

# ML THREAT ASSESSMENT MODULE

# **RISK** is a function of:

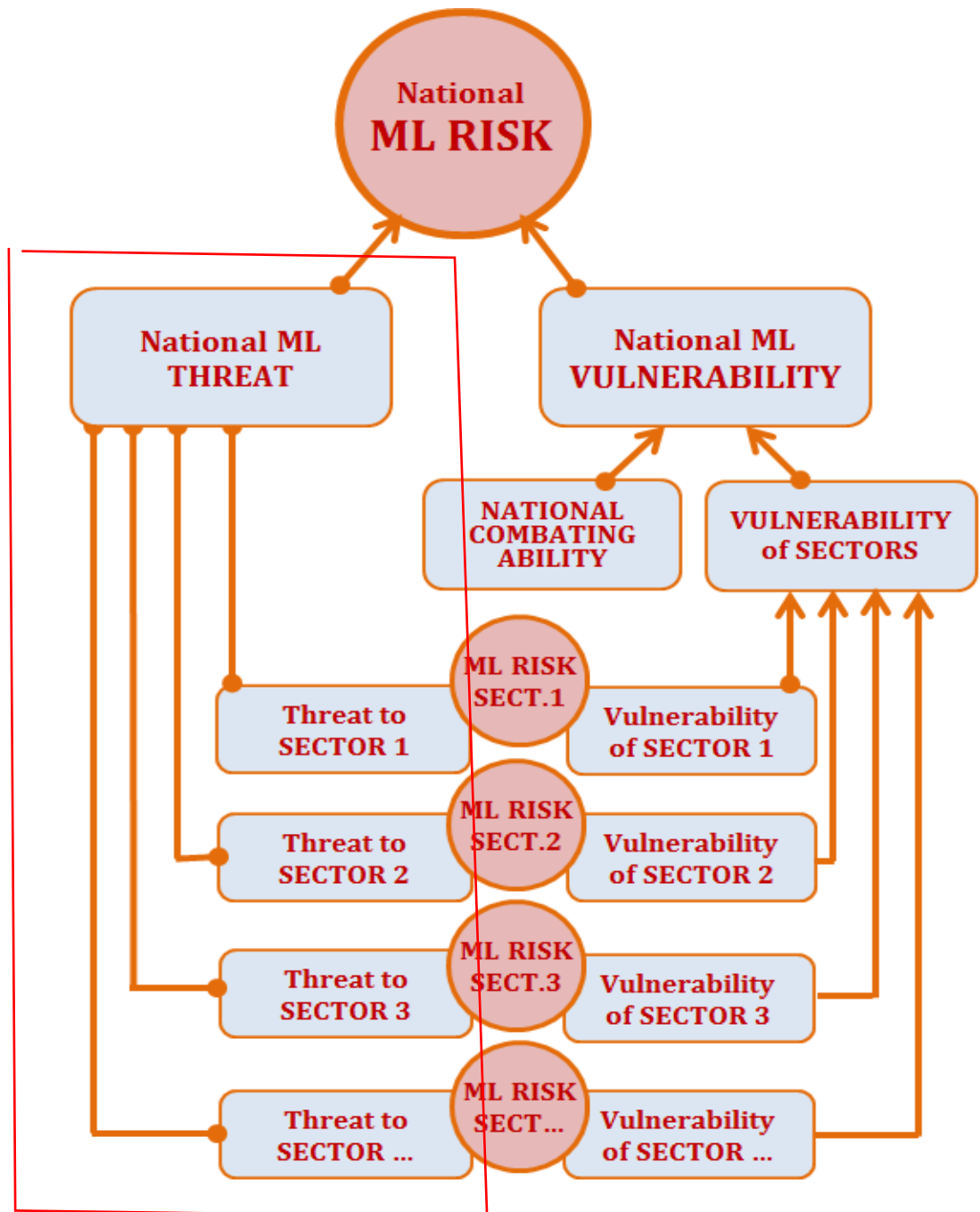
THREAT						
		L	ML	M	MH	H
H	M	M	MH	H	H	
MH	M	M	MH	MH	H	
M	ML	M	M	MH	MH	
ML	ML	ML	M	M	M	
L	L	ML	ML	M	M	
		VULNERABILITY				

# The focus of threat assessment group.

## ML Threat:

Amount of proceeds of crimes. Higher the proceeds of crimes in a jurisdiction, the higher the money laundering threat is.

The existence and flow of people who may be handling proceeds of crimes also matters.







