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The
G20 Research Group
at Trinity College at the Munk School of Global Affairs in the University of Toronto
presents the

2015 G20 Antalya Summit Final Compliance Report

16 November 2015 to 3 September 2016

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“The University of Toronto ... produced a detailed analysis to the extent of which each G20 country has met its commitments since the last summit ... I think this is important; we come to these summits, we make these commitments, we say we are going to do these things and it is important that there is an organisation that checks up on who has done what.”

— *David Cameron, Prime Minister, United Kingdom, at the 2012 Los Cabos Summit*

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Preface

Since the G20 leaders met at their first summit in 2008 in Washington, the G20 Research Group at the University of Toronto and the Center for International Institutions Research of the Russian Presidential Academy of National Economy and Public Administration (RANEPA), formerly with the International Organizations Research Institute at the National Research University Higher School of Economics (HSE), in Moscow have produced reports on their progress in implementing the priority commitments made at each summit. These reports monitor each G20 member's efforts to implement a carefully chosen selection of the many commitments produced at each summit. The reports are offered to the general public and to policy makers, academics, civil society, the media and interested citizens around the world in an effort to make the work of the G20 more transparent, accessible and effective, and to provide scientific data to enable the meaningful analysis of the causes of compliance and the impact of this important informal international institution. Previous reports are available at the G20 Information Centre at <http://www.g20.utoronto.ca/analysis>.

The G20 Research Group has been working with Marina Larionova's team at RANEPA and previously at HSE since initiating this G20 compliance research in 2009, after the Washington Summit in November 2008. The initial report, covering only one commitment made at that summit, tested the compliance methodology developed by the G8 Research Group and adapted it to the G20.

To make its assessments, the G20 Research Group relies on publicly available information, documentation and media reports. To ensure accuracy, comprehensiveness and integrity, we encourage comments from stakeholders. Indeed, scores can be recalibrated if new material becomes available. All feedback remains anonymous. Responsibility for the contents of this report lies exclusively with the authors and analysts of the G20 Research Group. Due to extenuating circumstances, stakeholders had limited time to submit feedback. This report reflects feedback submitted as of 5 September 2016. It includes seven commitments that could not be distributed for stakeholder feedback.

The interim report, published in July 2016, assessed performance by G20 members with 10 priority commitments among the total of 113 commitments made at the 2015 Antalya Summit, held on 15-16 November 2015. It covered the first part of China's G20 presidency up to 5 April 2016.

This final report assesses performance by G20 members on those same 10 commitments plus the seven that did not receive stakeholder feedback, for a total of 17.

I am most grateful to Sarah Scott and our G20 Research Group team, as well as Marina Larionova, Mark Rakhmangulov and their team in Moscow at RANEPA.

Professor John Kirton
Co-director, G20 Research Group

11. Terrorism: Information Exchange

Note: This commitment has not been sent out for stakeholder feedback.

We also remain committed to tackling the financing channels of terrorism, particularly by enhanced cooperation on exchange of information.

G20 Statement on the Fight Against Terrorism

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina			+1
Australia		0	
Brazil		0	
Canada		0	
China			+1
France			+1
Germany			+1
India			+1
Indonesia		0	
Italy			+1
Japan		0	
Korea			+1
Mexico			+1
Russia			+1
Saudi Arabia			+1
South Africa		0	
Turkey		0	
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.65	

Commitment Features

This commitment can be divided into two parts: the first part requires cooperation on exchange of information on terrorist financing. The second part requires other measures to tackle the financing channels of terrorism including “freezing of terrorist assets, criminalization of terrorist financing and robust targeted financial sanctions regimes related to terrorism and terrorist financing.”

G20 members also committed to swift implementation of Financial Action Task Force (FATF) standards in all jurisdictions. They called on the FATF to identify measures, including those pertaining to legal framework, to strengthen the combatting of terrorist financing and targeted financial sanctions and the implementation thereof.

Scoring Guidelines

-1	Member takes no actions to tackle the financing channels of terrorism
0	Member takes actions to tackle the financing channels of terrorism through cooperation on exchange of information on terrorist financing OR other relevant measures
+1	Member takes actions to tackle the financing channels of terrorism through cooperation on exchange of information on terrorist financing AND other relevant measures

Argentina: +1

Argentina has fully complied with the commitment to tackle the financing channels of terrorism.

On 16 February 2016, Argentinian government launched new plan to combat money laundering and cut the channels of terrorist financing. The coordination of the project will be conducted to the Ministry of Justice. Official goal of the plan is to make the combat against terrorist financing more systemic.²⁴²⁴

On 17 February 2016, Argentina's Ministry of Justice and Human Rights (MJDH) announced the creation of a new counter-terrorism financing (CTF) and anti-money laundering (AML) program to help monitor CTF/AML policy implementation, as well as strengthening and coordinating national, provincial, and municipal CTF/AML efforts.

As of March 2016 Argentina has revised its Anti-terrorism Law to broaden the definition of terrorism and increased monetary fines and prison sentences for crimes associated with terrorist financing. The Argentine Financial Intelligence Unit can freeze assets that are associated with terrorist financing. Additionally, Argentina has criminalized the financing of terrorist organizations, individuals and acts. The FATF has explicitly stated that is satisfied with Argentina's progress in implementing its CTF/AML instruments.

On 21 March 2016, Jennifer Shasky Calvery, Director of the Financial Crimes Enforcement Network (FinCEN) signed a memorandum of understanding (MOU) with her Argentine counterpart, Mr. Mariano Federici, President of the Unidad de Informacion Financiera (UIF) of Ms. Calvery and Mr. Federici are leaders of their countries Financial Intelligence Units (FIUs), which are charged with collecting, analyzing, and sharing reports and information gained from their countries financial institutions to combat money laundering, terrorist finance, and organized crime. Information sharing between FinCEN and the UIF was previously suspended after an unauthorized disclosure of information received by the UIF from FinCEN. The MOU is a first step in reestablishing information sharing between the two FIUs.²⁴²⁵

Argentina has taken actions to tackle the financing channels of terrorism through other relevant measures as well as through exchange of information during the compliance period.

