



FINANCIAL INFORMATION UNIT



# ANNUAL REPORT

# 2019



The Financial Information Unit is the central agency responsible for receiving information related to money laundering, terrorism financing, or related crimes as well as other financial information from reporting entities, conducting analysis, and disseminating information that has sufficient grounds to suspect of money laundering and financing of terrorism to the competent law enforcement authorities in accordance with Article 16 of the AML/CFT Law; it is an administrative type of FIU as it was established within the structure of the Bank of Mongolia as per the AML/CFT Law.

For more information about the Financial Information Unit, please visit <https://fiu.mongolbank.mn/>.

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## GLOSSARY

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AML/CFT	Anti-money laundering/Combating the financing of terrorism
APG	Asia Pacific Group on Money Laundering
APJG	Asia Pacific Joint Group
CC	Cooperation Council
CDD	Customer Due Diligence
CTR	Cash Transaction Report
DNFBP	Designated Non-Financial Business and Profession
FATF	Financial Action Task Force
FIU	Financial Information Unit
FSTR	Foreign Settlement Transaction Report
ICRG	International Review Cooperation Group
ML/TF	Money laundering/Terrorist financing
NBFI	Non-Bank Financial Institution
NC	National Committee
PEP	Politically Exposed Person
SCC	Savings and Credit Cooperative
STR	Suspicious Transaction Report
UN	United Nations



# TIMELINE OF EVENTS

Chronology of changes in  
Mongolia's AML/CFT system

- 2004.06** | Mongolia became a member of the APG.
- 2006.07.08** | The Law on Combating Money Laundering and Terrorism Financing was adopted.
- 2006.11.29** | FIU-Mongolia was established.
- 2007.07.01** | The APG conducted Mongolia's first mutual evaluation.
- 2008.01.01** | FIU-Mongolia has started receiving information and reports required by law.
- 2009.05.28** | FIU-Mongolia joined the Egmont group.
- 2011.06** | Mongolia was assigned to improve AML/CFT system.
- 2013.05.31** | The Law on Combating Money Laundering and Terrorism Financing was amended.
- 2017.09.05** | The APG conducted Mongolia's 2nd round mutual evaluation.
- 2018.04.26** | The Law on Combating Money Laundering and Terrorism Financing was amended.
- 2019.10** | Mongolia was included in FATF's list of jurisdictions with strategic AML/CFT deficiencies.
- 2020.01** | FIU-Mongolia has started receiving reports from DNFBP.
- 2020.02** | Mongolia has implemented 50% of the tasks reflected in the action plan.
- 2020.04** | Mongolia is conducting the second ML/TF National Risk Assessment.
- 2020.05** | APJG reviewed the Progress report submitted by Mongolia.
- 2020.06** | Mongolia has fully implemented 6 action items reflected in the action plan.

# MESSAGE FROM THE HEAD OF THE FINANCIAL INFORMATION UNIT

I am pleased to present to you the first annual report of the Financial Information Unit of Mongolia.

The Financial Information Unit (FIU-Mongolia) was established in accordance with the “Law on Combating money laundering and financing of terrorism” on November 29, 2006, and has been functioning to ensure the implementation of laws and regulations by reporting entities and to bring AML/CFT framework of Mongolia in line with international standards and requirements in order to secure stability and credibility of the banking as well as the financial system of Mongolia.

In this year’s report, we aim to provide an overview of the activities of FIU-Mongolia, its efforts to strengthen Mongolia’s AML/CFT system, and the results achieved in 2019.

Within the framework of its main functions, FIU-Mongolia received a total of 562,926 cash transaction reports (CTRs) and 131,715 foreign settlement transaction reports (FSTRs) equal to or above 20 million togrogs, 2,385 suspicious transaction reports (STRs) from reporting entities, and a total of 11,870 customs declaration reports (CDRs) equal to or above 15 million togrogs from the Customs authority in 2019. This represents a significant increase of 49 percent compared to the previous year in the number of STRs, a 4 percent increase in the number of FSTRs, and an eightfold increase in the number of CDRs received. In the reporting period, a total of 84 STRs were analyzed and 48 of them were disseminated to competent law enforcement agencies. Moreover, FIU-Mongolia cooperated and exchanged information with domestic competent authorities and foreign FIUs to prevent and combat money laundering, terrorism financing, and proliferation of weapons of mass destruction.

During the year, solid efforts were made by FIU-Mongolia along with relevant stakeholders to align Mongolia’s AML/CFT framework with international standards, to expand the scope of the law, to fully implement the risk-based supervision approach, to apply risk-based customer due diligence, to bring legal definitions in line with international standards, and to tighten sanctions imposed for ones who violate laws.



In the area of raising AML/CFT public awareness, FIU-Mongolia has conducted numerous forums, seminars, and workshops intended to assist in knowledge building and experience sharing; distributed handout materials and information brochures to government agencies, reporting entities, and the general public.

In the past year, FIU-Mongolia continued to receive technical assistance from international organizations as part of its efforts to strengthen the capacity of staff in relation to AML/CFT framework, increased the number of FIU-Mongolia staff, and invested in specifically developed software for the use of FIUs to support their work in countering money laundering and terrorism financing with the aim to enhance data reporting and analysis capabilities.

Mongolia's second mutual evaluation of the AML/CFT framework was conducted by the APG in 2016-2017. As a result of this mutual evaluation and based on the progress made by Mongolia, a number of effectiveness and technical compliance ratings were upgraded. However, Mongolia was identified as one of the jurisdictions that have strategic deficiencies in October 2019 by the Financial Action Task Force (FATF). Thus, the year 2019 was an extremely challenging year for Mongolia in terms of exiting the Enhanced (expedited) follow-up.

Mongolia has developed an action plan with the FATF outlining measures to be taken until May 2021 to get delisted from the "Grey list". FIU-Mongolia will put its ultimate efforts to implement functions outlined in the law, to organize the implementation of the planned activities in a timely and efficient manner, as well as to coordinate and integrate the activities among participating organizations utilizing its full capacity and resources.

HEAD OF THE FINANCIAL  
INFORMATION UNIT

Batbaatar B.



## FINANCIAL INFORMATION UNIT

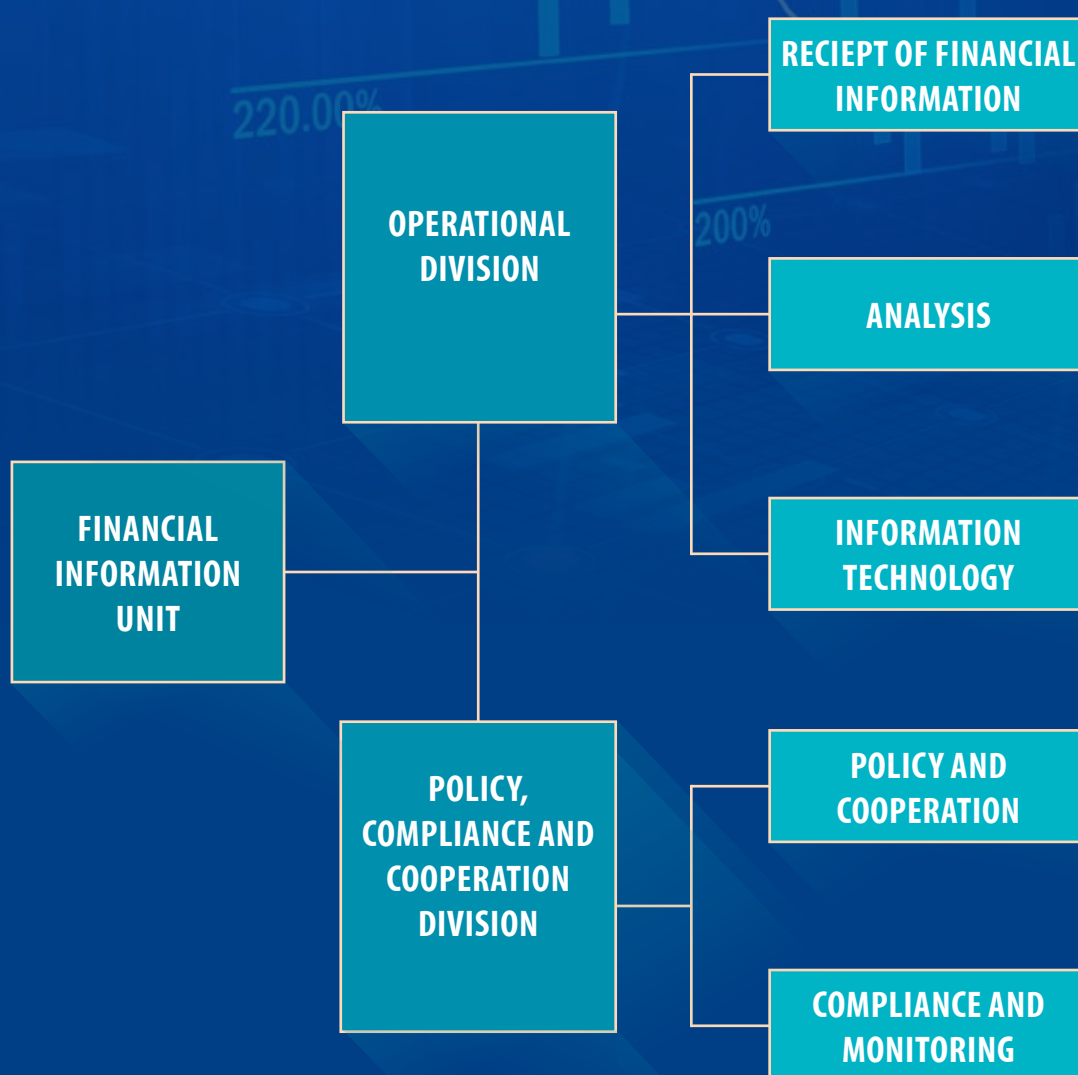
The core functions of the Financial Information Unit (FIU-Mongolia) is to receive reports of suspicious transactions specified in the Law on Combating money laundering and financing of terrorism (AML/CFT Law) from reporting entities creating a database, to analyze the received information, and to disseminate results of the analysis to competent law enforcement authorities responsible for combating money laundering and terrorism financing. FIU-Mongolia also works with relevant domestic and foreign authorities to prevent and combat money laundering, terrorist financing, and proliferation of weapons of mass destruction as well as to carry out other functions specified in the AML/CFT Law, such as raising public awareness, conducting supervisions and monitoring the implementation of policies and procedures. FIU-Mongolia must be sufficiently independent to carry out its functions without interference or influence.

With the mandate of setting global standards and promoting effective implementation of legal, regulatory, and operational measures for combating money laundering, terrorist financing and the financing of proliferation, and other related threats to the integrity of the international financial system, the Financial Action Task Force (FATF) has adopted 40 Recommendations, the international AML/CFT standards, and the FATF Methodology to assess the effectiveness of AML/CFT systems. FATF Recommendation 29 defines the FIU's operating international standards.

Mongolia became a member of the Asia-Pacific Group on Money Laundering (APG), the FATF-style regional inter-governmental body, in 2004 and since then the AML/CFT system of Mongolia and its compliance with the FATF Recommendations has been regularly assessed.

With the adoption of the AML/CFT Law, Mongolia established FIU-Mongolia on July 8, 2006, within the structure of the Bank of Mongolia. Since the establishment, FIU-Mongolia became internationally recognized and joined the Egmont Group in 2009 as a result of its commitment to international principles and standards. In this context, FIU-Mongolia is cooperating with FIUs of other countries to combat and prevent money laundering, financing of terrorism, and proliferation of weapons of mass destruction.

## THE STRUCTURE AND ORGANIZATIONAL CHART OF THE FINANCIAL INFORMATION UNIT



## OPERATIONAL DIVISION

- To receive, collect, and analyze information from reporting entities as well as from a database of competent domestic and foreign authorities;
- To disseminate information to competent law enforcement authorities and anti-terrorism agencies according to regulation if sufficient grounds to suspect that transaction found that transactions are related to money laundering, terrorism financing, and other criminal activities are found, and to compile a database on reports of suspicious, cash and non-cash transactions submitted to competent authorities;
- To provide timely feedback and general information on suspicious transaction report analysis, common methods and indicators of suspicious transaction reports to provide support in reporting activities of reporting entities;
- To develop and provide a methodology to monitor and detect suspicious transactions, and examine information related to money laundering and terrorism financing, and monitor its implementation by the reporting entities;
- To ensure the continued operation of software and to manage the reliability, security, and safety of servers, computers, and hardware.

