sources, media, nongovernmental organizations (NGOs), and international organizations.*

Briefly discuss the domestic versus the external threat.

1.1.2. Overall ML Risk Level as a function of ML Threat and ML Vulnerability

List the assessment results for:

- Overall threat of money laundering (L, ML, M, MH, H)/(low, medium-low, medium, medium-high, high).*
- Overall vulnerability to money laundering (L, ML, M, MH, H).*

Locate the overall ML risk level in the country by using the following risk map and explain how the threat and vulnerability impacts the risk level.

Figure 1: Risk map for identifying the risk level as a function of threat and vulnerability.

OVERALL MONEY LAUNDERING RISK IN THE JURISDICTION						
OVERALL THREAT	H	M	M	MH	H	H
	MH	M	M	MH	MH	H
	M	ML	M	M	MH	MH
	ML	ML	ML	M	M	M
	L	L	ML	ML	M	M
		L	ML	M	MH	H
OVERALL VULNERABILITY						

1.1.3. Money Laundering Threat at National Level

Please capture the following points:

- What is the level of the overall ML threat (L, ML, M, MH, H)?*
- How does the domestic threat weigh against the external threat? What are the relevant factors?*
 - Domestic threat: Discuss the main crimes that generate the proceeds of the crimes in the country, and the extent, nature, and value of these crimes.*

- *External threat: Discuss the main crimes that drive the external threat (coming from countries in the region and other countries) and the extent, nature, and value of these crimes.*
- *Provide an analysis of the relative importance and level of the different threats.*
- *Discuss the estimated volume of proceeds of crime in the country and the main factors that contribute to these proceeds.*
- *Explain which sectors are most exposed to the threat of money laundering.*
- *Explain which countries present the great threat of money laundering to your country/jurisdiction.*
- *Explain to which countries your country/jurisdiction presents the greatest threat of money laundering.*
- *What are the most prevalent typologies of money laundering in your jurisdiction? Which examples support this finding?*
 - *As a result of the typology analysis, discuss which sectors, products, and techniques have been abused most for the purpose of laundering money. What are the relevant factors?*

Include the following figures/tables in this subsection:

- *Comparison of predicate crimes*
- *Proceeds of crime (organized by predicate crime)*
- *Trends in important crimes (if available)*
- *Any other graphics (tables, figures, maps) that can contribute to risk assessment.*

1.1.4. Money Laundering Vulnerability at National Level

Please capture the following points:

- *What is the level of the overall ML vulnerability (L, ML, M, MH, H)?*
- *Are the vulnerabilities driven mostly by deficiencies in the national combating ability or by vulnerability/vulnerabilities of the sectors?*

National Combating Ability

- *Discuss the strengths and weaknesses of the national combating ability.*
- *Discuss the findings on the vulnerabilities, weaknesses, gaps at national level. Avoid focusing your analysis on issues of “technical compliance”. Focus on real reasons of vulnerability.*

Based on your assessment, list your key recommendations:

- *What are the implications of assessment results on the design of a risk-based approach?*
- *What are the main actions that are required to solve the problems and address the deficiencies (therefore, to improve the combating ability and reduce the national vulnerability)?*

Please note that the report text should include only some key recommendations as the starting points for the action plans. WB recommends countries to have a standalone document that includes the detailed risk-based-action-plans.

Figures/tables to include in the subsection (using screenshots of the Excel sheets):

- *Entry page*
- *Output page*
- *Vulnerability map*
- *Priority ranking*
- *Any other figures, tables, or maps that can contribute to the assessment.*

Overall Vulnerability that Arises from the Sectors

Briefly summarize the impact of the vulnerability of sectors on the national vulnerability:

- *Discuss the sectors that have the highest vulnerabilities. Present a summary, and refer to the relevant sector subchapters for details.*
- *Which sectors were weighed most heavily and why?*
- *Include a table that presents the sizes of all sectors (contribution to the GDP), the weights assigned to each sector, and their vulnerability score.*
- *Which factors were considered to drive vulnerability the most?*

1.2. MONEY LAUNDERING RISK AT [SECTOR NAME]

[It is suggested that the sectors be discussed in the order of importance they have in the economy. (The structure that is set out below is the order of the modules of the NRA Tool, which may not necessarily reflect the hierarchy of the sectors of the jurisdiction.)]

- *Provide some background about the sector, discuss its size, depth, and importance in country's economy. To give a better idea consider comparing the sector with region countries, peer countries, high income countries etc.*
- *What is the money laundering risk level of the sector (as a function of threat and vulnerability; refer to risk map on page 4).*
- *What are the main threats facing the sector? What is the evidence in terms of typologies, (analysis of) supervision data, enforcement data, or open source information?(This information should include the input from threat assessment group).*
- *What is the sector's vulnerability to money laundering? Include the vulnerability rating and provide an analysis.*
- *What are the deficiencies or gaps in the AML controls that apply to the sector?*

List and briefly explain key recommendations:

- *Which are the main areas of priority to mitigate the vulnerability?*
- *Which products have the highest vulnerabilities, which factors drive this vulnerability, and which products may require additional controls? (If the assessment includes the product based analysis.)*

Charts/tables to include in the subsection (using screenshots of the Excel sheets):

- *Entry page (General AML Controls)*
- *Output page*
- *Vulnerability map*
- *Priority ranking*
- *Any other graphics (tables, figures, maps) that can contribute to the assessment.*

1.3. MONEY LAUNDERING RISK AT [SECTOR NAME]

1.4. MONEY LAUNDERING RISK AT [SECTOR NAME]

1.5. ...