Thus, Argentina has been awarded a score of +1.

Analysts: Dariya Zhdanova and Irina Popova

Australia: 0

Australia has partially complied with the commitment to tackle the financing channels of terrorism.

The 2015 Country Reports on Terrorism produced by the US. Department of State noted that Australia was conducting investigation into 536 suspected terrorism financing cases.²⁴²⁶

On 16-18 November 2015, Australia and Indonesia co-chaired the first Southeast Asian Counter-Terrorism Financing Summit in which terrorist financing was the main issue discussed.²⁴²⁷ During

²⁴²⁴ Macri cambia la UIF y crea un plan para luchar contra el lavado y la financiación del terrorismo, La Nacion 16 February 2016. Date of access: 1.09.2016. <http://www.lanacion.com.ar/1871758-macri-cambia-la-uif-y-crea-un-plan-para-luchar-contra-el-lavado-y-la-financiacion-del-terrorismo>

²⁴²⁵ U.S. and Argentine Financial Intelligence Units Restore Cooperation to Fight Terrorism and Organized Crime, United States Department of the Treasury 21 March 2016. Date of access: 1.09.2016. https://www.fincen.gov/news_room/nr/html/20160321.html

²⁴²⁶ Country Reports of Terrorism, Chapter 2: East Asia and Pacific Overview, US State of Department, 2015. Access Date: 1 Aug 2016. <http://www.state.gov/j/ct/rls/crt/2015/257515.htm#>

²⁴²⁷ Opening address: Joint Australia-Indonesia Counter-Terrorism Financing Summit, Minister for Justice, 17 November 2015. Access Date: 2 Aug 2016. <https://www.ministerjustice.gov.au/Speeches/Pages/2015/FourthQuarter/17-November-2015-Opening-address-Joint-Australia-Indonesia-Counter-Terrorism-Financing-Summit.aspx>

the Summit, Australia recognized that disrupting terrorist financing was a vital part of counter-terrorism efforts and noted that the Government of Australia had recently provided AUSTRAC, Australia's primary source of financial intelligence, with an additional AUD20 million to strengthen the detection and disruption of terrorism financing. The financial package was part the larger AUD630 million countering terrorism package.²⁴²⁸

Australia has taken actions to tackle the financing channels of terrorism through relevant measures however not by information exchange.

Thus, Australia has been awarded a score of 0.

Analyst: Anastasiya Baum

Brazil: 0

Brazil has partially complied with the commitment to tackle the financing channels of terrorism.

On 25 February 2016, the House of Representatives of Brazil approved a bill that criminalizes terrorism in Brazil.²⁴²⁹ On 16 March 2016 the law entered into force and introduced equal sentences for some activities of money laundering and terrorism.²⁴³⁰

On 22–24 June 2016, during the Plenary meeting of the Financial Action Task Force (FATF) in Busan, it was announced that since February 2016, Brazil had taken significant steps towards improving its Counter-Financing of Terrorism (CFT) regime by enacting a law on the criminalization of terrorist financing.²⁴³¹

Brazil has taken actions to tackle the financing channels of terrorism through relevant measures but there was no evidence of actions on tackling the financing channels of terrorism through exchange of information.

Thus, Brazil has been awarded a score of 0.

Analyst: Irina Popova

Canada: 0

Canada has partially complied with its commitment to tackle the financing channels of terrorism through other relevant measures.”

On 1 April 2015, the Government of Canada made amendments to the Immigration and Refugee Protection Regulations in order to “enable Canada to adopt a strengthened methodology in order to better identify high-risk travelers, such as persons known to be foreign fighters, and prevent them from travelling to Canada before they board a flight.”²⁴³² This was an addition to the existing

²⁴²⁸ Opening address: Joint Australia-Indonesia Counter-Terrorism Financing Summit, Minister for Justice, 17 November 2015. Access Date: 2 Aug 2016. <https://www.ministerjustice.gov.au/Speeches/Pages/2015/FourthQuarter/17-November-2015-Opening-address-Joint-Australia-Indonesia-Counter-Terrorism-Financing-Summit.aspx>

²⁴²⁹ Sob pressão internacional, Câmara aprova lei que tipifica o terrorismo, El País 25 February 2016. Date of access: 13 July 2016. http://brasil.elpais.com/brasil/2016/02/24/politica/1456351659_569702.html

²⁴³⁰ Lavagem de dinheiro para financiar terrorismo terá penas mais drásticas, Estadão, Portal of San Paulo State 27 March 2016. Date of access: 13 July. <http://politica.estadao.com.br/blogs/fausto-macedo/lavagem-de-dinheiro-para-financiar-terrorismo-tera-penas-mais-drasticas/>

²⁴³¹ Outcomes of the Plenary meeting of the FATF, Busan Korea, 22–24 June 2016, FATF. Date of access: 13 July 2016. <http://www.fatf-gafi.org/publications/fatfgeneral/documents/plenary-outcomes-june-2016.html>

²⁴³² Regulations Amending the Immigration and Refugee Protection Regulations, Canada Gazette (Ottawa) 1 April 2015. Access Date: 16 February 2016. <http://canadagazette.gc.ca/rp-pr/p2/2015/2015-04-22/html/sor-dors77-eng.php>

AML/TF regime in Canada which continuously checks on suspicious financial transactions which could potentially be used to fund the travel of foreign fighters.²⁴³³

On 26 April 2016, Prime Minister Justin Trudeau upheld Canada's no-ransom policy, in efforts to facilitate the release of Canadian hostages from capture by terrorists. Trudeau stated that "Canada does not and will not pay ransom to terrorists, directly or indirectly," arguing that "ransom payment simply serve to fund terrorism and criminal activity..."²⁴³⁴ Prime Minister Trudeau and British Prime Minister David Cameron has both agreed to work together to discourage allies from paying ransoms to terrorists.²⁴³⁵

Canada has not taken actions to tackle the financing channels of terrorism through cooperation on exchange of information on terrorist financing. However, it has taken other relevant measures.