## POLICY, COMPLIANCE AND COOPERATION DIVISION

- To enhance public awareness to combat and prevent money laundering and terrorism financing;
- To inform the reporting entities about sanction list and organize the implementation thereof;
- To compile consolidated statistics about supervision, to conduct supervision, and to request other supervisory authorities to conduct supervision related to enforcement of the AML/CFT Law;
- To conduct national risk assessment on AML/CFT, to draft national strategy based on risk assessment, to present for consideration to the Cooperation Council;
- To organize measures to ensure the implementation of recommendations issued by international AML/CFT organizations;
- To cooperate with competent domestic and international organizations within the framework of combating and preventing money laundering, financing of terrorism, and proliferation.

# CHAPTER 1.

## LEGAL AND REGULATORY FRAMEWORK OF ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM



The Law on Combating Money Laundering and Terrorism Financing was adopted in July 2006, laying the foundation for the AML/CFT regime in Mongolia. As a result, the legal framework for anti-money laundering and combating the financing of terrorism has been improved by conforming to domestic legislation to international standards. Following is a list of current domestic and international legislation in force.

### 1.1 DOMESTIC LEGISLATION

#### LAWS:

- Law on Combating Money Laundering and Terrorism Financing;
- Law on Combating Proliferation of Weapons of Mass Destruction and Terrorism;
- Law on Infringement;
- Law on Investigation of Regulatory Infringement.

#### REGULATIONS, GUIDELINES, AND PROGRAMS:

- Regulation of on-site supervision of banks by the Bank of Mongolia on anti-money laundering and combating the financing of terrorism and proliferation approved by the Annex to Decree No. A-293 of the Governor of the Bank of Mongolia dated November 27, 2018;
- Regulation of off-site supervision of banks by the Bank of Mongolia on anti-money laundering and combating the financing of terrorism and proliferation approved by the Annex to Decree No. A-293 of the Governor of the Bank of Mongolia dated November 27, 2018;
- Regulations and Guidelines for reporting entities other than banks;
- Regulation on targeted financial sanctions against the proliferation of weapons of mass destruction and terrorism approved by the Annex to Decree No. 464 of the Government of Mongolia dated December 25, 2019;
- National strategy for anti-money laundering and countering the financing of terrorism approved by the Annex to Resolution No. 143
- Regulation on submitting information electronically from reporting entities to the Financial Information Unit approved by the Annex to Decree No. A-326 of the Governor of the Bank of Mongolia dated December 25, 2019;
- Regulation on preventing money laundering and terrorist financing approved by the Annex to Decree No. A-26 of the Governor of the Bank of Mongolia dated January 21, 2019;

of the Government of Mongolia dated May 17, 2017;

- Action plan to implement the recommendations of the Asia-Pacific Group on money laundering approved by the Annex to Resolution No. 327 of the Government of Mongolia dated December 6, 2017.

## RECOMMENDATIONS, GUIDANCE, AND MANUALS:

- Guidance on implementing targeted financial sanctions;
- Guidance for reporting entities on the identification of politically exposed person;
- Guidelines for the implementation of risk-based principles in AML/CFT activities approved by the Annex to Order No. A-32 of the Governor of the Bank of Mongolia dated February 6, 2018;
- Guidance on beneficial ownership;

- Guidance for DNFBPs on submitting information electronically from reporting entities to the Financial Information Unit;
- Guidance for accountants and other financial advisory service providers on implementing the risk-based approach;
- Guidance for lawyers on implementing the risk-based approach;
- Guidance for notaries on implementing the risk-based approach;
- Guidance for the general public on AML/CFT.

## REPORTS AND ASSESSMENTS:

- National risk assessment of money laundering and financing of terrorism (2016);
- Strategic analysis report;
- Typologies report;
- Risk assessment report by types of legal entities.

## 1.2 INTERNATIONAL LEGISLATION:

### INTERNATIONAL STANDARDS ON COMBATING MONEY LAUNDERING AND THE FINANCING OF TERRORISM & PROLIFERATION ISSUED BY THE FATF

- The FATF has approved an updated international standard to combat money laundering, terrorism financing, and the proliferation of weapons of mass destruction during its plenary in June 2019.
- The FATF Recommendations are recognized as the global anti-money laundering and counter-terrorist financing standard.
- The Mongolian Law on Combating Money Laundering and Terrorist Financing was adopted in accordance with this standard.

### UNITED NATIONS CONVENTION AGAINST ILLICIT TRAFFIC IN NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES

- The convention was approved on December 20, 1988, and entered into force on November 11, 1990.
- Mongolia acceded to this Convention on June 25, 2003.
- The purpose of this Convention is to promote cooperation among the Parties so that they may address more effectively the various aspects of illicit traffic in narcotic drugs and psychotropic substances having an international dimension. In carrying out their obligations under the Convention, the Parties shall take necessary measures, including legislative and administrative measures, in conformity with the fundamental provisions of their respective domestic legislative systems.

## UNITED NATIONS CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME

- The Convention was approved on November 15, 2000, and entered into force on September 29, 2003.
- Mongolia acceded to this Convention on June 27, 2008.
- The purpose of this Convention is to promote cooperation to prevent and combat transnational organized crime more effectively.

## PROTOCOL AGAINST THE ILLICIT MANUFACTURING OF AND TRAFFICKING IN FIREARMS, THEIR PARTS AND COMPONENTS, AND AMMUNITION, SUPPLEMENTING THE UNITED NATIONS CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME

- The Protocol was approved on 31 May 2001 and entered into force on 3 July 2005.
- The purpose of this Protocol is to promote, facilitate and strengthen cooperation among States Parties in order to prevent, combat and eradicate the illicit manufacturing of and trafficking in firearms, their parts and components and ammunition.

## PROTOCOL TO PREVENT, SUPPRESS AND PUNISH TRAFFICKING IN PERSONS ESPECIALLY WOMEN AND CHILDREN, SUPPLEMENTING THE UNITED NATIONS CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME

- The Protocol was approved on 15 November 2000 and entered into force on 15 December 2003.
- The purpose of this Protocol is:
  - a) To prevent and combat trafficking in persons, paying particular attention to women and children;
  - b) To protect and assist the victims of such trafficking, with full respect for their human rights;
  - c) To promote cooperation among States Parties in order to meet those objectives.

## INTERNATIONAL CONVENTION FOR THE SUPPRESSION OF THE FINANCING OF TERRORISM

- The Convention was approved on December 9, 1999, and entered into force on April 10, 2002.
- Mongolia acceded to this Convention on February 25, 2004.

## UNITED NATIONS CONVENTION AGAINST CORRUPTION

- The Convention was approved on 14 October 2003 and entered into force on 14 December 2005.
- Mongolia acceded to this Convention on October 27, 2005.
- The purpose of this Convention is:
  - a) To promote and strengthen measures to prevent and combat corruption more efficiently and effectively;
  - b) To promote, facilitate and support international cooperation and technical assistance in the prevention of and fight against corruption, including in asset recovery;
  - c) To promote integrity, accountability and proper management of public affairs and public property.

## CHAPTER 2

# TO RECEIVE, COLLECT, AND ANALYSE INFORMATION REPORTED FROM REPORTING ENTITIES

### 2.1 RECEIPT OF INFORMATION

The Financial Information Unit (FIU-Mongolia) carries out functions to receive information related to money laundering, related crimes and financing of terrorism and other financial information from reporting entities, to conduct analysis, and to disseminate information that has sufficient grounds to suspect of money laundering and financing of terrorism to the competent law enforcement authorities. Furthermore, FIU-Mongolia maintains a database that consolidates the information received under the procedures outlined in the AML/CFT Law.

FIU-Mongolia receives Cash transaction reports (CTR), Suspicious transaction reports (STR) and Foreign settlement transaction reports (FSTR) from reporting entities and Customs declaration reports from the customs authority of Mongolia according to Article 7 of the AML/CFT Law.

