



The CFATF Technical Compliance (TC) Re-Rating Process

CFATF RESEARCH DESK
APRIL 17th, 2023.

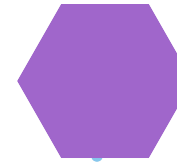


Purpose of the Technical Compliance (TC) Re-Rating Process

- Address the TC deficiencies identified in the MER.
 - Improved compliance with FATF Standards.
 - Strengthening of AML/CFT measures.
- Demonstrate progress in the implementation of the specific requirements of the FATF Recommendations where:
 - The Recommendations have changed.
 - Instances where the Recommendations were not met in the country's previous assessment in the 4th Round.



Eligibility for TC Re-Ratings

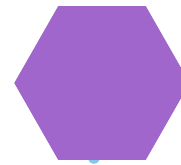


Countries can only request TC re-ratings under the following conditions:

- Only Recommendations that were rated “Not Compliant” or “Partially Compliant” (NC/PC) in MER or FUR.
- Where the legal, institutional, or operational framework has changed since the assessed country’s MER or FUR, as determined by the Group of Experts.
- Changes to the FATF Standards or to their interpretation.



Provisions for TC Re-Ratings



- All identified deficiencies in the MER for the Recommendation which re-ratings is sought for must be addressed.
 - This includes the deficiencies in both the body of the TC Annex and the table “Summary of Technical Compliance - Key Deficiencies” of the Mutual Evaluation Report (MER).
- Address all Recommendations that have been revised after the country’s on-site visit even if a re-rating is not being sought for that Recommendation.
 - This provision includes those Recommendations where the country was rated LC or C but were revised after the MER was approved.



Provisions for TC Re-Ratings

- Only relevant laws, regulations or other AML/CFT measures that are in force and effect by the deadline to submit information for a re-rating request, are considered for a re-rating.
- It is expected that all assessed countries will address most if not all TC deficiencies by the end of the third year from the adoption of their MER.
- A country that does not seek TC re-rating will be required to provide information to the CFATF Secretariat on effectiveness and TC two (2) months before the Plenary where the FUR will be presented.



Group of Experts (GOE)

- It is a group representing persons involved in that assessed country's Mutual Evaluation, nominated experts, qualified representatives of CFATF Observers or other experts that are responsible for coordinating the analysis of re-ratings requests.
- The number of experts assigned to a report, and their expertise, will depend on the nature of the particular re-rating request.
- The GOE should submit its analysis at least ten (10) weeks before the CFATF ICRG/Plenary meeting to all Members, COSUNs and Observers.



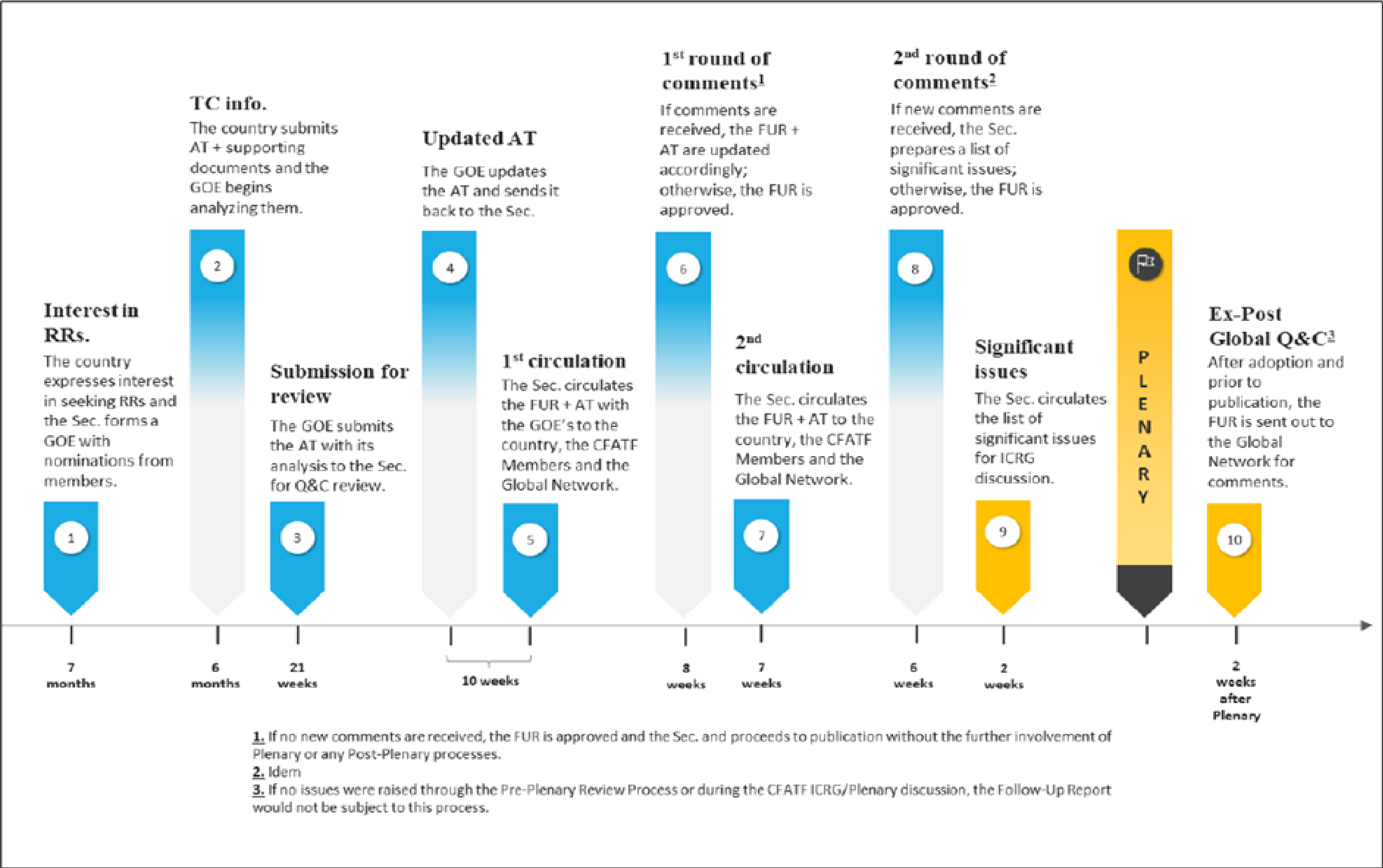
Group of Experts (GOE)

- All FURs with TC re-rating requests are disseminated and subject to approval by written process.
- Where there are significant disagreements between the GOE, the assessed country and/or two or more delegations about the experts' analysis of a particular Recommendation in the revised FUR, the Secretariat will prepare a “List of Most Significant Issues”.
 - This will be circulated to all CFATF members, COSUNs and observers at least two (2) weeks prior to the CFATF ICRG and/or Plenary discussion.
- The CFATF ICRG working group and/or Plenary discussion will prioritize discussion of this list of issues.



The CFATF Re-Rating Process

AT – Analytical Tool
FUR – Follow Up Report
GOE – Group of Experts
Q&C review – Quality and Consistency review
RR – re-rating





Thank you!



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