Thus, Canada has been awarded a score of 0.

Analyst: Dariya Gruzdeva

China: +1

China has fully complied with the commitment to tackle the financing channels of terrorism.

On 12 December 2015, China's central bank urged the US to work with China to combat terrorist financing. China and the US discussed combating terrorist financing, national risk assessments for money laundering and a Sino-US anti-money laundering pact.²⁴³⁶

On 15 December 2015, a memorandum of understanding (MOU) on money laundering and countering terrorist financing was signed between the China Anti-Money Laundering Monitoring and Analysis Center (CAMLMAC) and the US Financial Crimes Enforcement Network (FinCEN) at a meeting in the US.²⁴³⁷

On 27 December 2015, Counter-Terrorism Law of the People's Republic of China was passed by the 18th Session of the Standing Committee of the 12th National People's Congress. It regulates financing of terrorism among other issues.²⁴³⁸

On 7 June 2016, China and the US decided to expand cooperation to counter terrorist financing through the implementation of UN Secretary Council Resolution (UNSCR) 2199 and 2253, and stem the trans-border flow of foreign terrorist fighters, including through enhanced information

²⁴³³ Guideline 2: Suspicious Transaction, Financial Transactions and Reports Analysis Centre of Canada (Ottawa) December 2010. Access Date: 16 March 2016. <http://www.fintrac.gc.ca/publications/guide/guide2/2-eng.asp>

²⁴³⁴ Britain and Canada to urge other nations halt ransom payments to terrorists, The Guardian (Toronto). 27 April 2016. Access Date: 21 July 2016. <https://www.theguardian.com/world/2016/apr/26/britain-canada-halt-ransom-payments-terrorists-john-ridsdell-killing>

²⁴³⁵ Trudeau rules out ransom for hostages as rescue mission explored, The Globe and Mail (Kananaskis and Ottawa). 26 April 2016. Access Date: 21 July 2016. <http://www.theglobeandmail.com/news/politics/canada-does-not-and-will-not-pay-ransom-to-terrorists-trudeau/article29761342/>

²⁴³⁶ China urges U.S. cooperation to battle terrorism financing, Reuters 15 December 2016. Date of access: 16 August 2016. <http://www.reuters.com/article/uk-china-usa-terrorism-idUSKBN0TY1GT20151215>

²⁴³⁷ China, US sign MOU on money laundering and terrorism, The State Council of the People's Republic Of China 16 December 2016. Date of access: 16 August 2016.

http://english.gov.cn/news/international_exchanges/2015/12/16/content_281475254969094.htm

²⁴³⁸ Counter-Terrorism Law of the People's Republic of China, China Law Translate. Date of access: 16 August 2016. <http://chinalawtranslate.com/%E5%8F%8D%E6%81%90%E6%80%96%E4%B8%BB%E4%B9%89%E6%B3%95-%EF%BC%82015%E6%89/?lang=en>

sharing, implementation of UNSCR 2178, and cooperation on aviation security. The third round of the Counterterrorism Dialogue is planned for later this year in Washington, D.C.²⁴³⁹

On 13 June 2016, Secretary-General of the Central Commission on Political and Legal Affairs (CCPLA) Wang Yongqing and the UK National Security Adviser Mark Lyall Grant co-chaired the first China-UK High Level Security Dialogue. During this meeting they discussed issues of counter-terrorism and combating terrorism financing.²⁴⁴⁰

China has taken actions to tackle the financing channels of terrorism through cooperation on exchange of information on terrorist financing and other relevant measures.

Thus, China has been awarded a score of +1.

Analyst: Irina Popova

France: +1

France has fully complied with its commitment to tackle the financing channels of terrorism through cooperation on exchange of information on terrorist financing and other relevant measures.

On 8 December 2015, EU finance ministers broadly agreed to a French-led initiative to better track and freeze terrorist funding across the bloc.²⁴⁴¹ The bloc had already agreed to toughen existing anti-money-laundering rules earlier this year, but governments had until 2017 to implement those rules.²⁴⁴² The French government wants a swifter application of those measures, plus more intelligence sharing and wider-ranging tracking measures.²⁴⁴³ French Finance Minister Michel Sapin said there was broad agreement on the measures he circulated in a 13-page discussion paper.²⁴⁴⁴

On 17 December 2015, France welcomed the unanimous adoption by the Security Council of resolution 2253. This resolution makes it possible to impose sanctions against Daesh terrorists, as was already the case for members of Al Qaeda.

On 28 December 2015, Terrorist Financing FATF Report to the G20 Leaders was released.²⁴⁴⁵ The report stated that since 2010, France had the fifth greatest number of convictions for terrorist financing among the top ten jurisdictions.²⁴⁴⁶ The report also stated that France had applied targeted financial sanctions on their own motion on 79 'designated individuals and entities' up to 15 August

²⁴³⁹ U.S.-China Strategic & Economic Dialogue Outcomes of the Strategic Track, U.S. Department of State 7 June 2016. Date of access: 16 August 2016. <http://www.state.gov/r/pa/prs/ps/2016/06/258146.htm>

²⁴⁴⁰ China-UK High Level Security Dialogue: Communique, Government of the United Kingdom 13 June 2016. Date of access: 16 August 2016. <https://www.gov.uk/government/publications/china-uk-high-level-security-dialogue-official-statement/china-uk-high-level-security-dialogue-communique>

²⁴⁴¹ EU Sees Broad Agreement on Fighting Terrorist Financing, The Wall Street Journal 8 December 2015. Access Date: 29 March 2016. <http://www.wsj.com/articles/france-presses-on-terrorist-financing-1449577369>

²⁴⁴² EU Sees Broad Agreement on Fighting Terrorist Financing, The Wall Street Journal 8 December 2015. Access Date: 29 March 2016. <http://www.wsj.com/articles/france-presses-on-terrorist-financing-1449577369>

²⁴⁴³ EU Sees Broad Agreement on Fighting Terrorist Financing, The Wall Street Journal 8 December 2015. Access Date: 29 March 2016. <http://www.wsj.com/articles/france-presses-on-terrorist-financing-1449577369>