# Threat assessment modules:

## 1.ML RISK ASSESSMENT




## ML THREAT

## ML VULNERABILITY



## MODULE 1-ML THREAT ASSESSMENT

-  Module 1.A- MLThreat Assessment (March 2015).xlsx
-  Module 1.B-ML Case Based Data Collection (March 2015).xlsx
-  Module 1.C-Crossborder ML Threat (March 2015).xlsx
-  Module 1-ML Therat Assessment Guidance (March 2015).docx

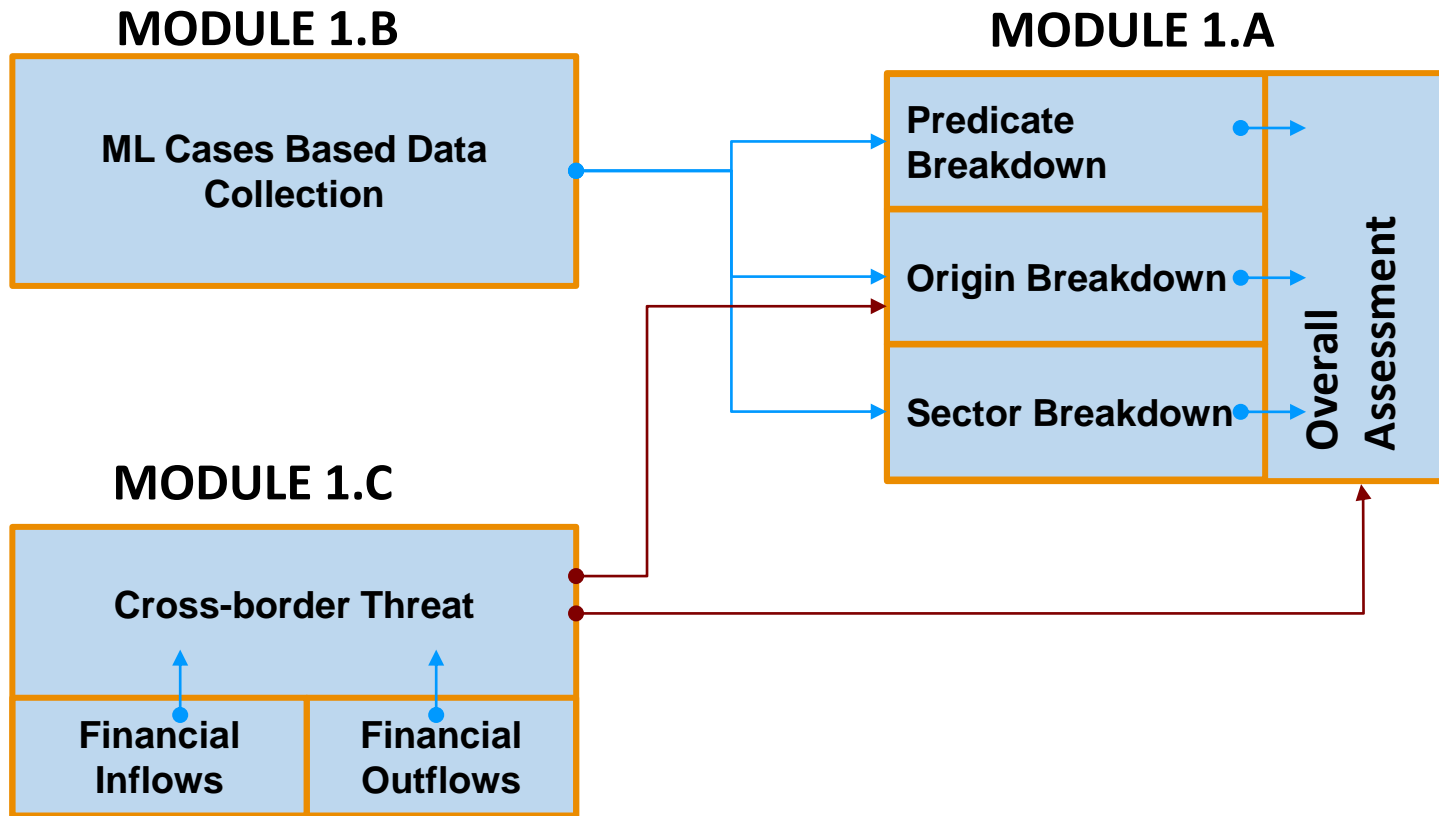
## MODULE 2-NATIONAL VULNERABILITY

-  Module 2- National Vulnerability - Financial Centers (March 2015).xlsm
-  Module 2- National Vulnerability (March 2015).xlsm
-  Module 2- National Vulnerability Assessment Guidance (March 2015).docx

## MODULE 3-BANKING SECTOR

-  Module 3- Banking Sector Vulnerability (March 2015).xlsm
-  Module 3- Banking Sector Vulnerability Assessment Guidance (March 2015).docx