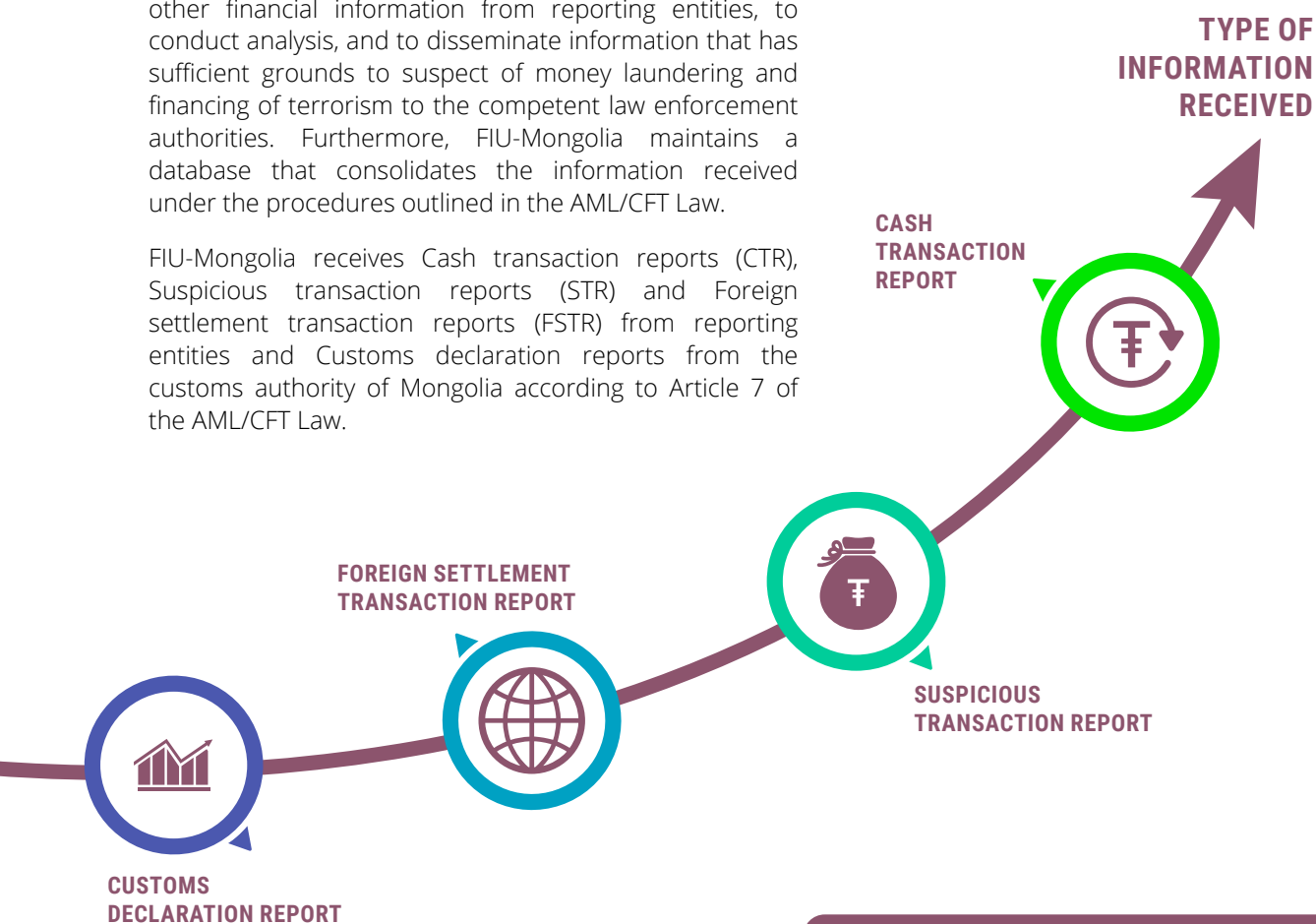


Figure 1. Type of information received by FIU-Mongolia

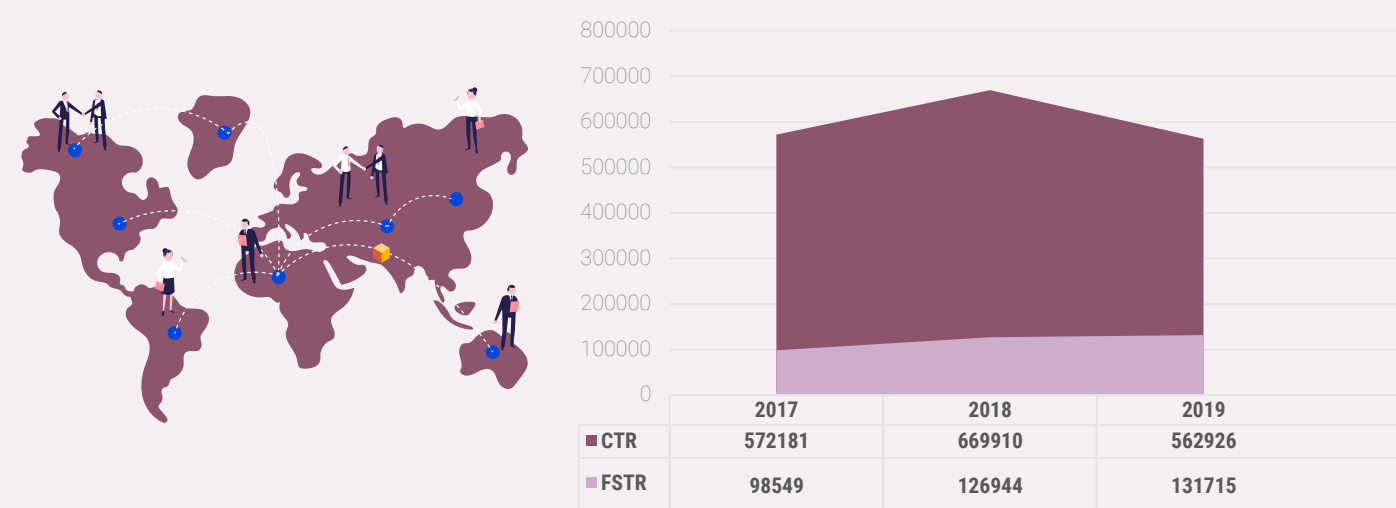


**Table 1. Number of CTR and FSTR received by FIU-Mongolia /2017-2019/**

Name of Report	2017	2018	2019
Cash transaction	572,181	669,910	562,926
Foreign settlement transaction	98,549	126,944	131,715

Source: FIU-Mongolia, Bank of Mongolia

**NUMBER OF CTR AND FSTR RECEIVED BY FIU-MONGOLIA /2017-2019/**



**Figure 2. Number of CTR and FSTR received by FIU-Mongolia /2017-2019/**

## SUSPICIOUS TRANSACTION REPORT

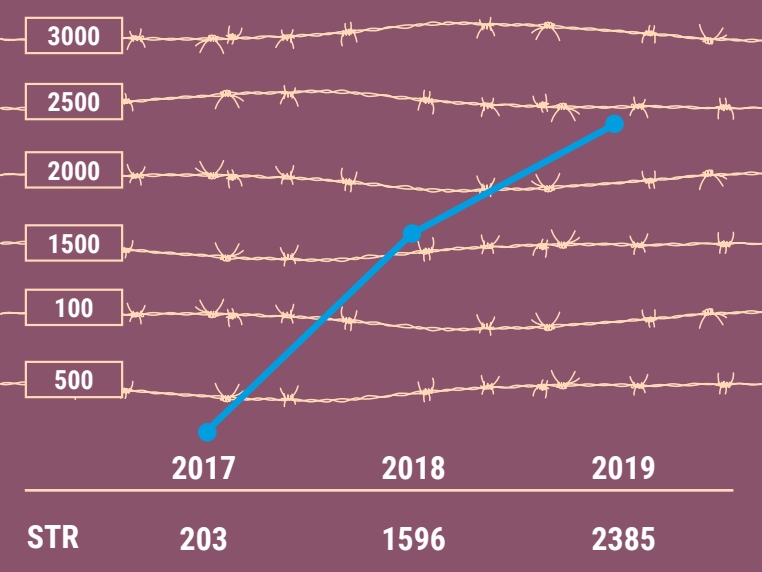
According to Article 7 of the AML/CFT Law, if a reporting entity suspects or knows that an asset, income or transaction, or attempted transaction is related to ML/TF or is related to proceeds of crime, it is obliged to submit a Suspicious transaction report to FIU-Mongolia within 24 hours in accordance with approved procedures and formats.

Currently, reporting entities submit reports to FIU-Mongolia by the "Regulation on submitting information electronically by reporting entities to the Financial Information Unit" approved by the Annex to Decree No. A-326 of the Governor of the Bank of Mongolia dated December 25, 2019.

Suspicious transaction reports are required to contain all the necessary information related to the transaction.



**SUSPICIOUS TRANSACTIONS RECEIVED BY FIU-MONGOLIA /2017-2019/**



**Figure 3. Number of suspicious transactions received by FIU-Mongolia /2017-2019/**

Source: FIU-Mongolia, Bank of Mongolia

99% of the STRs submitted to FIU-Mongolia were from banks.

Type of reporting entities	2017	2018	2019
<b>Banks</b>	203	1,593	2,370
<b>Others</b>	0	3	15

Source: FIU-Mongolia, Bank of Mongolia

## CUSTOMS DECLARATION REPORT

Under the AML/CFT Law, travelers carrying more than 15 million togrogs or equivalent amount of foreign currency, bearer negotiable instruments, e-money across the Mongolian border shall declare faithfully in the Customs declaration forms. The Mongolian Customs General Administration then consolidates the received cash declarations and transmit to FIU-Mongolia every month according to the relevant regulations. The following figure shows the number of customs declarations received by the Mongolian Customs General Administration.

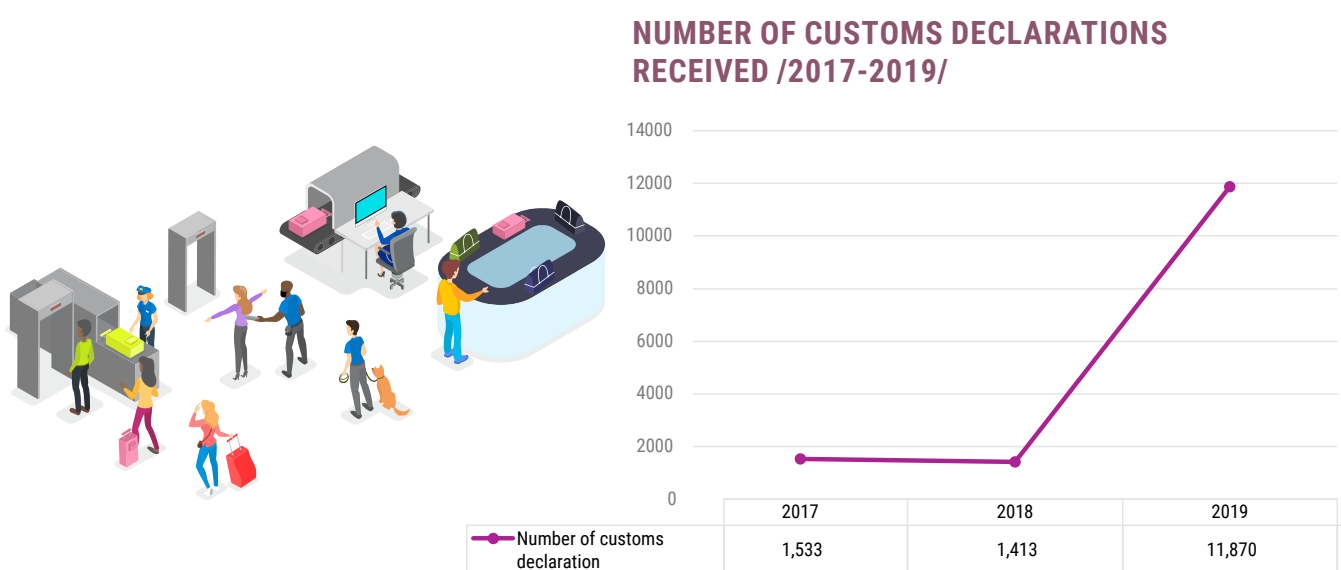


Figure 4. Number of customs declarations between /2017- 2019/

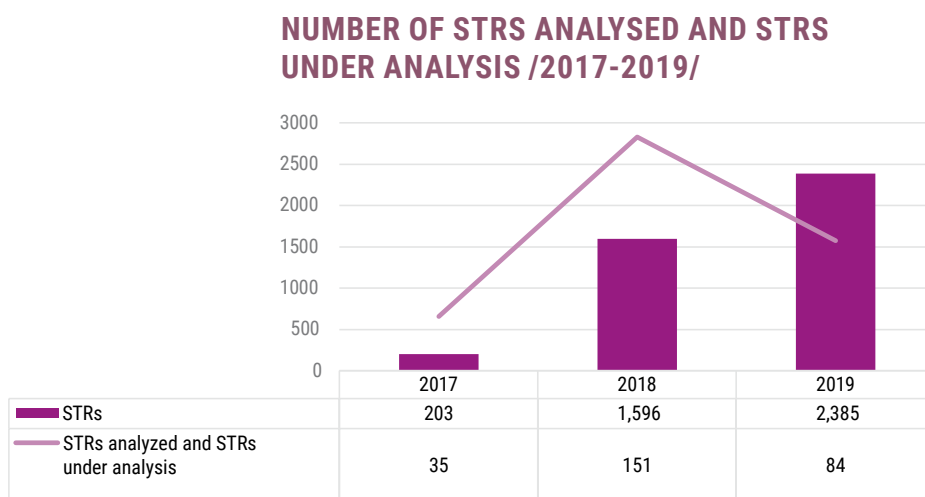
Source: FIU-Mongolia, Bank of Mongolia

The sharp increase in the number of customs declarations in 2019 was due to the Direct Implementation of the FATF Action Plan of Immediate Outcome 8: Continuation of confiscation and sealing of undeclared / falsely declared banknotes and implementation of measures to prevent recurrence of the violation.

## 2.2 ANALYSIS OF INFORMATION

According to Article 18 of the AML/CFT Law, FIU-Mongolia has the main function of receiving, collecting, and analyzing information reported from reporting entities as well as information in databases of relevant domestic and foreign institutions. As part of its main functions, FIU-Mongolia conducts operational analysis (STR analysis) and strategic analysis as required by international standards and “The Financial Information Unit regulation to receive, analyze, and transfer information”. The Operational division of FIU-Mongolia has received a total of 5,392 STRs between 2008 and 2019 and taken appropriate action.

**Figure 5. Number of STRs analyzed and STRs under analysis /2017-2019/**



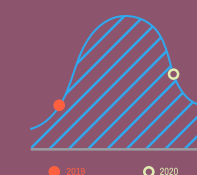
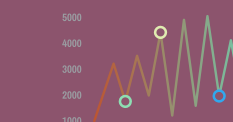
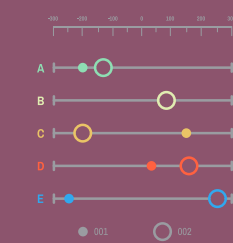
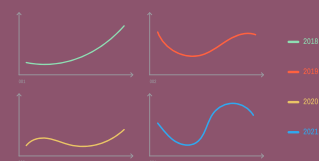
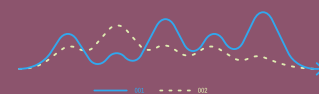
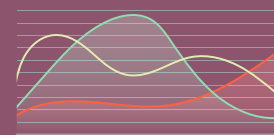
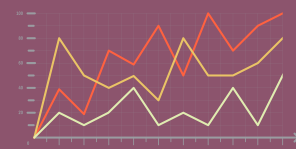
Source: FIU-Mongolia, Bank of Mongolia

To analyze Suspicious transaction reports, analysts use information submitted by reporting entities, information obtained from the FIU-Mongolia database, other competent state authorities and from databases of foreign FIUs, and other publicly available information. Based on the information, analysts aim to determine main subjects and associates (who), means of activity (what), method and type of activity (how), period (when), location (where), purpose (why) of suspicious transactions and try to reveal if there has been any shifts or inconsistencies from regular patterns in the subject's financial and non-financial activities and whether there are any probabilities of recurrence.

