



Strasbourg, 2 September 2020

**COMMITTEE OF EXPERTS ON THE EVALUATION  
OF ANTI-MONEY LAUNDERING MEASURES  
AND THE FINANCING OF TERRORISM**

**MONEYVAL**

**Money laundering and terrorism financing trends  
in MONEYVAL jurisdictions during the COVID-19 crisis**



## TABLE OF CONTENTS

<b>1. INTRODUCTION</b> .....	<b>3</b>
<b>2. KEY FINDINGS</b> .....	<b>4</b>
<b>3. EMERGING TRENDS AND THREATS</b> .....	<b>5</b>
<b>3.1 Fraud and embezzlement</b> .....	<b>5</b>
<b>3.2 Medicrime</b> .....	<b>6</b>
<b>3.3 Corruption</b> .....	<b>7</b>
<b>3.4 Cybercrime</b> .....	<b>8</b>
<b>4. CHANGE IN THE FINANCIAL BEHAVIOUR</b> .....	<b>9</b>
<b>4.1 Financial behaviour</b> .....	<b>9</b>
<b>4.2 Reporting behaviour</b> .....	<b>10</b>
<b>5. CHALLENGES ENCOUNTERED BY LEAs</b> .....	<b>11</b>
<b>5.1 Pursuing ML/TF cases</b> .....	<b>11</b>
<b>6. MEASURES TO MITIGATE THE COVID-19 IMPACT</b> .....	<b>13</b>
<b>6.1 Economic relief</b> .....	<b>13</b>
<b>6.2 VTC programmes</b> .....	<b>13</b>
<b>6.3 Financial inclusion</b> .....	<b>13</b>
<b>6.4 Outreach</b> .....	<b>13</b>
<b>7. RECOMMENDATIONS</b> .....	<b>14</b>

## 1. INTRODUCTION

1. Since the beginning of the COVID-19 outbreak, the Global community involved in anti-money laundering and combating the financing of terrorism (AML/CFT), including MONEYVAL, has taken measures to identify challenges, good practices and policy responses to new threats and trends arising from this crisis. It goes without saying that criminals are exploiting the upheaval generated by the crisis and adapting their new *modus operandi*. Various fraud and scam schemes and other crimes have been reported by some countries, while law enforcement authorities (LEAs) and supervisors struggle to promptly respond to emerging risks.
2. At the policy level, the FATF Secretariat developed an [information note](#) based on open-source research and information received from member countries of the FATF and FATF-style regional bodies (FSRBs), and observer organisations such as the International Monetary Fund (IMF), World Bank and United Nations. This paper provided for a global view on the new threats and vulnerabilities stemming from COVID-19 related crime and impacts on money laundering (ML) and terrorism financing (TF) risks.
3. In this context, at the initiative of the MONEYVAL Chairperson, the MONEYVAL Secretariat has undertaken an information gathering exercise, which included emerging ML cases, practical challenges and trends surfacing during the COVID-19 crisis. For this purpose, a questionnaire has been sent out to all MONEYVAL jurisdictions.
4. The goal of this exercise is to provide MONEYVAL countries with an overview of the impact of COVID-19 crisis on AML/CFT systems from a regional perspective, the measures taken by jurisdictions to mitigate this impact and possible recommendations.
5. Based on the responses received, the MONEYVAL Secretariat has prepared this information paper which describes the initial findings as resulted from the analysis of the responses to the survey. The paper includes preliminary conclusions on threats, vulnerabilities and best practices identified so far, with a view to assist jurisdiction in applying a more targeted and effective response to the emerging risks in the European context.
6. It is important to note that conclusions and findings are general assumptions, because, as noted by several countries, it is too early to make substantiated judgements. Several countries have noted that it is premature to come to verified conclusions and findings, due to short time since the beginning of the COVID-19 crisis. Therefore, this paper does not include the results of finalised criminal files, and in most cases, the financial intelligence units' (FIU) analysis of suspicious transaction reports (STRs) is still on-going.
7. This paper is not intended to substitute a typologies research exercise. Any further in-depth research into COVID-related ML and risks may be undertaken within the typologies workstream based on a decision of the MONEYVAL Plenary meeting.