²⁴⁴⁴ EU Sees Broad Agreement on Fighting Terrorist Financing, The Wall Street Journal 8 December 2015. Access Date: 29 March 2016. <http://www.wsj.com/articles/france-presses-on-terrorist-financing-1449577369>

²⁴⁴⁵ Terrorist Financing FATF Report to the G20 Leaders, FATF 28 December 2015. Access Date 29 March 2016. <http://g20.org/English/Documents/PastPresidency/201512/P020151228375596818045.pdf>

²⁴⁴⁶ Terrorist Financing FATF Report to the G20 Leaders, FATF 28 December 2015. Access Date 29 March 2016. <http://g20.org/English/Documents/PastPresidency/201512/P020151228375596818045.pdf>

2015 equaling EUR231,888.²⁴⁴⁷ Amounts frozen includes funds subsequently un-frozen or confiscated, as well as funds frozen currently.²⁴⁴⁸

On 25 May 2016 French Parliament adopted an anti-terrorism legislation to combat terrorism. The Senate voted for the text previously negotiated with the National Assembly. The reform should give investigators more powers to take action against terrorists and organized crime²⁴⁴⁹

France has taken actions to tackle the financing channels of terrorism through cooperation on exchange of information on terrorist financing and other relevant measures.

Thus, France has been awarded a score of +1.

Analyst: Anastasiya Polovko

Germany: +1

Germany has fully complied with the commitment tackle the financing channels of terrorism.

On 9 February 2016, the 48th Franco-German Financial and Economic Council took place in Paris. France and Germany welcomed the Action plan proposed by the European Commission to strengthen the fight against terrorist financing in concrete and operational measures at the European level. In particular, they welcomed the Commission's willingness to improve the 4th directive on Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) to align the rules governing Financial Intelligence Units with the latest international standards, to step up the regulation of payment instruments outside the banking sector, and to create in each Member State a centralized bank account register. France and Germany also welcomed the Commission proposal to tackle new forms of alternative terrorist financing such as the trafficking in cultural goods.²⁴⁵⁰

On 1 June 2016, the German government adopted the draft law on a better exchange of information in the fight against international terrorism presented by the Federal Ministry of the Interior. Key regulations include specific legal bases for common files that can be set up and operated by the Federal Office for the Protection of the Constitution (BfV) in association with important foreign intelligence services to clear up particularly dangerous transnational networks.²⁴⁵¹

Germany has taken actions to both tackle the financing channels of terrorism through cooperation on exchange of information on terrorist financing and other relevant measures.

Thus, Germany has been awarded a score of +1.

Analyst: Anastasiya Kozina

²⁴⁴⁷ Terrorist Financing FATF Report to the G20 Leaders, FATF 28 December 2015. Access Date 29 March 2016. <http://g20.org/English/Documents/PastPresidency/201512/P020151228375596818045.pdf>

²⁴⁴⁸ Terrorist Financing FATF Report to the G20 Leaders, FATF 28 December 2015. Access Date 29 March 2016. <http://g20.org/English/Documents/PastPresidency/201512/P020151228375596818045.pdf>

²⁴⁴⁹ The fight against terrorism – France Parliament adopts anti-terrorism legislation, Archy World News 25.05.2016. Date of access: 24.06.2016. <http://archyworldnews.com/the-fight-against-terrorism-france-parliament-adopts-anti-terrorism-legislation/>

²⁴⁵⁰ 48th Franco-German Financial and Economic Council, Federal Ministry of Finance 9 February 2016. Date of access: 21 July 2016. <http://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Europe/Articles/2016-02-09-48th-franco-german-financial-and-economic-council.html#doc85096bodyText2>

²⁴⁵¹ Entwurf eines Gesetzes zum besseren Informationsaustausch bei der Bekämpfung des internationalen Terrorismus. – s.15. Bundesrat Date of access: 21 July 2016. <http://dip21.bundestag.de/dip21/btd/18/087/1808702.pdf>

India: +1

India has fully complied with the commitment to tackle the financing channels of terrorism.

On 22 November 2015, at the ASEAN summit in Malaysia, Prime Minister of India Narendra Modi attracted attention to the need to tackle the financial channels of terrorism at all major forums. He said that terrorism is no longer a “peripheral problem” for the region as its long shadow stretches across the world and called for new strategies to combat the menace.²⁴⁵²

On 26 January 2016, Indian government agencies launched a National Risk Assessment (NRA) exercise “to identify the sectors that are susceptible to money laundering and terror funding, and plug the loopholes.”²⁴⁵³ The NRA exercise will take a year, involving the collection of data on “sectors that are prone to money laundering in high, medium, and lower categories at the national level.”²⁴⁵⁴ India will prepare an action plan based on that level of risk. However, as of March 2016 India has not implemented legislation regarding the criminalization of terrorist financing and money laundering.²⁴⁵⁵

On 5 June 2016, Financial Intelligence Unit — India (FIU-IND) and the Qatar Financial Information Unit (QFIU) signed the Memorandum of Understanding, concerning cooperation in the exchange of intelligence related to money laundering, terrorism-financing and related crimes. The MoU facilitates exchange of intelligence related to money laundering, terrorism-financing and related crimes and persons connected thereto.²⁴⁵⁶

India has taken actions to tackle the financing channels of terrorism through cooperation on exchange of information on terrorist financing as well as taken relevant measures on tackling the financing channels of terrorism.

Thus, India has been awarded a score of +1.

Analyst: Pavel Grebenyuk

Indonesia: 0

Indonesia has partially complied with the commitment to tackle the financing channels of terrorism.