# How the three sub-modules are linked:



# Module 1.A:

FILE

HOME

INSERT

PAGE LAYOUT

FORMULAS

DATA

REVIEW

VIEW

DEVELOPER

MACROS

JIVE

Q4

✕

✓

fx

	A	B	C	D	E	F	G	H	I	J
1	OVERALL THREAT ASSESSMENT	Base your assessment on:	ML threat					Trend		
2			High	Medium / High	Medium	Medium / Low	Low	No change ➡	Increasing ⬆	Decreasing ⬇
3	DOMESTIC ML THREAT	PREDICATE OFFENSE BREAKDOWN TAB, ORIGIN BREAKDOWN TAB (items A and C)								
4	ML THREAT FROM ABROAD	ORIGIN BREAKDOWN TAB (items B and C) CROSS BORDER THREAT TEMPLATE								
5	ML THREAT WITH UNIDENTIFIED ORIGIN	ORIGIN BREAKDOWN TAB (item D)								
6	OVERALL THREAT	ALL THE INPUTS AND ANALYSIS ON THREAT								

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PREDICATE OFFENSE BREAKDOWN

ORIGIN BREAKDOWN

SECTOR BREAKDOWN

OVERALL ASSESSMENT

+

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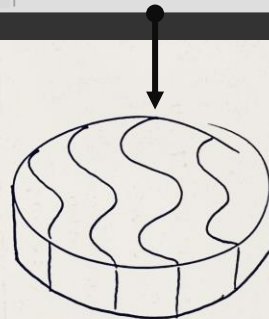
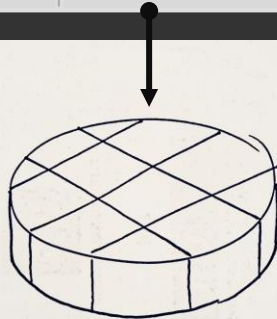
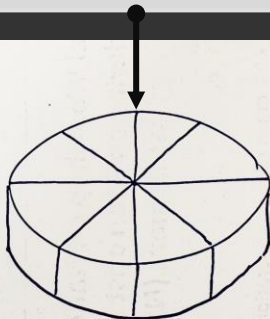
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READY

🖨

📄

🔍



Same cake,  
different slicing.

## Predicate offense focused threat assessment

Data on predicate offenses, regardless of whether the money was laundered or not

## Data on Money laundering cases

Qualitative information (can be much more important than the numbers)

Assessment (based on the data in relevant row and judgment.)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y						
1	MONEY LAUNDERING THREAT	Information (and indicators)																	ML threat					Trend							
2	PREDICATE OFFENSE BREAKDOWN	PREDICATE OFFENSE						MONEY LAUNDERING OFFENSE																							
	<div>Data collection period: Units for monetary amounts: USD Exchange Rate:</div>	Number of cases detected or investigated	Number of cases prosecuted	Number of convictions (cases)	Number of persons convicted	Amount of proceeds seized or frozen (without ML charges)	Amount of proceeds confiscated (without ML charges)	Number of cases sent by FIU to law enforcement	Number of cases investigated	Number of cases prosecuted	Number of convictions (cases)	Number of persons convicted	Amount of proceeds seized or frozen	Amount of proceeds confiscated	Other information (including FIU analysis and intelligence)	FATF/FSRB Mutual Evaluation Report (reference to source of proceeds of crime and threat of ML/TF) if available	Estimate of relative size of undetected criminal proceeds related with each offense (%). (Columns F, G, M, N represent the detected amount.)	High	Medium/ High	Medium	Medium/ Low	Low	No change	Increasing	Decreasing						
3																															
4	<div>Data limitations and other issues for each indicator</div>																														
	<div>Predicate Offenses (this list should be modified by assessors)</div>																														
5																															
6	...																														
7	...																														
8	....																														
9	...																														
10	...																														
11	<div>Write down other proceeds generating significant criminal activity within your country (for example, tax evasion)</div>																														
12	MONEY LAUNDERING CASES WITH UNCLEAR/ UNIDENTIFIED PREDICATE OFFENSE																														
13	TOTAL																														
14		0	0	0	0	0	0	0	0	0	0	0	0	0																	
<div><div>&lt;</div><div>&gt;</div><div>PREDICATE OFFENSE BREAKDOWN</div><div>ORIGIN BREAKDOWN</div><div>SECTOR BREAKDOWN</div><div>OVERALL ASSESSMENT</div><div>+</div><div>:</div><div>&lt;</div></div>																															

# Module 1.A.

## Sector based threat assessment

Requires input by the  
threat assessment group

Requires interaction with  
the sector groups

Assessment (based on  
the data in relevant row  
and judgment.)