## 2. KEY FINDINGS

- a) The overall level of criminality remained stable or slightly decreased. Nevertheless, the countries reported a surge in certain crimes, especially with transnational elements, such as fraud (through electronic means) and cybercrime, creating new sources of proceeds for ML purposes.
- b) The authorities had to promptly implement emergency economic relief measures (such as financial aid and tax incentives) to support businesses and population. This created opportunities for abuse.
- c) The need for specific medical equipment and supplies swiftly skyrocketed due to the overwhelming global demand. To avoid an administrative blockage, some countries temporarily suspended complex controls in public procurement procedures to avoid disruptions. This appears to have created a vulnerability for fraud and corruption.
- d) Supervisors identified potential risks related to the use of cash for ML purposes.
- e) There was a shift in private sectors' way of working, with limits imposed to physical meetings and a significant increase in non-face-to-face business relationships and remote operations. This raised supervisors' concerns with regards to the full application of customer due diligence (CDD) measures.
- f) The suspicious transactions reporting remained steady.
- g) Challenges in conducting on-site supervisory controls were reported by the authorities. Off-site and desk-based reviews have been conducted instead, without a significant impact on the volume of the supervisory actions.
- h) To effectively complete the off-site monitoring, supervisors found innovative ways to exchange sensitive information such as client files, by using secure electronic means, or reviewing these documents remotely *e.g.* through the shared screen facilities offered by video conferencing.
- i) LEAs have not encountered significant difficulties in pursuing ML/TF related criminal activities. Sporadic delays due to the limitation on physical meetings have been kept to a minimal. Courts had to postpone some trials, this being a general situation, rather than ML/TF related.
- j) Domestic information exchange has been minimally disrupted and no difficulties in obtaining financial information were experienced.
- k) The international cooperation – LEAs and supervisors - does not appear to have been negatively impacted by the measures taken in response to COVID-19. Cooperation

between FIUs has not been affected and has proven to be particularly relevant on exchanging information on cross-border cases related to fraudulent offerings of medical and sanitary equipment, counterfeited products, non-delivery scams and illegal overpricing.

### **3. EMERGING TRENDS AND THREATS**

8. According to the survey, it appears that during the COVID-19 restrictions, the overall level of criminality remained stable or slightly decreased. This was a result of restrictions in physical movement and cross-border travelling. However, in case of a limited number of crimes, a rise was reported. While some trends have been noted, as described below, it is still pre-mature to devise any typologies, as the COVID-19 crisis is novel, and authorities do not yet have sufficient information on their hands.

9. There was no reported increase in crimes related to drug trafficking, terrorist financing, abuse of NPOs and insider trading. On the other hand, several jurisdictions highlighted instances where medicrime, cybercrime and corruption grew.

10. All jurisdictions noted a significant and rapid growth in the number of frauds related to COVID-19 and the adaptation of well-known fraud to the new (confined and more remote) lifestyle of individuals and businesses.

11. Despite the economic downturn, illicit financial flows continue to run, criminals seeking to exploit temporary weakness in AML/CTF controls of financial institutions (FIs), designated non-financial businesses and professions (DNFBPs) and virtual asset service providers (VASPs). Due to the financial standstill caused by preventing further spread of COVID-19 pandemic there is a risk that AML/CFT measures will be relaxed or considered less of priority in order to boost the economy and expedite process of payments.

12. Five main categories of potential ML threats emerged from the replies to the survey: (i) fraud, (ii) medicrime, (iii) corruption and (iv) cybercrime, and (v) late demand in moving illicit funds.

#### **3.1 Fraud and embezzlement**

13. Three main types of fraud related to COVID-19 have been identified: fraud with medical equipment, fraud related to economic relief measures, and fraud/embezzlement related to public procurement contract.

14. Almost all jurisdictions have noted a growing number of fraudulent cases due to a significant shortage of medical and other protective equipment. Most of the respondents noted that due to the growing demand for medical supplies, the instances where the merchandise was not supplied following the on-line order and/or where counterfeited products were shipped, increased.