As a result of the actions taken to increase the number of FIU-Mongolia's staff and to strengthen their capacity, the quantity and quality of STR analysis have been improving.

Strategic analysis, on the other hand, is a comprehensive analysis that aims to identify money laundering and terrorist financing related trends and patterns, to provide information and assistance to FIU-Mongolia and other stakeholders responsible for combating ML/TF in developing strategies, policies, and action plans; allocating resources appropriately as well as managing risks and threats using a wide range of information collected from competent authorities.

FIU-Mongolia released its first Strategic analysis report in 2019 and has developed the second Strategic analysis report in 2020.



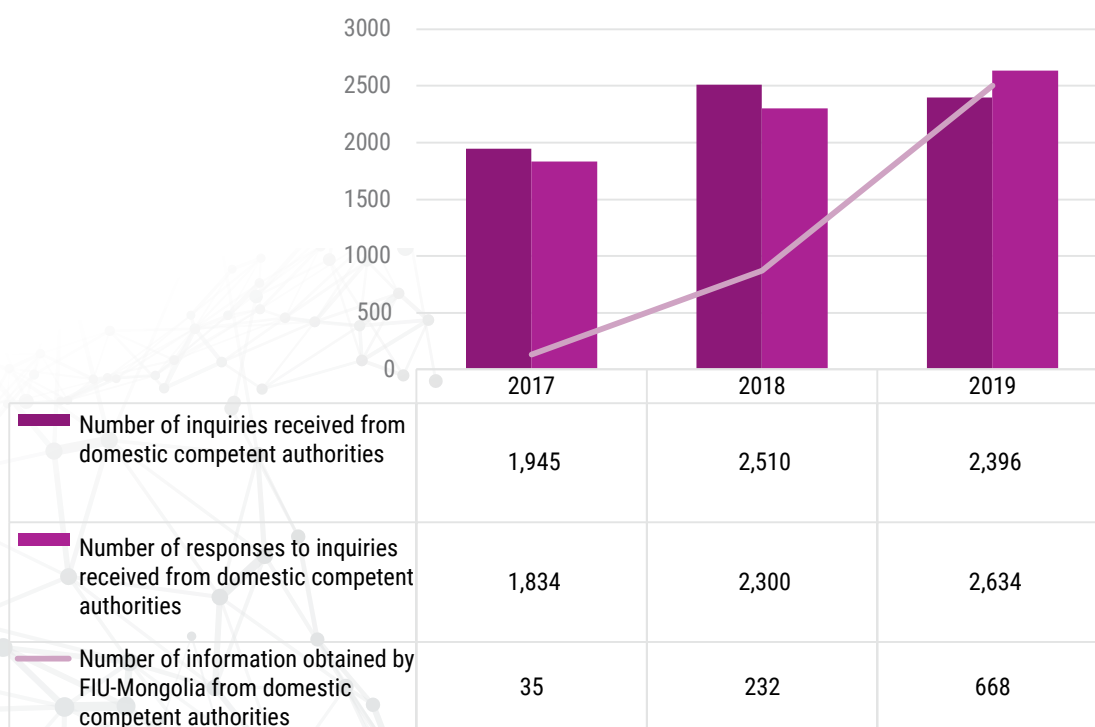
## 2.3 EXCHANGE OF INFORMATION

### 2.3.1 EXCHANGE OF INFORMATION WITH DOMESTIC ORGANIZATIONS

In accordance with Article 18.6 of the AML/CFT Law, FIU-Mongolia cooperates and collaborates with competent domestic authorities by exchanging information and providing support and assistance with the investigation and prosecution of crimes within the framework of preventing and combating money laundering, financing of terrorism, and proliferation of weapons of mass destruction. The table below shows the inquiries received from/sent to competent domestic authorities and responses sent/received by FIU-Mongolia between 2017 and 2019.

Figure 6. Information exchange between FIU-Mongolia and competent authorities

#### INFORMATION EXCHANGE BETWEEN FIU-MONGOLIA AND COMPETENT AUTHORITIES /2017-2019/



Source: FIU-Mongolia, Bank of Mongolia

### 2.3.2 EXCHANGE OF INFORMATION WITH FOREIGN ORGANIZATIONS

In conformity with the FATF Recommendation 29 and domestic legislation, FIU-Mongolia exchanges information with foreign FIUs, who are Egmont Group members, as well as foreign counterparts, with whom it signed a Memorandum of Understanding concerning cooperation in the exchange of financial intelligence related to money laundering and terrorism financing. In the event of such exchanges, FIU-Mongolia complies with the Egmont Group Principles for Information Exchange between Financial Intelligence Units and other key Egmont Group documents ensuring the data protection and confidentiality as required. These documents set out important guidelines for the FIU's obligations, including rights and responsibilities, and the process of information exchange between FIUs. The following table shows FIU-Mongolia's information exchange over the last three years.

**Table 2. Information exchange with foreign counterparts**

Items	2017	2018	2019
Number of requests sent by FIU-Mongolia to foreign FIUs and similar organizations	393	231	238
Number of responses to requests sent to foreign FIUs and similar organizations	316	193	202
Number of requests received by FIU-Mongolia from foreign FIUs and similar organizations	167	126	133
Number of responses to requests received by FIU-Mongolia from similar foreign organizations	151	126	144

*Source: FIU-Mongolia, Bank of Mongolia*



# CHAPTER 3

## DOMESTIC AND INTERNATIONAL COOPERATION

### 3.1 DOMESTIC COOPERATION

The National Committee (NC) and the Cooperation Council (CC) are responsible for anti-money laundering and combatting the financing of terrorism activities in Mongolia.

#### 3.1.1. AML/CFT NATIONAL COMMITTEE

Article 22 of the AML/CFT Law sets out the legal framework for the NC. The NC is chaired by the Member of the Government in charge of legal affairs and comprises of representatives of the General Prosecutor's Office, the Bank of Mongolia, the Financial Regulatory Commission, Members of the Government in charge of financial and foreign affairs, law enforcement authorities, organizations responsible for combating terrorism financing, taxation and customs authorities and the Financial Information Unit. In order to strengthen the AML/CFT framework of Mongolia, to comply with the FATF Recommendations, and to address deficiencies reflected in Mongolia's Mutual evaluation report of 2016-2017, the structure of the NC was first approved by Resolution No. 70 of the Prime Minister of Mongolia dated April 20, 2017. This resolution was revised by Resolution No. 144 dated August 20, 2018, rearranging the structure of the NC as follows:

#### NATIONAL COMMITTEE

- Minister of Justice and Home affairs (Chairman of the National Committee)
- Head of the General Intelligence Agency (Deputy Chair of the National Committee)
- Head of the Financial Information Unit (Secretary of the National Committee)
- Deputy Prosecutor General of the General Prosecutor's Office
- Deputy Head of the Independent Authority against Corruption of Mongolia
- First Deputy Chief of Cabinet Secretariat
- Deputy Minister of Finance
- Deputy Minister of Foreign affairs
- First Deputy Governor of the Bank of Mongolia
- Executive Secretary of the Judicial General Council
- Deputy Head of the Financial Regulatory Commission
- First Deputy Head of the National Police Agency
- First Deputy Head of the General Executive Agency of Court Decision
- Deputy Head of Customs General Administration
- Deputy Head of the General Department of Taxation
- Deputy Head of the General Authority for State Registration

Figure 7. Structure of the AML/CFT National Committee

Source: FIU-Mongolia, Bank of Mongolia





## THE NATIONAL COMMITTEE IS MANDATED TO PERFORM THE FOLLOWING FUNCTIONS:

To develop a draft National Strategy for AML/CFT based on Mongolia's money laundering and terrorism financing risk assessment;

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To renew and approve the National Strategy based on the results of the national risk assessment to combat money laundering and terrorist financing;

---

To ensure and evaluate the implementation of the National Strategy for AML/CFT, to conduct the next national risk assessment, and to provide unified management;

---

To evaluate the implementation of policies and strategies and to report it to the Government.

---

To submit the draft National Strategy for AML/CFT to the Government of Mongolia for approval through the Chairman of the NC;

---

To discuss and make decisions on measures to be taken to intensify the cooperation under the AML/CFT framework;

---

To ensure the implementation of the National Strategy on combating proliferation financing and to cooperate with the relevant authorities;

---

## **MAIN ACCOMPLISHMENTS OF THE AML/CFT NATIONAL COMMITTEE:**

The NC has developed the Medium-term AML/CFT strategy, which was approved by the Government of Mongolia on May 17, 2017, as an Annex to Resolution No. 143.

The Action plan to comply with the recommendations of the APG was approved by the Government of Mongolia on December 6th, 2017, as an Annex to Resolution No. 327.

The NC presented a report to the Government on the work completed since the second quarter of 2017.

On January 3, 2018, amendments to the AML/CFT Law were discussed at the Cabinet meeting and the law was amended on April 26, 2018, accordingly.

The NC acquainted with the measures taken by the relevant authorities within the AML/CFT framework in the first half of 2018 and decided to make recommendations reflecting the measures to be taken in the future.

"The Action plan to address the technical compliance deficiencies in the FATF 40 Recommendations" was approved by the Chairman of the National Committee at the NC Meeting held on May 25, 2020.

"Regulation on operating procedures of the AML/CFT National Committee" was approved by the Chairman of the NC/Minister of Justice and Home Affairs on May 26, 2020, as an Annex to Decree No. A/85.





### 3.1.2. COOPERATION COUNCIL ON AML/CFT

According to Article 22 of the AML/CFT Law, the Cooperation Council, with the function to ensure the implementation of laws related to combating money laundering and terrorism financing, to exchange information, to mitigate risk, and to issue recommendations on preventative measures is established at the Financial Information Unit.

The AML/CFT Law was first enacted in 2006 and reflected the activities of the CC. The CC's structure and operating procedures were initially approved as an Annex to Decree No. 160 of the Governor of the Bank of Mongolia dated April 5, 2007. Since then, the structure and operating procedures have changed several times. Currently, the CC is operating in conformance with the "Regulation on operating procedures of the Cooperation Council" approved by the Annex to Decree No. A-229 of the Governor of the Bank of Mongolia dated September 2, 2019, and "The structure of the Cooperation Council" approved by the Governor of the Bank of Mongolia on August 28, 2019, as an Annex to Decree No. A-225.

The member authorities of the Cooperation Council are shown below:



**Figure 8. Structure of the Cooperation Council on AML/CFT**  
Source: FIU-Mongolia, Bank of Mongolia

The Cooperation Council carries out its activities in the form of regular meetings. As per the law and regulations, FIU-Mongolia is in charge of the Cooperation Council Secretariat with the Head of FIU-Mongolia being the Vice-chairman of the CC.