On 16-17 November 2015, the Fifth Meeting of Customs-to-Customs Talks Between Directorate General of Customs and Excise of Indonesia and the Australian Border Force took place in Jakarta. The parties discussed, inter alia, mutual efforts to expand intelligence and reputable traders data

²⁴⁵² PM Modi at ASEAN Summit: Need global resolve, strategies to combat terrorism, The Indian Express 22 November 2015. Date of access: 21 July 2016. <http://indianexpress.com/article/india/india-news-india/pm-modi-at-asean-need-global-resolve-strategies-to-combat-terrorism/>

²⁴⁵³ Operation begins to curb money laundering, terrorist funding, The Hindu (New Delhi) January 2016. Access Date: 23 February 2016. <http://www.thehindu.com/news/national/operation-begins-to-curb-money-laundering-terror-funding/article8152688.ece>

²⁴⁵⁴ Operation begins to curb money laundering, terrorist funding, The Hindu (New Delhi) January 2016. Access Date: 23 February 2016. <http://www.thehindu.com/news/national/operation-begins-to-curb-money-laundering-terror-funding/article8152688.ece>

²⁴⁵⁵ Country Reports on Terrorism 2014, U.S. Department of State. Access Date: Operation begins to curb money laundering, terrorist funding, The Hindu (New Delhi) January 2016. Access Date: 23 February 2016. <http://www.thehindu.com/news/national/operation-begins-to-curb-money-laundering-terror-funding/article8152688.ece> 9 March 2016. <http://www.state.gov/j/ct/rls/crt/2014/239408.htm>

²⁴⁵⁶ List of MOUs/Agreements signed during the visit of Prime Minister to Qatar, 5 June 2016. Date of access: 21 July 2016. http://www.mea.gov.in/bilateral-documents.htm?dtl/26869/List_of_MOUsAgreements_signed_during_the_visit_of_Prime_Minister_to_Qatar_June_05_2016

including information on marine vessels traffic, illegal goods, dangerous goods, especially the ones relating to terrorism.²⁴⁵⁷

On 21 December 2015, Indonesia and Australia issued a Joint Communiqué of the Third Australia-Indonesia Foreign and Defence Ministers 2+2 Dialogue, with special attention given to the matters of Counter terrorism and cyber security cooperation. The Ministers welcomed the Sydney Communiqué of the Counter Terrorism Financing Summit that was co-hosted by Australia and Indonesia in November 2015, specifically noting “the strategic value of close cooperation between Australia, Indonesia and regional partners to identify and disrupt the flow of money used by terrorists and criminals”.²⁴⁵⁸

Indonesia has acted to tackle the financing channels of terrorism through cooperation on exchange of information. However, it has not tackled terrorist financing through other relevant measures.

Thus, Indonesia has been awarded a score of 0.

Analyst: Andrei Sakharov

Italy: +1

Italy has fully complied with the commitment to tackle the financing channels of terrorism.

On 10 February 2016, the FATF published the assessment of Italy’s anti-money laundering and counter-terrorist financing (AML/CFT) system, based on the 2012 FATF Recommendations, and using the 2013 Methodology. The assessment is a comprehensive review of the effectiveness of Italy’s AML/CFT system and its level of compliance with the FATF Recommendations. Italy was reported to have a strong legal and institutional framework to fight money laundering and terrorist financing. Authorities have a good understanding of the money laundering and terrorist financing risks the country faces. There is generally good policy cooperation, coordination, and financial intelligence gathering and use. The authorities are able to successfully undertake large and complex money laundering and terrorist financing investigations and prosecutions, and beneficial ownership information is generally accessible to authorities.²⁴⁵⁹

On 7 April 2016, Italy held the fourth Counter-Islamic State of Iraq and Levant Finance Group meeting. It “focused on the significant made in disrupting ISIL’s finances and brainstormed how they can take the “next steps in developing and implementing specific countermeasures to disrupt cross border illicit financial flows, ISIL’s financial support to affiliates, oil and resource exploitation, and looting of antiquities.”²⁴⁶⁰

Italy has taken actions to tackle the financing channels of terrorism through cooperation on exchange of information on terrorist financing and other relevant measures.

Thus, Italy has been awarded a score of +1.

Analyst: Irina Popova

²⁴⁵⁷ Strengthening Partnership, Indonesia-Australia Customs Holds 15th Annual Meeting, Indonesian Finance Ministry. Date of Access: 10 May 2016. <http://www.kemenkeu.go.id/en/Berita/strengthening-partnership-indonesia-australia-customs-holds-15th-annual-meeting>.

²⁴⁵⁸ Joint Communiqué - Third Australia-Indonesia Foreign and Defence Ministers 2+2 Dialogue, Australian Minister of Foreign Affairs. Date of Access: 10 May 2016. http://foreignminister.gov.au/releases/Pages/2015/jb_mr_151221.aspx.

²⁴⁵⁹ <http://www.fatf-gafi.org/countries/d-i/italy/documents/mer-italy-2016.html>

²⁴⁶⁰ United States, Italy, and the Kingdom of Saudi Arabia Hold Fourth Plenary of the Counter-ISIL Finance Group in Rome, US Department of the Treasury (Washington) 11 April 2016. Date of Access: 22 July 2016. <https://www.treasury.gov/press-center/press-releases/Pages/jl0416.aspx>.

Japan: 0

Japan has partially complied with the commitment to tackle the financing channels of terrorism.

In November 2015, the National Police Agency jointly held with the Financial Services Agency, the “Suspicious Transaction Reporting Workshop” for financial institutions 14 times, at a total of 12 places around the country, where they gave feedback learned from case studies of actual investigations involving STR information and advice with regard to key points in performing the reporting work and explained the overview of the amendment of the Act on Prevention of Transfer of Criminal Proceeds in 2014.²⁴⁶¹

On 8 December 2015, Japan launched its counter terrorism unit (CTU-J). The CTU-J consists of 20 officials from various government bodies including Foreign Ministry, Defense Ministry and the National Police Agency. Its representatives will be sent to areas with high levels of terrorist activity, including Southeast Asia, the Middle East, and northwestern Africa.²⁴⁶²

On 25 May 2016, the cryptocurrency bill was passed at the plenary session of the House of Councilors. This Law shall enter into force within a year after its official publication. Under the new cryptocurrency law, every cryptocurrency exchanges must go through registration processes. Due to this new law, Financial Services Agency can act as competent authorities delegating rights to order business improvements or termination of cryptocurrency exchange. This law will allow to correct of Anti-Money Laundering/Counter-Terrorist Financing (AML/CFT) deficiencies and weaknesses.²⁴⁶³

Japan has taken actions to tackle the financing channels of terrorism through other relevant measures, however not through cooperation on exchange of information on terrorist financing.