15. One *modus operandi* consists of on-line acquisitions which are never delivered. While perpetrators use different modalities to commit such crimes, some common features could be seen such as the frequent involvement of foreign legal entities (especially from East Asia) and scamming websites (fake duplications of honest on-line shopping platforms).

16. Significant volumes of fraud have been identified with regard to various economic relief measures implemented by governments during the economic crisis. Such relief measures included direct payments to population (vouchers, bank transfers to all adult citizens etc.) and social support (increase in social aid for some categories), tax incentives, financial support for companies to maintain employment, and interest-free loans for business. While introducing such relief measures, unintendedly governments may create opportunities for criminals to abuse this support. For example, in one jurisdiction several heads of regional authorities were arrested for suspected embezzlement of economic relief payrolls for citizens who lost their jobs during the quarantine period.

17. Another form of fraud identified relates to the abuse of states' economic relief measures by entities that do not have such rights, or through the misrepresentation of resources, needs and/or economic indicators, to increase the value of the aid. In the first case, legal persons are artificially created without the intention to conduct a real commercial activity, increasing the volume and the turnover of "*front companies*" which can be subsequently "*recycled*" as ML vehicles.

18. Countries reported a number of cases of embezzlement of public funds by means of overpricing of medical equipment and other supplies. Authorities noted that threat of illegal activities by individuals and organized criminal groups in connection to procurement and production of medical equipment has increased.

19. Another area that should be flagged is the possible diversion of funds through fraudulent mechanisms associated with fundraising, including online crowdfunding platforms. In this respect it is important that financial institutions monitor the accounts into which the raised funds flow.

***Typology example 1 – misuse of legal entities***

Company A owned and controlled by a foreigner from East Asia citizen received € 1,4 million from foreign entities as "payment for goods". After few days, almost all funds were returned to the senders.

The remaining amount went through the personal account of the president of the management board of company A and was transferred to entities from other towns as "payment on behalf of another entity". The copies of invoices presented as the source of funds raised considerable doubts.

Therefore, the FIU blocked the accounts of the company and the shareholder for a total amount of 291,000. EUR.

### 3.2 Medicrime

20. The COVID-19 pandemic has led to a significant demand for medical equipment and supplies which in turn resulted in overpricing and low-quality goods. The FIUs reported a moderate increase in number of STRs potentially related to supplies of unsafe and/or unreliable imported products doubled by forged or absent conformity certificates (e.g. for the medical goods).

21. One jurisdiction reported a trend where organized criminal groups were selling “guarantees” (a type of financial instrument) required for participation in public tenders. The cost of such forged documents was kept low and upfront payment in cash were usually requested. If the guaranteed legal entity becomes insolvent or does not perform its obligations, the guarantees are not fulfilled resulting in loss of public funds.

#### *Typology example 2 – supplying counterfeit or substandard medical equipment*

In response to the COVID-19 pandemic country A has decided to reduce the regulatory requirements in the field of public procurement, *i.e.* the regulation stipulates that certain public entities (e.g. inpatient medical treatment institutions) are allowed not to apply the requirements specified in the Public Procurement Law when purchasing goods and services necessary for combatting COVID-19.

As a result, surgical masks and respirators were purchased from East Asia in relaxed public procurement procedures. When the first delivery of goods was received, the certificates attached to the contract were found to be non-existent, invalid or forged, and the laboratory that issued them was not on the official list of accredited mask testing laboratories of the exporting jurisdiction.

### 3.3 Corruption

22. A key factor which reportedly has opened the door for abuse and corruption relates to the ease of the public procurement procedures to ensure the swift delivery of highly demanded medical supplies. This created potential vulnerabilities which could be abused by criminals.

#### *Typology example 3 – embezzlement of public funds/corruption*

In one jurisdiction contracts for the supply of personal protective equipment and medical equipment have been concluded with legal entities whose main economic activities were related to hotel management or wholesale of fruits and vegetables. A few days before the conclusion of these contracts the entity amended its purpose and added additional types of economic activity related to the production of medical devices, equipment, medicines and clothing. From investigation it was concluded that these suppliers do not have a sufficient material and technical base to fulfill their contractual obligations. Moreover, the beneficial owner of this organization was a stock company controlled by a city official. When analyzing the financial transactions of

the supplier, it was established that the contracts were overpriced. Law enforcement and regulatory authorities are still investigating this case.