(It is recommended to have a separate chapter for each sector, including each individual DNFBP category. Some sectors can be clustered in one chapter, if the size of the sectors are relatively low, or their risks are very similar.)

SECTION 2. TERRORIST FINANCING RISK

2.1. TERRORIST FINANCING RISK AT NATIONAL LEVEL

2.1.1. Country Context for Terrorist Financing

Provide a description of your country context.

Briefly describe the domestic and international perceptions on the terrorist financing context in the country: reports from media, NGOs, and international organizations.

2.1.2. Overall Assessment of Terrorist Financing Risk

List the assessment results for:

- 1. Overall threat of terrorist financing (L, ML, M, MH, H)*
- 2. Overall vulnerability to terrorist financing (L, ML, M, MH, H).*

What are the main implications of the assessment results on the design of measures to mitigate the identified risks?

Using the risk map locate the level of terrorist financing risk in the country. For the findings and details that underlie this assessment, please refer to the subchapters that follow. Please refer to the risk map provided in Section 1.

2.1.3. Terrorist Financing Threat Analysis

Please address the following points (include comprehensive references to relevant sources for each of these bulleted items):

- What is the level of the overall terrorist financing threat (low, medium-low, medium, medium-high, high)?*
- Discuss the estimated volume of terrorist financing and its main contributing factors.*
- Briefly summarize the level of the underlying terrorism threat and its characteristics.*
- How does the threat of domestic financing of domestic terrorism and domestic financing of foreign acts of terrorism weigh against the external financing of domestic terrorism? What are the relevant factors?*
- Which terrorism and terrorist financing typologies are prevalent in the jurisdiction? Describe examples that support this finding.*
- Explain which countries present the highest TF threat.*
- Identify to which countries the jurisdiction presents the highest TF threat.*
- Identify the main sources of funding for TF.*
- Briefly summarize the level of the underlying terrorism threat and its characteristics.*
- Identify the main sources of funding for TF.*

2.1.4. National Vulnerability to Terrorist Financing

Describe the main drivers of the level of the national vulnerability to TF:

- *What are the main weaknesses?*
- *What are the key strengths?*

Follow the structure of the Excel template to make a comprehensive analysis of the factors that determine the level of TF vulnerability.

What are some promising potential actions to address the deficiencies? What are the challenges? What are the deficiencies?

What are the gaps in data collection? How reliable and strong is the assessment considering the weaknesses and gaps in data collection? What are the actions needed to improve data/statistics?

What are the implications of the assessment results on the design of a risk-based approach?

Briefly address the key recommendations that arise from the analysis on the terrorist financing risk:

- *What are the main areas of priority to mitigate the vulnerability?*
- *What are the key recommendations?*

2.2. TERRORIST FINANCING RISK AT SECTORAL LEVEL

Discuss the sectors from terrorist financing risk perspective. Focus on the sectors that may require particular attention (such as remittance sector, NPOs, etc.). Since the TF module of the tool is not as detailed as the money laundering modules, no need to have a separate sub-chapter for each sector, unless it is essential.

SECTION 3. FINANCIAL INCLUSION PRODUCTS RISK ASSESSMENT

This section applies when the financial inclusion product risk assessment has been performed. The Working Group may prefer to prepare a separate report for Financial Inclusion Products Risk Assessment, rather than including it in the NRA report. This is left to the discretion of the country.

Start this section with a concise introduction of the regulatory framework for financial inclusion. Is simplification allowed? If so, what are the conditions? If not, what should be done to allow simplified Customer Due Diligence and other measures to facilitate financial inclusion? What are the limitations in the regulatory framework?

Provide an analysis for each product, as set out below.

3.1. PRODUCT 1

State whether an assessment was made of an existing financial inclusion product or of a new (planned) product, to assist in its design.

Briefly describe the product:

- *Which groups of people does the product target?*
- *What are the conditions or threshold for eligibility? How were these determined?*
- *What are the features of the product?*

List the ML/TF risk of the product. Explain whether it qualifies for simplified measures to facilitate financial inclusion:

- *What are the main deficiencies that hinder the eligibility of the product for CDD simplification?*
- *Which additional actions or controls are necessary to reduce the risk level of the product and make it eligible for simplified CDD and other measures?*

Follow the guidance questions in the template and summarize the responses to guidance questions.

3.2. PRODUCT 2

Follow the structure for the section for product 1.

3.3. PRODUCT ...

Follow the structure for the section for product 1.

APPENDIX. ACTION PLAN

(This part of the report is optional. This can be presented in a separate document. For action plan, you can use the sample action plan template, which you have received among the NRA documents.)