Thus, Japan has been awarded a score of 0.

Analyst: Pavel Grebenyuk

Korea: +1

Korea has fully complied with the commitment to tackle the financing channels of terrorism.

Since 1 July 2015, Korea has been chairing the FATF. Chairman of the Financial Services Commission (FSC) of Korea Je-Yoon Shin assumed the position of President of FATF on 1 July 2015.²⁴⁶⁴

Under its Presidency the Korean Government offered to host the FATF Training and Research Institute (TREIN) Busan. The institute will contribute to the work of the global AML/CFT network by providing training on the FATF standards and other related areas to national authorities and by undertaking research on AML/CFT issues.²⁴⁶⁵

On 17 December 2015, FATF President Je-Yoon Shin spoke on the FATF activities to prevent terrorist financing at the Special Session of the United Nations Security Council meeting of Finance Ministers in New York. He said that FATF convened a meeting of operational experts from Financial Intelligence Units, Law Enforcement, and Security and Intelligence Agencies. They explained how

²⁴⁶¹ http://www.npa.go.jp/sosikihanzai/jafic/en/nenzihokoku_e/data/jafic_2015e.pdf

²⁴⁶² Japan brings forward launch of anti-terror intelligence unit for overseas ops, Russia Today. 4 December 2015.

Access Date: 26 February 2016. <https://www.rt.com/news/324779-japan-anti-terrorism-unit/>

²⁴⁶³ Everything about Japan Passing Bill to Regulate Bitcoin and Cryptocurrency Exchanges, Coincheck website 25 May 2016. Date of access: 21 July 2016. <https://coincheck.com/en/blog/1134>

²⁴⁶⁴ <http://www.fatf-gafi.org/about/fatfpresidency/>

²⁴⁶⁵ <http://www.fatf-gafi.org/countries/d-i/italy/documents/outcomes-plenary-october-2015.html>

financial intelligence from the private sector has helped track down the terrorists behind recent attacks and therefore prevented further attacks. “Our most important conclusion is that there is a need for better, more timely, information sharing: between agencies within jurisdictions; between jurisdictions; and with the private sector.” He announced that FATF would gather information from FATF members on the terrorist financing risks they face, the challenges of sharing financial intelligence, and how they are responding to those challenges.²⁴⁶⁶

On 21 February 2016, the Financial Services Commission (FSC) said that the Korean delegation to the Financial Action Task Force (FATF) had successfully contributed to the creation of a consolidated strategy on combating terrorist financing, which was adopted by the FATF Plenary on Paris on 19 February 2016.²⁴⁶⁷

On 2 March 2016, was announced that lawmakers of South Korea endorsed an anti-terror law. According to this law “Supporting terrorists — those who hide information or provide financial support to terrorism — face a maximum 10-year prison sentence or a fine of 100 million won (\$82,000).”²⁴⁶⁸

Korea has taken actions to tackle the financing channels of terrorism through cooperation on exchange of information on terrorist financing and other relevant measures.

Thus, Korea has been awarded a score of +1.

Analyst: Ekaterina Muravyeva

Mexico: +1

Mexico has fully complied with the commitment to tackle the financing channels of terrorism.

On 25 November 2015, Mexico and Panama signed a Memorandum of Understanding on the Group of High Level Security (GANSEG) aimed at deepening the bilateral cooperation. The work within the GANSEG will be organized in six subgroups on public safety; intelligence, international security and terrorism; legal cooperation and law justice; crime prevention; customs and migration. According to Miguel Angel Osorio Chong, Secretary of the Interior of Mexico, the country is committed to boost regional efforts in combating crime and assist the Central American countries in their activities to strengthen the relevant national institutions. Both agencies committed to address common threats such as international crime and terrorism.²⁴⁶⁹

On 18 July 2016, the President of Mexico Enrique Peña Nieto approved the laws of Mexico’s National Anti-Corruption System.²⁴⁷⁰ This clause requires all individuals and companies that receive

²⁴⁶⁶ <http://www.fatf-gafi.org/publications/fatfgeneral/documents/importance-urgent-action-to-implement-fatf-standards-counter-terrorist-financing.html>

²⁴⁶⁷ Korea contributes into setting up strategies against terrorist financing, The Korea Times 21.02.2016. Date of Access: 07.07.2016. http://koreatimes.co.kr/www/news/biz/2016/02/602_198678.html

²⁴⁶⁸ South Korea passes anti-terror law after nine-day filibuster, The ZDNet 02.05.2016. Date of Access: 07.07.2016. <http://www.zdnet.com/article/south-korea-passe-s-anti-terror-law-after-nine-day-filibuster/>

²⁴⁶⁹ Firman México y Panamá Memorándum de Entendimiento del Grupo de Alto Nivel de Seguridad. Date of access: 20 March 2016. <http://www.gob.mx/segob/prensa/firman-mexico-y-panama-memorandum-de-entendimiento-del-grupo-de-alto-nivel-de-seguridad>.

²⁴⁷⁰ Mexico Enacts New Anti-Corruption Laws. Access Date: 29 July 2016. <http://www.mondaq.com/mexico/x/515382/White+Collar+Crime+Fraud/Mexico+Enacts+New+AntiCorruption+Laws>

and spend public funds to submit statements of assets, interests and proof of tax filings to authorities.²⁴⁷¹

Mexico has taken actions to tackle the financing channels of terrorism through cooperation on exchange of information on terrorist financing and other relevant measures.

Thus, Mexico has been awarded a score of +1.

Analyst: Elizaveta Safonkina

Russia: +1

Russia has fully complied with the commitment to tackle the financing channels of terrorism.