### **3.4 Cybercrime**

23. While adapting to new realities, businesses are more frequently turning to remote working modalities, and the population - to online interactions, both for purchasing of services or goods or social relationships.

24. The confinement measures and limitation of physical movement of individuals increased the demand for on-line communication and purchases, significantly increasing cyber security risks for users. The authorities have observed a rise in phishing emails and text messages containing links to malicious websites, attachments to obtain personal payment information, and social engineering.

25. Perpetrators may offer vaccines, protective masks, medicinal products by pretending to be government websites, which are used to steal personal data by sending an e-mail or SMS with false information - a link or a file which, when clicked, causes the loss of personal data and infects electronic devices and installations of malicious tracking software.

26. A specific form of cyber-frauds reported consist in impersonating public authorities who provide social aid to fraudulently obtain funds or personal information (e.g. impersonating State Revenue Agency). A particular typology involves fake e-mails on behalf of the World Health Organization. An attachment is added to the email, which is supposed to provide up-to-date information and recommendations on how to fight COVID-19. The attachment may contain malware that steals sensitive information, or an encryption squeeze virus that encrypts device data.

#### ***Typology example 4 – third party impersonation fraud***

The FIU received an STR related to an attempted fraud involving COVID-19. The STR concerned an email purporting to be from a customer of bank, asking for a transfer to be made on his behalf. The disclosing institution tried to verify the identity of the customer by phone call but the response from the person was that he suffered of COVID-19 and had limited access to a phone. Nevertheless, the disclosing institution contacted the customer by phone. The customer confirmed that his email had been hacked and his personal data stolen.

### **3.5 Late demand in moving illicit funds**

27. Due to temporary closing of national borders crimes such as smuggling and drugs trafficking have seen a relative decline. The same has been noticed for cross border cash movements, that are used by criminals to finance their operations. Therefore, now criminal organizations face a “late demand” for cross border transportation of cash. This is likely to be

realized during the second phase of COVID-19 measures with easing cross border travel restriction. During this time authorities should be particularly alerted to issues of cross border movement of illicit cash.

#### **4. CHANGE IN THE FINANCIAL BEHAVIOUR**

28. Authorities have identified a few shifts in the financial behaviour of populations during the COVID-19 pandemic. While overall activity has decreased, some categories of outflows such as e-commerce have increased. The payments of have changed in an expected manner - expenses for entertainment, clothes, fuel, travel and eating out have decreased, while expenses for food have remained the same.

##### **4.1 Financial behaviour**

29. During the self-isolation regime, bank clients began to perform much more remote operations. The use of non-cash payments and payment cards has increased as well as the use of electronic and mobile banking in private client segment. Many jurisdictions noted that since March the number of payments via electronic banking has increased in comparison with the previous period.

30. In relation to cash deposits, most jurisdictions reported decreasing numbers during the COVID-19 pandemic. A temporary increase in cash withdrawals at the beginning of the restrictive measures was sometimes noted, mainly due to negative economic expectations, the introduction of the isolation regime and the announcement of non-working days.

31. No notable increase in use of virtual assets by the population, nor use of non-traditional or unlicensed lenders were reported. However, one jurisdiction noted increase in loans issued by microlenders.

32. No specific changes to the approach to investment instruments have been observed by most jurisdictions. An increase of transactions relating to shares and a decrease in securities related transactions as well as decrease in transactions with promissory notes has been reported by some jurisdictions.

33. One jurisdiction reported that in the context of increasing unemployment firms and households lack liquidity or funding. In case of difficulties to access the legal credit channels a broad “market” for illegal financing emerged where criminal organizations lend money under usury conditions and take legal ownership of existing legitimate businesses

34. One country has taken specific measures to foster companies’ capitalization. In one jurisdiction the government issued a regulation simplifying the debt securities issuance

procedure. It will apply in all cases when a company has decided to issue debt securities, during the state of emergency, and 180 days after the state of emergency is terminated.