## THE COOPERATION COUNCIL IS MANDATED TO PERFORM THE FOLLOWING FUNCTIONS:

**1** To develop proposals and issue recommendations on the implementation of the AML/CFT Law, mitigation of risks, and prevention of offenses;

**2** To organize and coordinate activities associated with the research on risks of ML/TF of Mongolia, the national risk assessment and the evaluation of its results on a regular basis;

**3** To make recommendations on intensifying and effectively organizing the AML/CFT measures based on the results of the national risk assessment;

**4** To exchange information regarding the implementation of AML/CFT legislation and prevention measures to combat ML/TF and their effectiveness;

**5** To review legislative compliance by the competent authorities responsible for implementing AML/CFT legislation and make recommendations for improvement;

**6** To monitor compliance of AML/CFT legislation and their accompanying rules, regulations, programs, action plans, and Cooperation Council recommendations by the competent authorities and officials, review their implementation progress, to enforce compliance if necessary; to take necessary actions such as to discuss the compliance at the CC, give timely assignments, and ensure operational coordination etc.;

**7** To introduce proposals to bring AML/CFT legislation in conformance with the international standards and the FATF 40 Recommendations;

**8** To support the competent authorities on establishing cooperation and coordination at national, regional, and international levels on AML/CFT;

**9** To organize and support trainings for the public, private sectors, and government authorities on the prevention of money laundering, financing of terrorism, and proliferation of weapons of mass destruction;

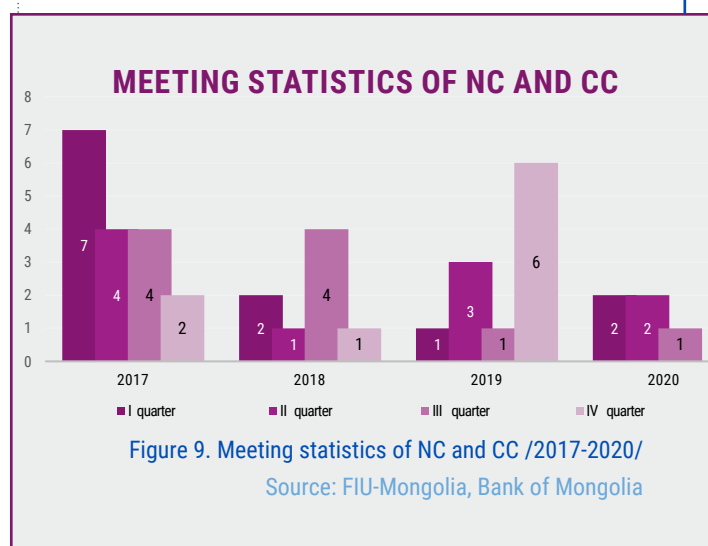
**10** To receive and review statements and complaints on AML/CFT;

**11** To make proposals on the structure, organization, budget, and operating expenses of FIU-Mongolia, to present, and resolve them;

**12** To get acquainted with the activities implemented by working groups under the CC and to coordinate the implementation of their recommendations;

**13** To monitor the implementation of recommendations issued by the CC.

The National Committee and Cooperation Council meeting statistics from 2017 to 2020 is shown below:



# MAIN ACCOMPLISHMENTS OF THE COOPERATION COUNCIL BETWEEN 2017-2020:

## 2017

- National AML/CFT strategy was approved by the Government of Mongolia on May 17, 2017, by Resolution No. 143;
- The Action Plan to implement the recommendations of the APG was approved by the Government of Mongolia;
- Onsite meeting with the APG assessment team was held between May 2-4, 2017;
- Representatives of judicial authorities were included in the CC;
- The "Regulation on structure, operating procedures, and rewarding system of the CC" has been revised.

## 2018

- Law on AML/CFT was amended on April 26, 2018, and other related laws and regulations were amended accordingly;
- Working groups for Supervision, Law Enforcement, and Legal Affairs were established under the CC;
- Intensified cooperation with international organizations and ministries and implemented projects in relevant sectors;
- A Memorandum of Understanding was signed in order to expand the CC structure, to intensify cooperation between the National Counter-Terrorism Council and the CC, and to ensure its coordination;
- In accordance with the Action Plan approved by the Government of Mongolia in 2017, risk assessment and inspection of relevant sectors were conducted, regulations and guidances were amended, and newly issued when necessary, and public awareness and promotion activities were carried out.

## 2019

- The revised law on Combating proliferation financing and terrorism was enacted on October 10, 2019;
- The "Regulation on operational procedures of the Cooperation Council" was amended, and the structure of the CC was expanded by including the representatives of Supreme Court and City Court of Criminal Appeals;
- Research and study working group was established under the CC and working under the direction of Head of the AML/CFT Division, Economic Security Department, General Intelligence Agency;
- Working groups established under the CC have intensified cooperation by including representatives of professional associations;
- By the majority vote of the CC member organizations, a working group in charge of international cooperation and a working group responsible for sanctions were established under the CC.

## 2020

- As part of the CC function of preventing and mitigating risk, the working group responsible for conducting the national risk assessment on ML/TF of Mongolia was established at the Ministry of Finance by Decree No. 20 of the Minister of Finance dated January 31, 2020;
- As discussed at the CC meeting to create an official website to raise awareness and provide AML/CFT related information, FIU-Mongolia will be in charge of managing the website [www.amlcft.mn](http://www.amlcft.mn);
- Representatives of the member organizations of the CC participated in two meetings of the ICRG. Mongolia received positive feedback from other countries at this meeting for largely addressing 50 percent of the action plan developed with the FATF;
- A working group to draft a law on regulating the VASP sector was established with regards to the inclusion of VASP in the FATF Recommendation 15: New technologies;
- As proposed by the law enforcement agencies at the CC meeting, it was decided that commercial banks would provide account statement information necessary for the law enforcement agencies in a unified format;
- A working group consisting of the representatives of the Bank of Mongolia, FIU-Mongolia, the Ministry of Finance, the National Counter-Terrorism Council, and General Intelligence Agency has successfully organized a virtual face-to-face meeting with the Asia/Pacific Joint Group (APJG) on May 11, 2020;
- Terms and abbreviations commonly used in the AML/CFT system were discussed and revised at the CC meeting held on April 17, 2020.

## 3.2

### 3.2.1 FATF AND APG

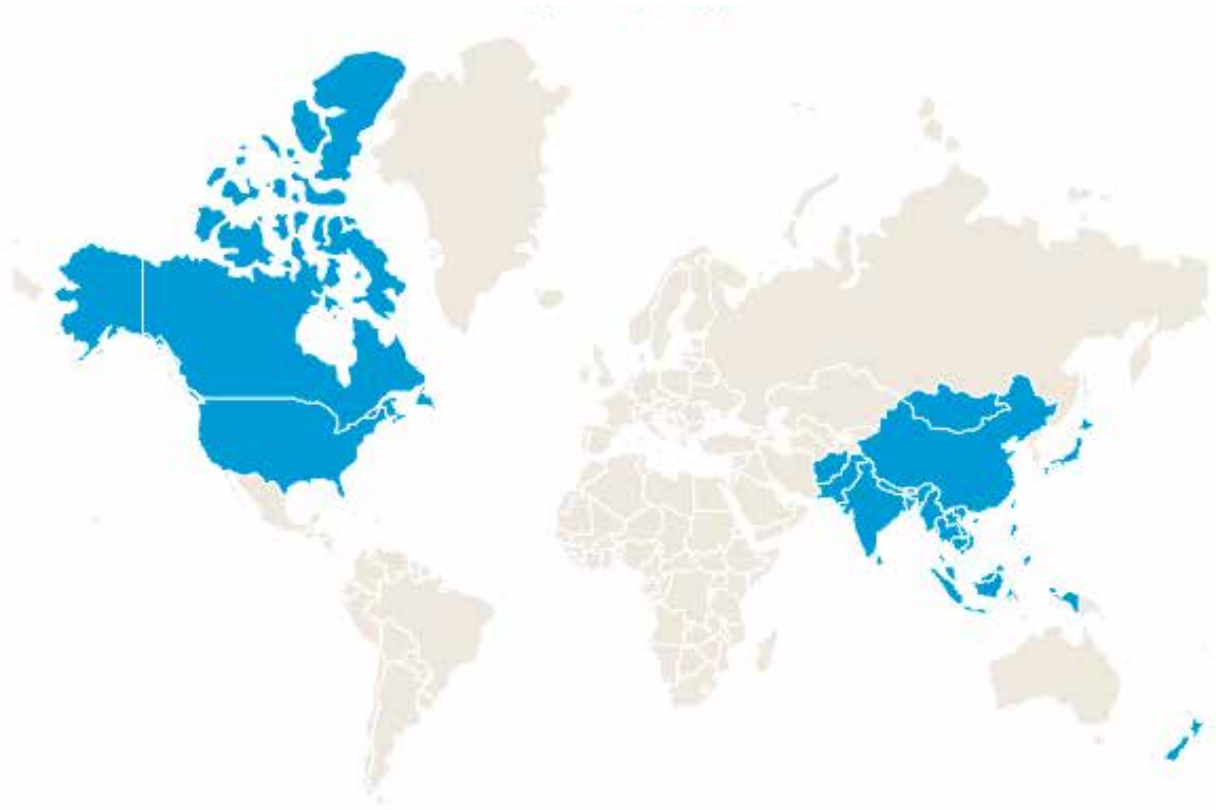
The Financial Action Task Force (FATF) is an independent inter-governmental body that develops and promotes policies to protect the global financial system against money laundering, terrorist financing, and the financing of proliferation of weapons of mass destruction.

## FATF MEMBER JURISDICTIONS



The Asia/Pacific Group on Money laundering (APG) is a FATF-style regional body that was established in 1997 and coordinates AML/CFT activities. Mongolia became a member of the APG in June 2004. The FATF evaluates and monitors the AML/CFT system of member countries periodically. The mutual evaluation assesses the technical compliance and effectiveness of the AML/CFT system against the FATF 40 Recommendations.

## APG MEMBER JURISDICTIONS



Since July 2017, FIU-Mongolia has been working closely with international organizations with the support of the Ministry of Foreign Affairs on increased monitoring and technical assistance. Also, meetings with the Embassies of the United States, Australia, Japan, the United Kingdom, and the European Union, as well as the representative offices of the Asian Development Bank, the World Bank, the International Monetary Fund, the United Nations, the International Investment Bank are held regularly to improve international cooperation, receive technical assistance and provide up-to-date information on the effectiveness of AML/CFT regime. Since March 2018, FIU-Mongolia, the National Counter-Terrorism Council, and the Ministry of Justice and Home Affairs have worked with the Australian Department of Home Affairs to establish the legal framework and to improve legislation and policies for the implementation of targeted financial sanctions related to the proliferation of weapons of mass destruction.

### 3.2.2 EGMONT GROUP

In 2009, Mongolia became a member of the Egmont Group, a united body of FIUs from 165 jurisdictions around the world. The Egmont Group provides a platform for the secure exchange of expertise and financial intelligence to combat money laundering and terrorist financing. This is especially relevant as FIUs are uniquely positioned to cooperate and support national and international efforts to combat ML/TF offenses and are the trusted gateway for sharing financial information domestically and internationally in accordance with global AML/CFT standards.

#### EGMONT MEMBER JURISDICTIONS



### 3.2.3 MEMORANDUM OF UNDERSTANDING

FIU-Mongolia is currently cooperating with FIUs from 19 jurisdictions by establishing a bilateral memorandum of understanding to exchange information. See Appendix 1 for a list of jurisdictions that FIU-Mongolia has signed a Memorandum of Understanding.



### 3.3 TECHNICAL ASSISTANCE FOR INTERNATIONAL COOPERATION

Within the scope of international cooperation, FIU-Mongolia actively cooperates with other organizations. Since 2017, FIU-Mongolia has worked on several technical assistance projects and programs cooperating with the International Monetary Fund, the Asian Development Bank, the Office of Technical Assistance at the US Department of Treasury and other organizations. Technical assistance from international donor organizations was implemented as follows and see Appendix 4 for details.



#### RECEIVED TECHNICAL ASSISTANCE:

##### INTERNATIONAL MONETARY FUND (IMF)

Within the scope of IMF technical assistance, the Supervision Department and the Legal Department of the Bank of Mongolia, the Financial Regulatory Commission, the Ministry of Justice and Home Affairs, and FIU-Mongolia cooperated to develop the AML/CFT legal framework and to improve regulations, guidelines, recommendations, and risk assessment methodologies related to the Bank of Mongolia's supervision from February 2017 to November 2019. FIU-Mongolia cooperated in the field of information technology consulting and the introduction of FATF standards for making amendments to the Law on Combating Money Laundering and Terrorism Financing.

IMF provided technical assistance on the establishment of a supervision framework for DNFBPs, the development of training materials for improving the necessary human resources, and the capacity building of the supervisory authorities.

##### ASIAN DEVELOPMENT BANK

Asian Development Bank provided technical assistance to reporting entities from September 2017 to November 2019, which was intended to develop regulation on customer due diligence, implementation of international standards and measures taken, to improve guidelines and recommendations for the FRC's supervision, and to upgrade the risk assessment methodology. Technical assistance also included relevant representatives of real estate agents, currency exchange and money transfer service providers.

## **TECHNICAL ASSISTANCE CURRENTLY IN PROGRESS:**

### **OFFICE OF TECHNICAL ASSISTANCE OF THE U.S. DEPARTMENT OF TREASURY**

In order to strengthen FIU-Mongolia's capacity in relation to the AML/CFT framework, consultants from the Office of Technical Assistance (OTA) of the U.S. Department of Treasury have worked at FIU-Mongolia for two weeks every two months in a total of three times.