MONEY LAUNDERING THREAT SECTOR BREAKDOWN															
SECTORS	Information (and indicators)							ML threat to sector				Trend			
	Number of ML investigations involving the sector	Number of ML prosecutions involving the sector	Number of ML convictions involving the sector	Other information on potential ML activities related to the sector (qualitative: public information, academic reports, intelligence, etc.)	FATF/FSRB Mutual Evaluation Report (reference to source of proceeds of crime and threat of ML/TF) if available	Estimate of ML activities that occur in the sector but are not/cannot be detected (L/ML/M/MH/H)	Size of the sector and/or its share in the economy (L/ML/M/MH/H)	High	Medium / High	Medium	Medium / Low	Low	No change	Increasing	Decreasing
													➡	⬆	⬇
Banking															
Securities															
Insurance															
Remittance															
Exchange offices															
Casinos															
Real estate															
Dealers in precious metals and stones															
Auditors and accountants															
Lawyers															
Notaries															
...															
...															

REAT

H

MH

M

M

M

ML

MH

MH

M

H

MH

MH

H

H

MH

**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

**VULNERABILITY**



# Module 1.A.

## Origin focused threat assessment

Requires a good stocktaking and analysis of money laundering cases.

Qualitative information (can be much more important than the numbers)

Assessment (based on the data in relevant row and judgment.)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R			
<b>MONEY LAUNDERING THREAT ORIGIN BREAKDOWN</b>	Information (and indicators)										ML threat					Trend				
	MONEY LAUNDERING CASES						Other Indicators													
	Number of cases investigated	Number of cases prosecuted	Number of convictions (cases)	Number of persons convicted	Amount of proceeds seized or frozen	Amount of proceeds confiscated	Other information (including FIU intelligence)	FATF/FSRB Mutual Evaluation Report (reference to source of proceeds of crime and threat of ML/TF) if available	Estimate of undetected criminal proceeds related to assessed jurisdiction	High	Medium/ High	Medium	Medium/ Low	Low	No change	Increasing	Decreasing			
Data collection period: Units for monetary amounts: USD Exchange Rate:																				
Data limitations and other issues for each indicator (if any).																				
ORIGIN OF THE LAUNDERED PROCEEDS																				
A. Offenses committed within the home jurisdiction																				
B. Offenses committed in foreign jurisdictions																				
C. Offenses committed both in home and foreign jurisdictions																				
D. Origin country cannot be identified																				
TOTAL																				
	0	0	0	0	0	0	0	0	0											
PREDICATE OFFENSE BREAKDOWN										ORIGIN BREAKDOWN					SECTOR BREAKDOWN			OVERALL ASSESSMENT		

# Module 1.B. Case Data Collection

## (The cake to be sliced)

MONEY LAUNDERING THREAT CASE BASED DATA COLLECTION TEMPLATE	CONVICTED ML CASES				PROSECUTED ML CASES				INVESTIGATED ML CASES				
Case name or number	EXAMPLE (case ref. 12345)	...	...	...	...	...	...	...	...	...	...	...	...
Sectors involved	Banking, remittance, real estate, and legal												
Number of entities involved (with sector breakdowns)	2 banks, 1 remittance company, 1 lawyer												
Name of the institutions involved (can be kept confidential)	Bank A, bank B												
Number of bank accounts involved	5												
Average amount in detected bank accounts	50,000 USD												
Number of money transfers	10												
Average amount in money transfers	2000 - 3000 USD												
Financial products/services involved	Money transfer services, bank accounts, and checks												
Predicate offense	Drug trafficking												
Total detected amount	..... USD (or local currency)												
Total seized amount	..... USD (or local currency)												
Total confiscated amount	..... USD (or local currency)												
Number of citizens involved	12												
Number of non-citizens involved	2												
Destination countries (where the money goes)	Country A, country B												
Originator countries (where the money comes from)	Domestic												
Regions involved	Region A, region B, etc.												
Summary of the techniques and methods used in ML	Use of structuring and real estate sector												
Trigger for the investigation	STR to FIU												
Result of the investigation	Prosecution, conviction												
Other important points	....												
Short narrative of the case	....												



# Overall threat assessment :

OVERALL THREAT ASSESSMENT	Base your assessment on:	ML threat					Trend		
		High	Medium / High	Medium	Medium / Low	Low	No change	Increasing	Decreasing
							→	↑	↓
DOMESTIC ML THREAT	PREDICATE OFFENSE BREAKDOWN TAB, ORIGIN BREAKDOWN TAB (items A and C)								
ML THREAT FROM ABROAD	ORIGIN BREAKDOWN TAB (items B and C) CROSS BORDER THREAT TEMPLATE								
ML THREAT WITH UNIDENTIFIED ORIGIN	ORIGIN BREAKDOWN TAB (item D)								
OVERALL THREAT	ALL THE INPUTS AND ANALYSIS ON THREAT								

**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

**VULNERABILITY**

# Biggest pit hole:

Being lost in the details and missing the big picture in the country.