#### **4.2 Reporting behaviour**

35. From mid-March onward most MONEYVAL members declared health emergency status and started to adopt restrictive measures to curb the rapid spread of the virus. Confinement measures were introduced that negatively affected economic activity. The usual methods of doing business were adjusted in light of the new reality, meaning that FIs and DNFBPs had to limit the face-to-face interactions with customers and rapidly adjust to servicing clients remotely.

36. Generally, no changes in the amount or features of the STRs between the comparative periods of March and May 2019 and those same months in 2020 were noted. In some cases, a decrease in reporting by the financial sector was remarked, but the respondents considered it was a natural consequence of the decline in the economic activity and in the volume of the executed transactions.

37. Some jurisdiction reported a decrease in number of STRs received in April 2020 compared to the April 2019. There was a downward trend continuing in May 2020. After the lockdown measures have been relaxed, a gradual increase in the reporting levels has been observed. One jurisdiction reported that amongst different sectors, the e-gaming entities had the least reporting decrease (-30%) and in all other sectors the trend was more material with a reduction by 70%.

#### **4.3 COVID-19 ML/TF risks in supervision**

38. The supervisory authorities have identified certain risks related to the COVID 19 crisis.

39. One relates to the increased use of cash, especially cash withdrawals, as a result of governmental aid, coupled with the natural inclination of the population to retain cash during the lockdown. While these are legitimate operations, the overall trend might be used by criminals as a “cover-up” for ML through cash.

40. Many supervisors have noted risks related to the rapid increase of remote customer services. There has been variable workload in some branches, shortened working hours and systematic teleworking. In these conditions, there was a concern that due to the reduced number of employees in direct contact with the clients, there may be omissions in performing the prescribed CDD actions and measures.

41. The significant numbers of staff at FIs and DNFBPs working from home increased the exposure to risk of fraud. The sophistication of fraud schemes is likely to evolve as the COVID-19 pandemic continues with the imminent threats being:

- Third party impersonation fraud (*i.e.* the risk that a third party may impersonate an individual or business to extract payments);

- First party application fraud (*i.e.* the risk that an applicant may misrepresent their circumstances to qualify for a payment or loan); and
- Increased risk of phishing and other cyber-crimes.

42. With people in lockdown there is a risk of increased online gambling on non-sports-based products such as bingo and slot machines. Whilst these products are in regular circumstances low risk for ML and TF, the increase in activity may be used by criminals to fuel on-line gambling with illicit funds for ML/TF purposes.

43. Most countries reported that due to pandemic and remote working FI and DNFBP supervisors experienced challenges in conducting on-site supervisions. Onsite controls have been postponed, the authorities favouring off-site and desk-based reviews. The supervisors' efforts have been placed in ensuring that the off-site supervisory activities are maintained and, when possible, reinforced.

44. For sensitive information, such as client file reviews, the authorities have opted to either receive client files through a secure cloud portal or other electronic means or reviewing these documents remotely *e.g.* through the shared screen facility offered by video conferencing.

45. The COVID-19 pandemic has affected the deadlines for the submission of the annual audit reports of financial entities. These were extended and the submission via electronic means were introduced.

46. Some countries reported that in order to inform obligated institutions about ML/TF threats arising due to COVID-19 supervisory authorities have published on their websites or disseminated information letters containing description of threats and related ML/TF risks. These letters include references to the reports, publications and positions published by such institutions as the European Banking Authority, the FATF, the European Securities and Markets Authority, the European Central Bank.

## **5. CHALLENGES ENCOUNTERED BY LAW ENFORCEMENT**

### **5.1 Pursuing ML/TF cases**

47. Most jurisdictions reported that LEAs have not encountered any specific difficulties in pursuing ML/TF related criminal activities during the sanitary crisis. Delays in the criminal proceedings due to the limitation on physical meetings have been kept to the minimum and most of the procedural deadlines were met. Nevertheless, certain types of examinations by law enforcement agencies in criminal investigations such as search, detentions and arrests were postponed.