In January 2018, the scope of the technical assistance and the work assignments of consultants was finalized. Within this scope, the Supervision Department and Legal Department of the Bank of Mongolia, FIU-Mongolia, the Financial Regulatory Commission, the Independent Authority against Corruption, the National Police Agency, the General Prosecutor's Office, and the Mongolian Bankers Association have cooperated. The technical assistance by the OTA of the U.S Department of Treasury is scheduled to end in 2021 and is currently being provided remotely due to the Covid-19 pandemic.

### **DEPARTMENT OF HOME AFFAIRS OF AUSTRALIA**

Between March 19-23, 2018, the Department of Home Affairs of Australia provided technical assistance in the area of policy and legislation to establish a legal framework for targeted financial sanctions on the financing of proliferation of weapons of mass destruction and terrorism.

The main purpose of this technical assistance is to improve the legal environment and other operations in accordance with the international standards and to strengthen the cooperation among FIU-Mongolia, the National Counter-Terrorism Council, and the Department of Home Affairs of Australia with regards to the FATF Recommendation 7. The Supervision Department of the Bank of Mongolia, FIU-Mongolia, the Ministry of Justice and Home Affairs, the Ministry of Foreign Affairs, the Financial Regulatory Commission, the General Intelligence Agency, the General Authority for Border Protection, the State Professional Inspection Agency, and the Customs General Administration were actively involved in implementing the technical assistance project. Due to the Covid-19 pandemic, the technical assistance has been temporarily suspended.

## **JOINT TECHNICAL ASSISTANCE:**

### **WORLD BANK "INITIATIVE FOR RECOVERY OF STOLEN ASSETS (STAR INITIATIVE)"**

World Bank "StAR Initiative" has been providing technical assistance to the General Prosecutor's Office, the Independent Authority against Corruption, and the National Police Agency within the scope of mutual legal assistance and financial investigation /improvement of confiscation and recovery procedures/ since 2018 and FIU-Mongolia has also participated in this initiative.

### **INTERNATIONAL INVESTMENT BANK**

The Financial Regulatory Commission has requested technical assistance from the auditing firm Ernst & Young with the financing received from the International Investment Bank to revise the regulations on reporting suspicious transactions and onsite/offsite supervision, and to improve the overall supervisory framework of regulated sectors and FIU-Mongolia has cooperated on drafting these regulations. The first phase of this technical assistance was implemented between January 2018 and May 2018.



## CHAPTER 4

# STRENGTHENING CAPACITY AND IMPROVING EFFICIENCY OF RESOURCES

With the rapid development and evolution, crimes related to ML/TF are becoming increasingly sophisticated and enigmatic. Therefore, it is essential for FIU staff to constantly enhance and improve their expertise and skills. In order to stay informed about the new aspects of AML/CFT activities and recent changes, each FIU staff should be more proactive and participate in a variety of professional trainings.

As part of the international cooperation, FIU-Mongolia staff has been also participating in events organized by international organizations with AML/CFT functions and implementing relevant standards.

### 4.1 COMPLIANCE AND TRAINING

FIU-Mongolia staff regularly participates in trainings, meetings, and seminars related to AML/CFT organized by domestic and international organizations to enhance their skills, knowledge, and experience. In order to increase operational efficiency, FIU-Mongolia staff has attended the following seminars organized by international organizations for law enforcement agencies, commercial banks, and other organizations responsible for AML/CFT:

1. Office of Technical Assistance at the US Department of Treasury;
2. Independent Authority against Corruption.

## OFFICE OF TECHNICAL ASSISTANCE AT THE US DEPARTMENT OF TREASURY

The Office of Technical Assistance at the US Department of Treasury has organized trainings on the following topics for FIU-Mongolia staff: 1. "E-money", 2. "Methods of proving source of income", and 3. "Offshore bank". Furthermore, the consultant of the Office of Technical Assistance at the US Department of Treasury has conducted a series of trainings for all FIU-Mongolia staff during 2018-2019 and seminars on money laundering crimes and current trends in inspection for tax and customs officials between 2017-2019.

## INDEPENDENT AUTHORITY AGAINST CORRUPTION

The Independent Authority against Corruption regularly conducts trainings on various topics. For example, seminars on "International experience in combating money laundering using offshore areas" and the UN Convention against Corruption were organized in 2018 while "Financial investigation", "Anti-corruption", and "Anti-corruption reforms in Mongolia" seminars were held in 2019.

Please refer to Appendix 8 for the list of local training events attended by FIU-Mongolia staff.

FIU-Mongolia staff has participated in various forums and seminars held abroad with the support provided by international organizations such as FATF, APG, International Monetary Fund, and World Bank. As a result, FIU-Mongolia was able to promote international cooperation and increase the opportunities to exchange information with other countries.

To name some of the seminars attended by FIU-Mongolia staff:

- FIU-Mongolia analyst has participated in Strategy analysis training organized by FIU-Malaysia in 2017;
- FIU-Mongolia analyst has participated in AML/CFT training organized by the Bundesbank of Germany in December 2017;
- FIU-Mongolia staff and law enforcement officials have attended the training on "Financial crime investigation techniques" at the International Law Enforcement Academy in Bangkok, Thailand each year between 2017-2019;
- FIU-Mongolia supervisor has participated in AML/CFT seminar by the US Federal Reserve Bank in 2018;
- General Prosecutor's Office has cooperated with the World Bank within the "Initiative for Recovery of Stolen Assets" program since January 2018 and organized a series of trainings for FIU-Mongolia staff, law enforcement officers, and prosecutors between 2018-2019;
- FIU-Mongolia staff and officials from institutions responsible for law enforcement, supervision, and monitoring have participated in "Capacity building program for financial investigators" by the Federal Financial Monitoring Service (Rosfinmonitoring) of Russia in Moscow, Russia in 2018;
- Officials from the Bank of Mongolia, the Ministry of Finance, the Ministry of Justice and Home Affairs, and the Prosecutors' office have attended trainings organized by the FATF in Pusan, Korea between 2018-2019;
- Members of the sub-working groups (officials from local competent authorities and FIU-Mongolia staff responsible for each of the modules) have participated in an online training organized under the technical assistance from the World Bank for conducting ML/TF National Risk Assessment on 29 April 2020;
- Supervisors from FIU-Mongolia and the Bank of Mongolia have attended a seminar on resolving regulatory infringements organized by the General Prosecutor's Office and exchanged their views on supervision and violations under the Law on Combating Money Laundering and Terrorism Financing;
- FIU-Mongolia often receives reports of suspicious transactions that may be related to tax crimes. As conducting analysis on these reports requires a great deal of knowledge and experience on tax evasion and tax avoidance practices, the General Department of Taxation successfully organized training on "Tax inspection processes, procedures and their reforms" on 28 May 2020.

Please refer to Appendix 9 for further details of the trainings and meetings held abroad.

## 4.2 TRAININGS AND SEMINARS ORGANIZED BY FIU-MONGOLIA

FIU-Mongolia organizes trainings and seminars individually or in cooperation with international organizations in order to improve AML/CFT activities and to strengthen the capabilities of staff from competent authorities.

### NUMBER OF CUSTOMS DECLARATIONS RECEIVED BETWEEN 2017-2019

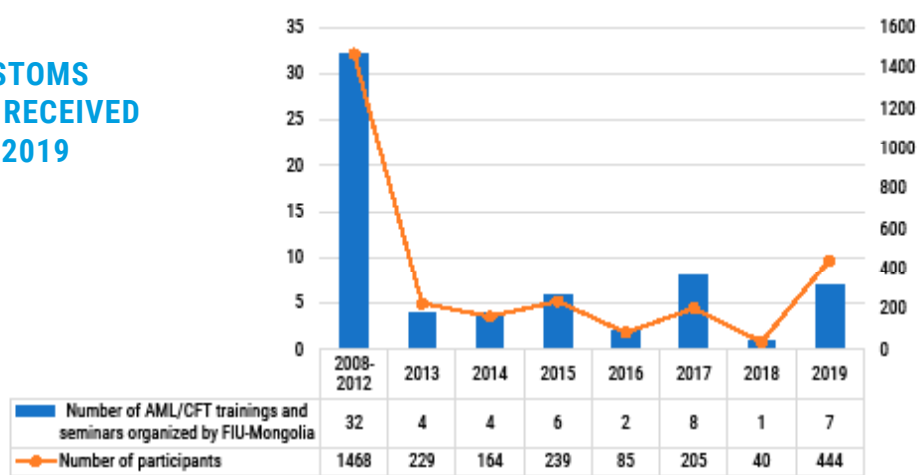


Figure 10. Number of AML/CFT trainings and seminars organized by FIU-Mongolia and number of participants /2008-2019/

Source: FIU-Mongolia, Bank of Mongolia

### NUMBER OF AML/CFT TRAININGS AND SEMINARS ORGANISED IN COOPERATION WITH OTHER ORGANISATIONS AND NUMBER OF PARTICIPANTS /2008-2019/

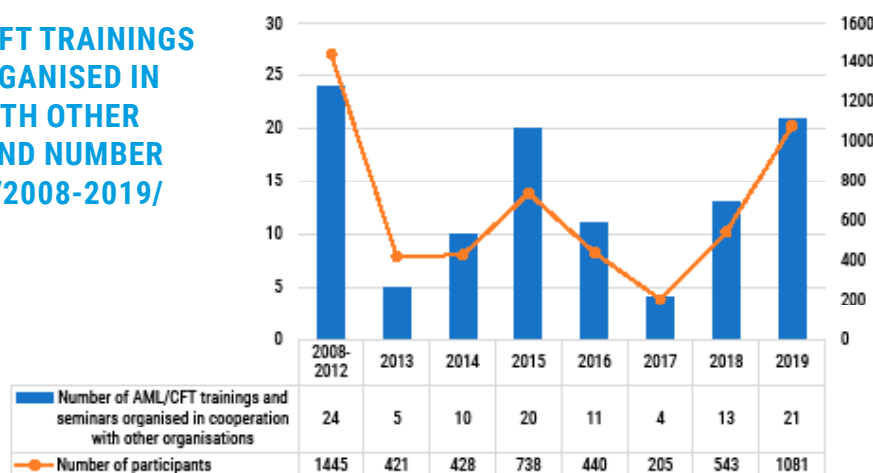


Figure 11. Number of AML/CFT trainings and seminars organized by FIU-Mongolia in cooperation with other agencies and number of participants /2008-2019/

Source: FIU-Mongolia, Bank of Mongolia

### TO ELABORATE MORE ON SOME OF TRAININGS AND SEMINARS ORGANIZED BY FIU-MONGOLIA:

- In 2017, FIU-Mongolia successfully completed in cooperation with the Asian Development Bank (ADB) a training program for Mongolian law enforcement and judicial authorities on improving their capabilities to combat and resolve money laundering offenses, building their capacity, and conducting enhanced customer due diligence

using the risk-based approach.

- Between 2017-2018, organized a training in cooperation with the ADB for supervisors and employees of banks, non-bank financial institutions, foreign exchange and real estate brokerage agencies on "Know your customer" verification, prevention procedures, international standards, and measures.
- In 2018, the AML/CFT Division of the Supervision Department of the Bank of Mongolia, the Banking

and Finance Academy, and other organizations conducted four trainings on AML/CFT topics for about 30 hours.