The Russian interagency government delegation led by Director of the Federal Financial Monitoring Service (Rosfinmonitoring) Yuri Chikhanchin took part in the FATF's special session in Paris on 12-14 December 2015, convened to discuss a rapid response to the continuing escalation of terrorism. During the plenary, the Russian delegation called for the incorporation of the provisions of the UN Security Council resolution 2199 into the FATF standards and delivered a presentation titled "Russia's approaches to emerging ISIL funding risks", which was received with interest by the participants.²⁴⁷²

According to the Rosfinmonitoring report extra attention was devoted in 2015 to the work of financial institutions in connection with such threats as involvement in shadow and criminal schemes; rising volumes of suspicious transactions linked to capital flight, especially to offshore, zones: removing of financial institutions' assets prior to license revocation; use of financial institutions for terrorist financing purposes. In 2015 Rosfinmonitoring received about 22 million reports, 70 percent more than in 2014, of which: approx. 10 million reports on transactions subject to mandatory controls; approx. 12 million suspicious transaction reports (STRs), 250 percent more than in 2014.²⁴⁷³

Russia has taken actions to tackle the financing channels of terrorism through cooperation on exchange of information on terrorist financing and other relevant measures.

Thus, Russia has been awarded a score of +1.

Analyst: Mark Rakhmangulov

Saudi Arabia: +1

Saudi Arabia has fully complied with the commitment to tackling the financing channels of terrorism.

On 25 February 2016, Saudi Arabia imposed sanctions on individuals and entities, which linked to Shi'a Islamist militant group, Hezbollah.²⁴⁷⁴

²⁴⁷¹ Mexican Lawmakers Revise Antigrift Legislation. Access Date: 29 July 2016. <http://www.wsj.com/articles/mexican-lawmakers-revise-antigrift-legislation-1467843958>

²⁴⁷² Participation in the FATF Special Session, Federal Financial Monitoring Service 14 December 2015. <http://www.fedsfm.ru/en/news/2034>

²⁴⁷³ Rosfinmonitoring Reports 2015 Performance, Federal Financial Monitoring Service 19 February 2016. <http://www.fedsfm.ru/en/news/2021>

²⁴⁷⁴ Kingdom imposes sanctions on individuals and entities linked to Hezbollah, Royal Embassy of Saudi Arabia 25.02.2016. Date of Access: 22.06.2016. http://www.saudiembassy.net/latest_news/news02251601.aspx

On 31 March 2016, Saudi Arabia and the United States took measures to stop fundraising and support networks for terrorist aims by implementation sanctions on four individuals and two organizations.²⁴⁷⁵

On 3 April 2016, it was announced by Al-Monitor: «Indian Prime Minister Narendra Modi and Saudi Arabia's King Salman bin Abdul-Aziz Al Saud signed five new bilateral agreements to improve relations, covering intelligence sharing on terrorism financing, increasing private investment and enhancing defense cooperation”.²⁴⁷⁶

Saudi Arabia has taken actions to tackle the financing channels of terrorism through cooperation on exchange of information on terrorist financing and other relevant measures.

Thus, Saudi Arabia has been awarded a score of +1.

Analyst: Ekaterina Muravyeva

South Africa: 0

South Africa has partially complied with the commitment to tackle the financing channels of terrorism.

South Africa participated on February 15-19 2016 in in the third meeting of the Financial Action Task Force (FATF) session XXVII. The main issues dealt with in this meeting were:

1. Work on terrorist financing, which remains the top priority for the FATF, including: Approval of a Consolidated FATF Strategy on Combating Terrorist Financing Focus on enhancing effective exchange of information Considering whether changes are necessary to the FATF Standards for combatting terrorist financing Assessing and improving implementation of counter terrorist financing measures
2. A statement on Brazil's continued failure to address the serious deficiencies identified in its mutual evaluation reports.
3. Two public documents identifying jurisdictions that may pose a risk to the international financial system

During the meeting, The FATF, which is represented by Indonesia and other 34 countries and 2 regional organizations, issued an updated Guidance for a Risk-Based Approach for Money or Value Transfer Services (MVTs). MVTs providers play an important role in the international financial system, in particular for the migrant communities around the world. This guidance will assist countries and their competent authorities, as well as the practitioners in the MVTs sector and in the banking sector that have or are considering MVTs providers as customers, to apply the risk-based approach to the development of measures to combat money laundering and terrorist financing for the MVTs sector.²⁴⁷⁷

South Africa has taken actions to tackle the financing channels of terrorism through cooperation on exchange of information on terrorist financing but no other relevant measures on tackling the financing channels of terrorism have been registered.

²⁴⁷⁵ Saudi Arabia and United States impose sanctions on terrorist financing networks, Royal Embassy of Saudi Arabia 31.03.2016. Date of Access: 22.06.2016. http://www.saudiembassy.net/latest_news/news03311601.aspx

²⁴⁷⁶ Saudi Arabia tilts toward India, Al – Monitor 06.04.2016. Date of Access: 22.06.2016. <http://www.al-monitor.com/pulse/originals/2016/04/saudi-arabia-tilt-india-pakistan-salman-iran.html>

²⁴⁷⁷ Outcomes from the meeting of the Financial Action Task Force Paris, Financial Intelligence Centre 15-19 February, Access date: 15.07.16 <https://www.fic.gov.za/DownloadContent/NEWS/PRESSRELEASE/FATF%20February%202016%20Plenary%20Outcomes.pdf>

Thus, South Africa has been awarded a score of 0.

Analyst: Vasilisa Nazarova

Turkey: 0

Turkey has partially to comply with the commitment to tackle the financing channels of terrorism.

On 1 February 2016, a law was drafted that deems human smuggling as an act of terrorism and authorizes the seizure of financial assets of human smugglers. The draft law would combat human trafficking, reduce the influx of higher number of refugees and comply with FATF recommendations by implementing means by which Turkey can freeze terrorist organization assets.²⁴⁷⁸

Turkey has taken actions to tackle the financing channels of terrorism however not through information sharing.

Thus, Turkey has been awarded a score of 0.

Analysts: Andrey Loginov

United Kingdom: +1

The United Kingdom has fully complied with the commitment to tackle the financing channels of terrorism.