48. Courts have had to delay some of the criminal trials, but this was a general trend, rather than ML/TF related. Courts in general had to adjust their ways of working and adapt to video

conferencing facilities. More serious criminal cases were suspended due to the impossibility of courts to organise hearings.

49. Jurisdictions reported that at least until the end of April 2020 due to restrictions introduced, the implementation of procedural activities requiring personal contact to the witness, hearings, searches, detentions were suspended or limited.

50. No major difficulties in providing and seeking international cooperation were reported. Following the closure of EUROPOL's offices during the COVID-19 pandemic, cooperation through liaison officers at EUROPOL was suspended. One country reported that this resulted in a risk of delays in the execution of requests to third countries, due to the staff constraints. For some investigations, current telephone and e-mail contacts were maintained. The area of MLA and extradition was partially affected.

51. In the area of judicial co-operation, some required actions had to be postponed, such as interrogations and hearings of persons insofar as they were placed in quarantine. Urgent actions were taken immediately using video conferencing facilities.

52. In the case of active judicial co-operation, delays were noticed with the delivery of applications to specific jurisdictions. However, on the basis of mutual communication, electronically received applications were commonly accepted. In addition, Eurojust's capacity was used extensively during the period to facilitate MLA.

53. The international cooperation among FIUs has not been affected and has proven to be particularly relevant on exchanging information on cross-border cases related to fraudulent offerings of medical and sanitary equipment, counterfeited products, non-delivery scams and illegal over-pricing. One jurisdiction reported receiving around 30 foreign spontaneous information requests in relation to fraud related to supply of medical equipment.

54. Domestic information exchange has been minimally disrupted as the authorities responsible for information exchange have been communicating and coordinating amongst themselves as needed. More specifically, given the restriction of movement of persons during the state of emergency and the recommendation to keep social distance, information was mainly shared through email or appropriate delivery services, so no difficulties in obtaining financial information has been experienced.

55. Some jurisdictions experienced capacity issues due to other responsibilities given to LEA such as enforcing public health measures. Following the outbreak police officers in most countries were involved in strengthening the implementation of measures to manage the course and consequences of the pandemic.

## **6. MEASURES TO MITIGATE THE COVID-19 IMPACT**

### **6.1 Economic relief**

56. In response to COVID-19 and in order to reduce the negative impact, governments around the world have put in place a significant set of relief measures for both businesses and employees as well as strengthening the social protection of population.

57. This also applies to MONEYVAL's jurisdictions which have implemented support for different sectors and employees affected by the COVID-19 crisis such as: direct payments to population, interest-free loans to support business and tax exemptions.

### **6.2 Voluntary Tax Compliance (VTC) programmes**

58. Several countries have informed on envisaging a VTC programme, but only one country associated this measure with the context of the COVID-19 crisis. The aim of this programme is to expand the economic growth and financial base of investments. No actions for actual implementation of such have been taken yet.

### **6.3 Financial inclusion**

59. Most countries acknowledged that they have not currently envisaged any additional actions as they achieved a high level of financial inclusion. The FATF encourages the use of digital identity and other responsible innovative solutions for identifying customers at onboarding and while conducting transactions<sup>1</sup>.

60. However, some countries have introduced measures to increase the level of financial inclusion in order to provide assistance to citizens who are less protected against the impact of COVID-19. The key support tool for such people was direct payments. For this purpose, new bank accounts were opened, in order to process the financial assistance. Banks are opening such accounts remotely applying some flexibility to certain CDD measures. Application of simplified due diligence measures for such accounts created specifically to facilitate government payments to individuals or businesses has increased financial inclusion.

61. One country noted that all recipients of pensions and recipients of social assistance are automatically registered to receive financial assistance, and if the recipient of pensions or financial social assistance does not have a payment account, a temporary account would be opened for that purpose in a bank.

### **6.4 Outreach**

62. Most countries published the FATF paper "*COVID-19-related Money Laundering and Terrorist Financing Risks and Policy Responses*". A significant number of countries informed

---

<sup>1</sup> See the recent FATF Digital ID Guidance (FATF, 2020[23]) that highlights that non-face-to-face onboarding and transactions conducted using trustworthy digital ID are not necessarily high-risk and can be standard or even lower-risk.

their stakeholders and reporting entities on emerging threats and trends, including possible misuse and abuse of relief measures by granted by governments.