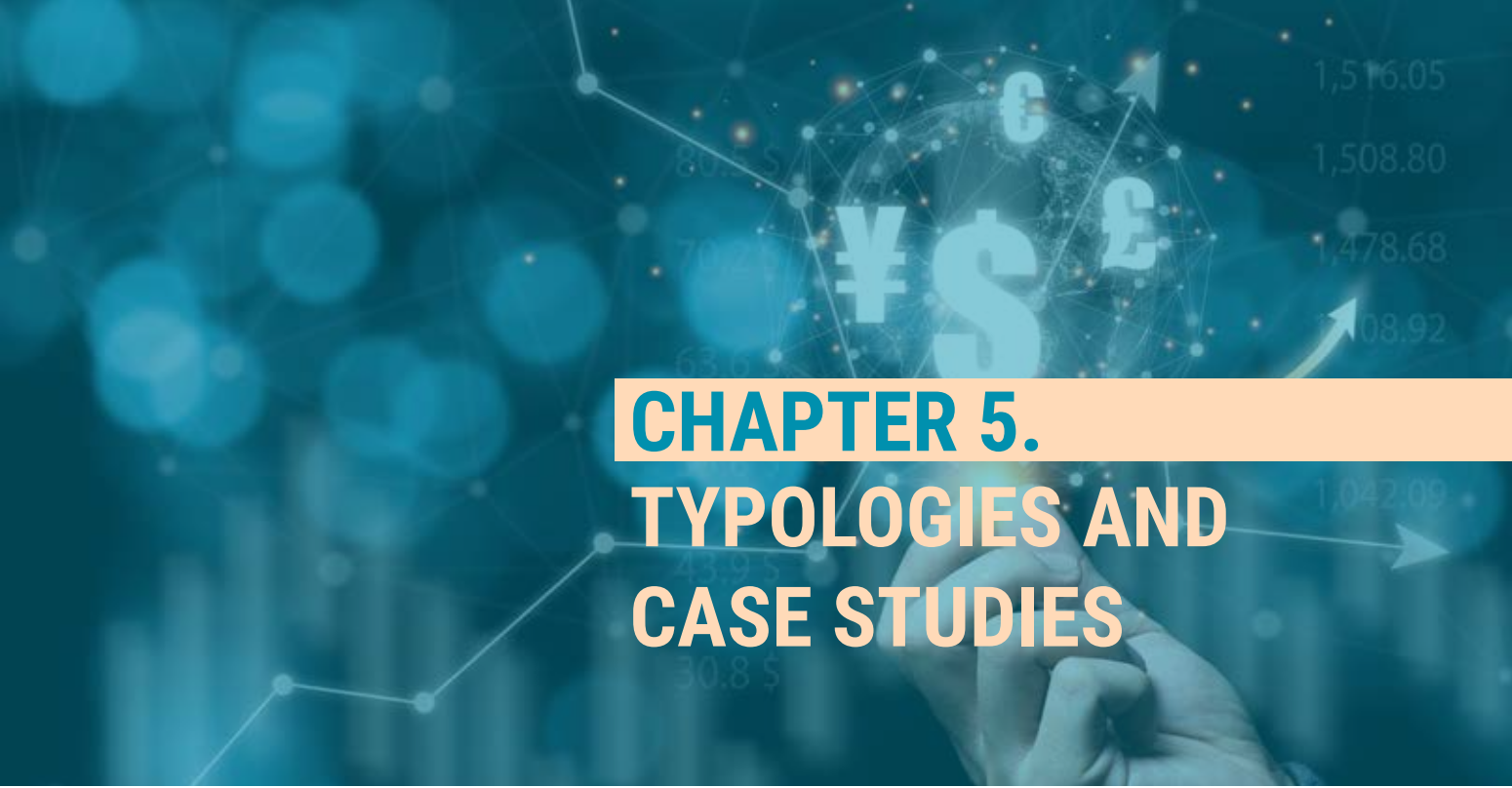
- Presented and participated as a panelist in trainings and discussions organized by the Mongolian Bankers Association and the Compliance Professional Council in order to promote the Risk-based Supervision Strategy for the public. In addition, FIU-Mongolia organized the discussion on systemic risks of banks in cooperation with the Bank of Mongolia, the Mongolian Bankers Association, and commercial banks. The “Recommendations for Implementing Risk-Based Principles in Banking Operations” was approved and published on the Bank of Mongolia’s website in Mongolian and English.
- Regularly organized trainings and seminars for the staff of the Financial Regulatory Commission, the Mongolian Bankers Association, commercial banks, non-bank financial institutions, and DNFBPs to introduce amendments to the law, promote international AML/CFT standards, share international experience, and improve the coordination of relevant organizations.
- Between 2018-2019, received technical assistance from the Australian Department of Home Affairs on “Combating the proliferation of weapons of mass destruction and imposing sanctions” and organized trainings to officials of relevant government, law enforcement, and customs agencies.
- Starting from January 2018, implemented a joint project with the General Prosecutor’s Office on “Strengthening the capacity of prosecutors to investigate and resolve economic and money laundering crimes” funded by the ADB.
- Between 2018-2019, organized in cooperation with the United Nations Office of Counter-Terrorism an ongoing training on “Adhere to the list of terrorist entities and asset freezing system” to increase the capacity of AML/CFT officers.
- Between September 17 and 19, 2019, a regional conference on “Combating the Financing of

Terrorism and the Proliferation of Weapons of Mass Destruction” was organized in Ulaanbaatar in cooperation with the United Nations Office on Drugs and Crime. Presentations were on topics such as the UN system of combating the financing of terrorism and the proliferation of weapons of mass destruction, related international standards, UN Security Council resolutions on imposed sanctions against the Islamic States, and asset freezing. Representatives from the Bank of Mongolia, FIU-Mongolia, the Financial Regulatory Commission, the General Prosecutor’s Office, the Ministry of Justice and Home Affairs, the Ministry of Foreign Affairs, the National Counter-Terrorism Council, the Independent Authority against Corruption, the National Police Agency, the Customs General Administration and the General Department of Taxation have participated and provided country-specific information on the specified topics.

- FIU-Mongolia organizes awareness-raising activities in the field of AML/CFT, primarily on the topic “The role and participation of FIU-Mongolia and its cooperation with other government agencies”. Based on its resources and capabilities, FIU-Mongolia selects organizations that require immediate attention and organize essential trainings to their staff at operational levels.
- FIU-Mongolia has also been hosting public awareness-raising activities to government agencies, such as the Independent Authority against Corruption, the Customs General Administration, the Financial Regulatory Commission, the General Police Department, the Ministry of Justice and Home Affairs, the General Authority for State Registration, and self-regulatory bodies such as the Chamber of Notaries, and the Mongolian Bar Association.

Please refer to Appendix 3 for more information on trainings, seminars, forums, discussions, and meetings held for DNFBPs.





## CHAPTER 5.

# TYOLOGIES AND CASE STUDIES

This chapter cites relatively high-risk typologies of money laundering identified by other countries that could be considered in Mongolia in terms of ML/TF.

### 5.1 TYPOLOGY 1

#### DESIGNATED NON-FINANCIAL BUSINESS PROVIDERS

From organized crime groups (OCGs) to individuals, professional money laundering providers are used to launder proceeds from crime and to make them appear legitimate in the financial system. These designated non-financial business providers (DNFBPs) know that these are proceeds of crime and, therefore, possess specialized skills or expertise in placing, moving, and laundering funds without revealing the connection between the perpetrator and the proceeds of crime. DNFBPs can also provide services to several OCGs or criminal affiliates simultaneously and are both highly skilled at operating in diverse settings and adept at avoiding the attention of law enforcement. The perpetrators of crime themselves usually do not have the knowledge to purify money outside law enforcement institutions. Ultimately, professional money laundering is a crime and these complicit professionals are increasingly present on the criminal landscape, supporting specific criminal schemes or organized crime groups and making it harder to combat this kind of crime.

Aside from money launderers, DNFBPs may also act in the following legitimate capacities:

- Accountant, lawyer, notary, and other professional service providers;
- Trust and company-related service providers;
- Bankers;
- Money or value transfer service providers;
- Brokers;
- Fiscal specialists or tax consulting service providers;
- Dealers in precious metals or stones;
- Bank owners or employees;
- Contractors, possessors or insiders;
- Electronic or crypto currency traders, their owners, or insiders.

In addition to these specialists, a number of individuals and legal entities are involved in money laundering in different forms.

## SPECIALIZED SERVICES AND BUSINESS MODELS

Designated non-financial business providers can be involved in one, or all, stages of the ML cycle (i.e. placement, layering, and integration), and can provide specialized services to either manage, collect, or move funds. DNFPBs act in a more sophisticated manner and provide the entire infrastructure for complex ML schemes or construct a unique scheme, tailored to the specific needs of the client.

Specialized services include:

- Consulting and advising;
- Registering companies or accounts on their name;
- Providing false documentation;
- Supplying legal and illegal proceeds;
- Placing and moving illicit cash;
- Purchasing assets;
- Obtaining financing;
- Identifying investment opportunities;
- Indirectly purchasing and holding assets;
- Recruiting and managing money mules;
- Orchestrating lawsuits.

Common schemes for designated non-financial businesses or professions

1. Trade financing;
2. Underground banking and alternative banking platforms;
3. Money mule that transfers funds and valuables;
4. Banks and financing institutions;
5. Legal and professional services;
6. Payment processing companies.

## 5.2 TYPOLOGY 2

### MONEY MULE AS THE TRANSFER OF MONEY AND CURRENCY EXCHANGE SERVICE

Money transfer and currency exchange services are used in ML/TF in two ways. Money is laundered 1) by providing services without knowing about the unlawful revenues and their purpose; 2) by including the management and staff of an organization in the performance of an illegal. Money transfer and currency exchange services are being misused in the following ways:

- Using secure or invisible remittance services;
- Discrepancy in the origin of the money, its sender and recipient;
- Make remittances to a single person or related party at regular intervals;
- Transferring a large amount of money by small remittances in a short term;
- Sudden inflow or outflow of a large amount of cash;
- Counterfeiting of documents related to the identification of the customer.
- In most cases, significant amounts of cash are transferred by making a lot of small remittances. This way, many complex and organized money-laundering activities are carried out.

# CHAPTER 6

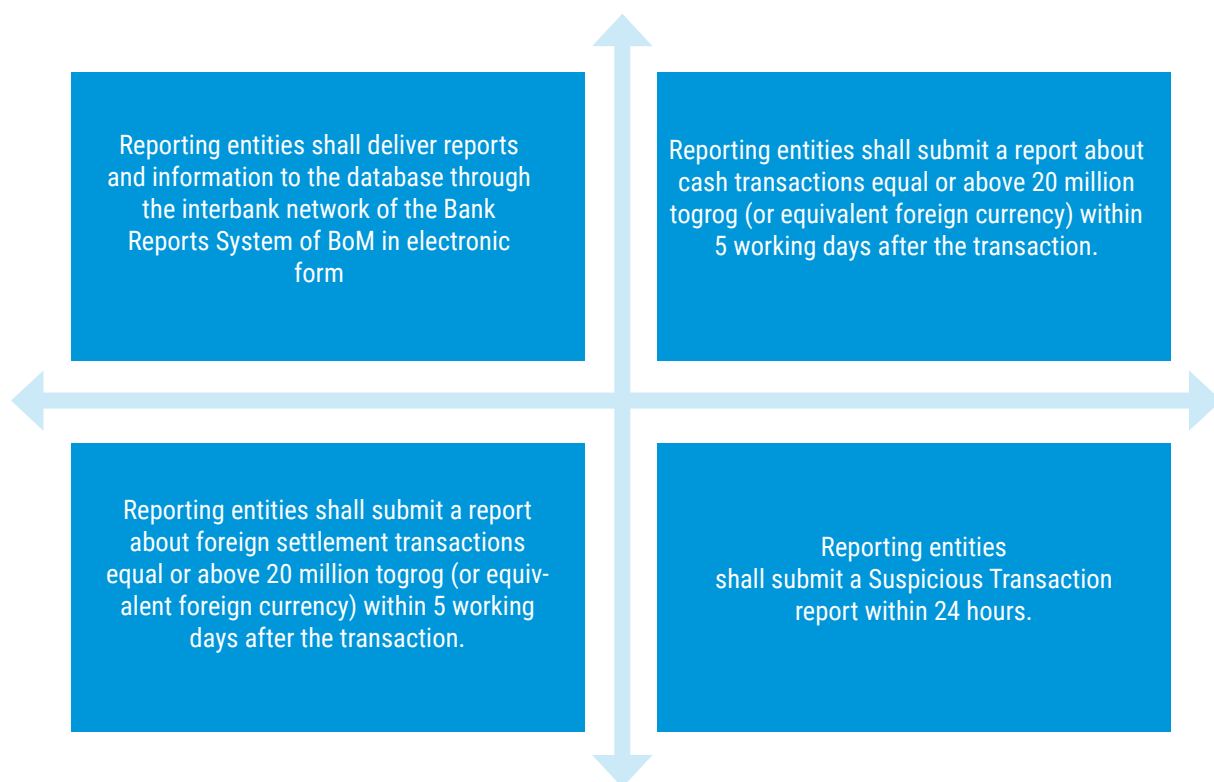
## STRUCTURE OF FIU-MONGOLIA'S DATABASE

### 6.1 STRUCTURE OF FIU-MONGOLIA'S INTERNAL DATABASE

On December 25, 2019, the "Regulation on submitting information electronically from reporting entities to the Financial Information Unit" was approved as an appendix to Decree No. A-326 of the Governor of the Bank of Mongolia. According to this regulation, the reporting entities are required to submit STR, CTR, FSTR, and provide additional information to FIU-Mongolia.