In April 2016, the UK Home Department and Treasury outlined the UK's anti-money laundering (AML) and counter-terrorist financing (CTF) plan for the coming years in a policy paper²⁴⁷⁹. The UK confirmed action in several areas to address AML and CTF, as well as specific actions to enhance international responses to terrorist finance. Also, the UK has pledged ongoing support to building capacity for overseas partners to investigate and stop terrorist financing, including the Counter-ISIL Finance Group. In addition, the UK indicated that it would continue ongoing support for UK-based charities operating abroad, in order to mitigate the risk that the charity's' funds would be used to support terrorist activities.²⁴⁸⁰

The UK has taken actions to tackle the financing channels of terrorism both through relevant measures as well as information exchange.

Thus, the UK has been awarded a score of +1.

Analysts: Juliya Ponkratova

United States: +1

The United States has fully complied with the commitment to tackle the financing channels of terrorism.

On 6 December 2015, the US Department of the Treasury issued the National Money Laundering Risk Assessment (NMLRA) and the National Terrorist Financing Risk Assessment (NTFRA). The

²⁴⁷⁸ Turkey: People Smuggling to be Classified as Terrorist Act, Library of Congress 2016. Access Date: 23 July 2016. <http://www.loc.gov/law/foreign-news/article/turkey-people-smuggling-to-be-classified-as-terrorist-act/>

²⁴⁷⁹ Action Plan for Anti-Money Laundering and Counter-Terrorist Finance, Home Office and Her Majesty's Treasury (London) 21 April 2016. Access Date: 23 July 2016. <https://www.gov.uk/government/publications/action-plan-for-anti-money-laundering-and-counter-terrorist-finance>.

²⁴⁸⁰ Action Plan for Anti-Money Laundering and Counter-Terrorist Finance, Home Office and Her Majesty's Treasury (London) 21 April 2016. Access Date: 23 July 2016. <https://www.gov.uk/government/publications/action-plan-for-anti-money-laundering-and-counter-terrorist-finance>.

purpose of these assessments is to help the public and private sectors understand the money laundering and terrorist financing methods used in the United States, the risks that these activities pose to the U.S. financial system and national security, and the status of current efforts to combat these methods. In doing so, these assessments enable the U.S. Government and financial institutions to more effectively detect and combat illicit finance.

This is the first NTFRA, and the NMLRA builds and expands on a previous Treasury money laundering report issued in 2005. The methodology for the reports is based on guidance set out in 2013 by the Financial Action Task Force (FATF), the international standard-setting body for anti-money laundering and counter-terrorist financing safeguards, of which the United States is a founding member. The FATF requires all national governments to demonstrate their understanding of the money laundering and terrorist financing risks facing their financial systems. The assessments will help to inform the FATF's ongoing review of the United States regarding our compliance with the FATF Recommendations — which are global standards focused on these issues.²⁴⁸¹

The US has taken actions to tackle the financing channels of terrorism through cooperation on exchange of information on terrorist financing and other relevant measures.

Thus, the United States has been awarded a score of +1.

Analyst: Mark Rakhmangulov

European Union: +1

The European Union has fully complied with the commitment to tackle the financing channels of terrorism.

Since 1 January 2016, Europol's financial intelligence and counter terrorism capabilities have been substantially strengthened by the integration of a decentralised computer network of the European Union Member States' Financial Intelligence Units (FIUs), known as FIU.net. FIUs in Europe exchange information and identify money laundering and terrorist finance activities by matching information on suspected transaction reports. The FIU.net exchange platform will join other key Europol's tools in the field such as the Terrorist Finance Tracking Program (TFTP), the Focal Point Sustrans (support to anti-money laundering investigations) and the network of the EU Asset Recovery Offices (AROs).²⁴⁸²

On 25 January 2016, the European Counter Terrorism Centre (ECTC) was established. ECTC is an enhanced central information hub by which the Member States can increase information sharing and operational coordination. ECTC will focus on tackling foreign fighters, sharing intelligence and expertise on terrorism financing (TFTP and support by the FIU.net), online terrorist propaganda and extremism (Internet Referral Unit), illegal arms trafficking and international cooperation to increase effectiveness and prevention.²⁴⁸³

The European Union has taken actions to tackle the financing channels of terrorism through other relevant measures.

²⁴⁸¹ <https://www.treasury.gov/press-center/press-releases/Pages/jl0072.aspx>

²⁴⁸² Europol joins forces with EU FIUs to fight terrorist financing and money laundering, Europol 28 January 2016, Date of access: 20 July 2016. <https://www.europol.europa.eu/content/europol-joins-forces-eu-fius-fight-terrorist-financing-and-money-laundering>

²⁴⁸³ Europol's European Counter Terrorism Center strengthens the EU's response to terror, Europol 25 January 2016. Date of access: 20 July 2016. <https://www.europol.europa.eu/content/ectc>

On 2 December 2015, the European Commission proposed a Directive on combatting terrorism which criminalizes terrorist financing and the funding of recruitment, training and travel for terrorism purposes.²⁴⁸⁴

On 2 February 2016, the European Commission presented Action Plan to strengthen the fight against terrorist financing. It lists a number of concrete measures that will be put into practice by the Commission immediately, others will follow in the months to come. It also proposed a number of targeted amendments to the Fourth Anti-Money Laundering Directive at the latest by the end of the second quarter of 2016.²⁴⁸⁵

The European Union has taken actions to tackle the financing channels of terrorism through cooperation on exchange of information on terrorist financing and other relevant measures.

Thus, the EU has been awarded a score of +1.

Analyst: Anastasiya Kozina

²⁴⁸⁴ Proposal for a directive of the European Parliament and of the Council, European Commission 2 December 2015. Date of access: 20 July 2016. http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/european-agenda-security/legislative-documents/docs/20151202_directive_on_combatting_terrorism_en.pdf

²⁴⁸⁵ Commission presents Action Plan to strengthen the fight against terrorist financing, European Commission 2 February 2016. Date of access: 20 July 2016. http://europa.eu/rapid/press-release_IP-16-202_en.htm