63. Few countries developed and subsequently communicated risk-indicators to reporting entities. The risk-indicators were prepared by the FIUs taking into account the STRs received from the reporting entities and containing information about new risks, as well as information contained in the document prepared by the FATF “*COVID-19-related Money Laundering and Terrorist Financing Risks and Policy Responses*”. Reporting entities were encouraged to use these risks to review their institutional risk assessment and apply the relevant mitigating measures.

64. In this manner the obliged entities were asked to pay attention to challenges directly arising from the sanitary crisis, to adopt policy responses to new ML/TF threats and vulnerabilities, and to fully apply a risk-based approach within the CDD process.

## 7. RECOMMENDATIONS

65. This part of the report sets out a range of recommendations that jurisdictions might consider taking on board in response to the emerging risks.

66. **Compliance with the FATF Standards.** It is important to enhance vigilance in the light of the COVID-19 crisis. Countries are strongly encouraged to continue to fully apply the FATF Standards. Any exemptions or simplified measures to expedite processing of payments and boost economy should be properly justified and supported by a risk analysis.

67. **Guidance and outreach the private sector.** Jurisdictions should continue providing assistance to the private sector by communicating relevant information on risk situations and areas of higher focus. This outreach should extend to all types of reporting entities and not only credit institutions. MONEYVAL countries and jurisdictions are encouraged to communicate this Information Paper together with the FATF paper on “*COVID-19-related ML and TF Risk and Policy Responses*” to their stakeholders and private sectors.

68. **Risk based approach.** Supervisors should ensure that the private sector adjusts their risk-based matrixes to place sufficient emphasis on emerging risks and trends, such as new clients accepted during the lockdown, or remote operations. Law enforcement should place sufficient focus on investigating frauds and cybercrimes committed during the pandemic crisis. Border police and customs authorities should pay special attention to the cross-border movement of cash which might be related to “late demand” to move illicit funds. The authorities should closely monitor the situation of public procurement, to detect possible cases of abuse and corruption, especially where public procurement controls have been relaxed.

69. **Supervision.** Supervisors should find creative ways to use new technologies (e.g. videoconferencing, exchanging documents via secure clouds) to overcome the constraints posed by the limitation of the physical movement of individuals for purposes of supervisory action.

Placing more resources into the off-site monitoring when the on-site controls are not possible appears a good solution when meetings are not allowed. Supervisors should ensure targeted communication with supervised entities to assist them with minimizing risks arising from COVID-19.

70. **International cooperation.** As was highlighted by several countries, criminals are actively using foreign legal persons to commit fraud offences. Jurisdictions should ensure that they are able to provide all relevant information about legal persons to the fullest extent possible to their foreign counterparts. More attention should be given to provision of accurate BO information and transparency of legal persons.

71. **Domestic cooperation.** Domestic cooperation between FIUs and LEAs and other competent authorities needs to be enhanced to share information both on operational cases and on typologies and emerging trends.

72. **Continuation of monitoring of the COVID-19 crisis impact.** Several jurisdictions noted that it is pre-mature to come to proper conclusions and findings as the situation in countries is still evolving. Jurisdictions are called upon to continue monitoring the impact of the COVID-19 crisis on national AML/CFT systems in order, where appropriate and necessary, to take measures to manage and mitigate the ML/TF risks.

All rights reserved. Reproduction is authorised, provided the source is acknowledged, save where otherwise stated. For any use for commercial purposes, no part of this publication may be translated, reproduced or transmitted, in any form or by any means, electronic (CD-Rom, Internet, etc.) or mechanical, including photocopying, recording or any information storage or retrieval system without prior permission in writing from the MONEYVAL Secretariat, Directorate General of Human Rights and Rule of Law, Council of Europe (F-67075 Strasbourg or [moneyval@coe.int](mailto:moneyval@coe.int)).

© MONEYVAL

[www.coe.int/MONEYVAL](http://www.coe.int/MONEYVAL)