The following are the requirements for reports submitted to FIU-Mongolia:

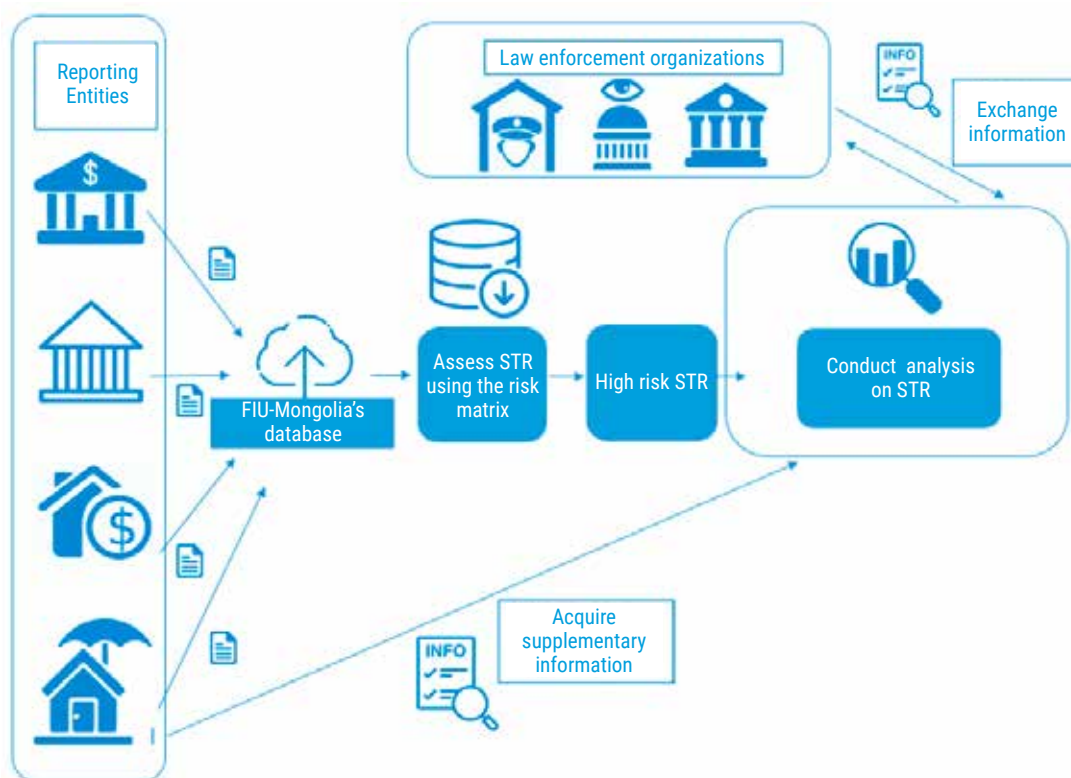
Figure 12. Requirements for reporting to FIU-Mongolia



Source: "Regulation on submitting information electronically from reporting entities to the Financial Information Unit"

STRs submitted by reporting entities are assessed using the risk matrix and the high-scoring ones are then assigned to analysts, who conduct analysis based on additional information from the relevant authorities.

**Figure 13. The structure of FIU-Mongolia's internal database**



Source: FIU-Mongolia, Bank of Mongolia

Currently, banks submit reports to FIU-Mongolia online, and reporting entities other than banks send reports to FIU-Mongolia in electronic form via an Excel file. Due to such inflexibility, FIU-Mongolia is facing the need to improve its software.

## 6.2 FIU SOFTWARE

The FATF urges countries to establish FIUs, which require powerful software to implement their activities. Because of the large amount of manpower and resources required, developing countries that have established FIUs in fact struggle to perform the relevant activities at the appropriate level.

To successfully meet this challenge, it is important that FIUs have up-to-date software. FIU-Mongolia's current database software does not allow the three types of reports to be submitted online by all reporting entities specified in the AML/CFT Law. There is a lack of capacity to perform basic and other additional operations, such as managing files of different formats, conducting statistical analysis, detecting data fluctuations, frequencies, correlations, and regularities, creating lists and graphical representations, and verifying information in the database.

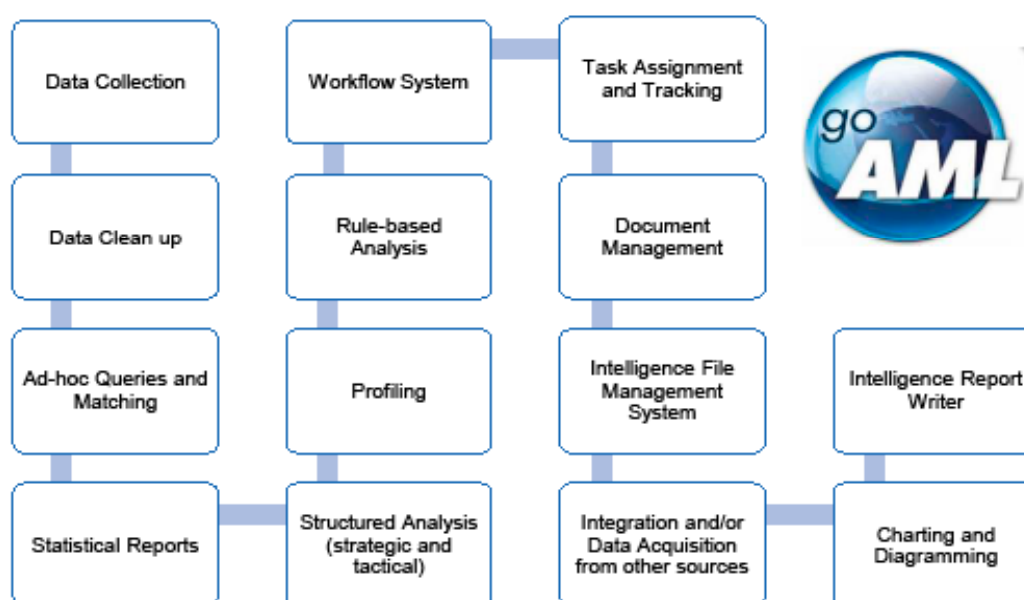
Therefore, FIU-Mongolia is working to introduce goAML software, which is widely used in many countries.



## 6.3 goAML APPLICATION

The United Nations Office on Drugs and Crime (UNODC) has developed the goAML application specifically for FIUs to enhance the capacity of countries' AML/CFT activities and bring their AML/CFT operations in line with international standards. The goAML application is designed to collect data, conduct rule-based analysis, assess risks, provide guidance to law enforcement agencies, and deliver information promptly. As of today, goAML is used in more than 50 countries around the world, including Mexico, New Zealand, Ireland, Luxembourg, and Nepal, and the demand is growing day by day. To date, there is no similar software in the world to compete with goAML. A key feature of the goAML application is that the data collection component allows reporting entities to deliver information and reports (STR, CTR, FSTR) in electronic form. Reports can be submitted offline (XML data exchange, such as email attachments, CDs, hard drives, etc.), online (by directly uploading XML data messages), or by filling out and sending an online form posted on the FIU's website. In case the report is submitted to the FIU in writing, information can be entered manually by the FIU.

Figure 14. goAML application process

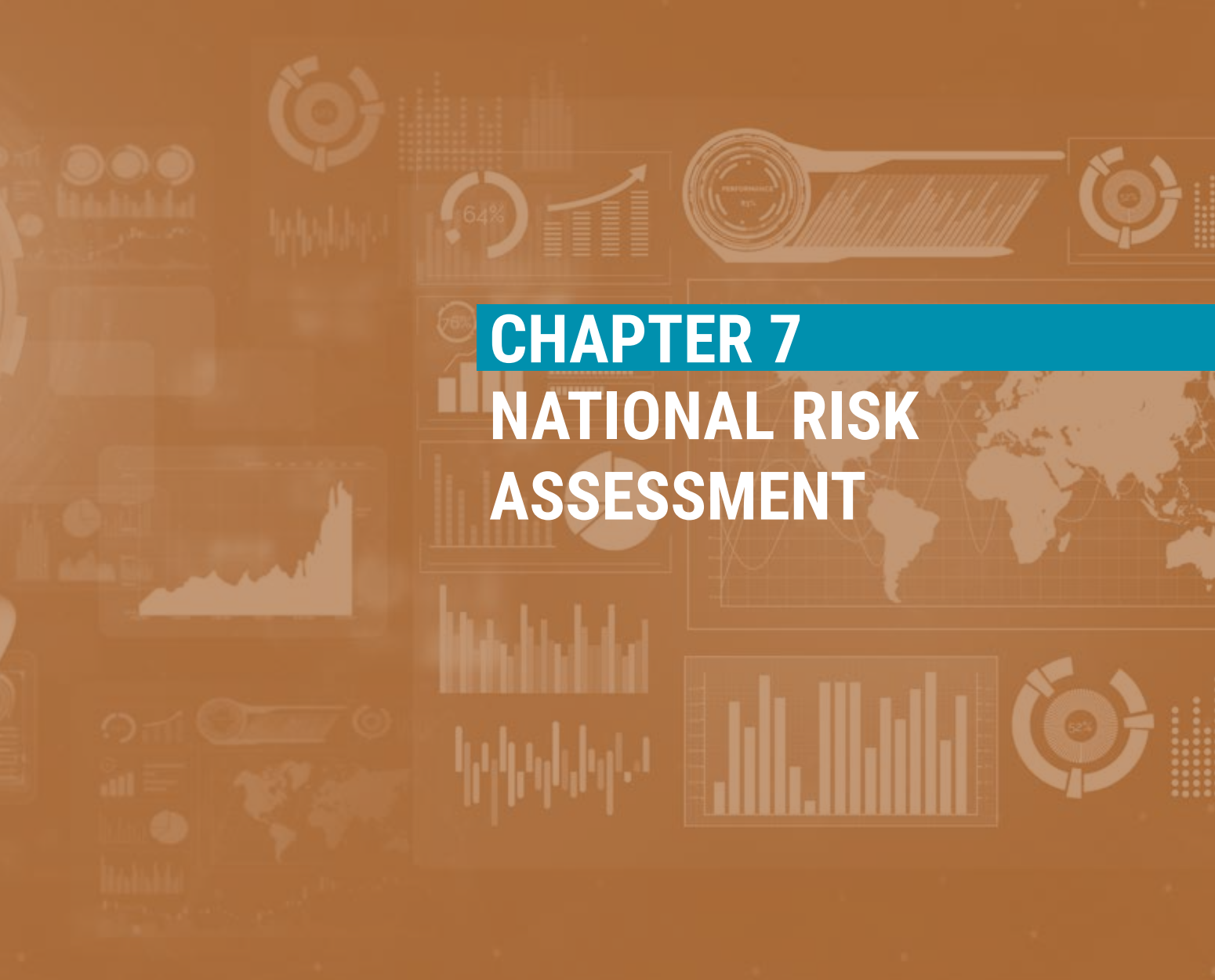


## 6.4 OTHERS

In order to make the information related to the AML/CFT system accessible to the public, FIU-Mongolia has launched two main websites: [www.amlcft.mn](http://www.amlcft.mn) and <https://fiu.mongolbank.mn/> and is delivering information through them.

The website [www.amlcft.mn](http://www.amlcft.mn) is an integrated information system that contains up-to-date information, recommendations, warnings, current laws, regulations, sanctions, and other information on Mongolian and international AML/CFT activities and preventive measures. The website was used for the progress reporting on action plan item of Immediate outcome 11 in Beijing, China and includes a screening tool against the United Nation's list of designated terrorists.

The website <https://fiu.mongolbank.mn/> publishes articles about the activities of FIU-Mongolia and any other information on AML/CFT activities on a regular basis.



## CHAPTER 7

# NATIONAL RISK ASSESSMENT

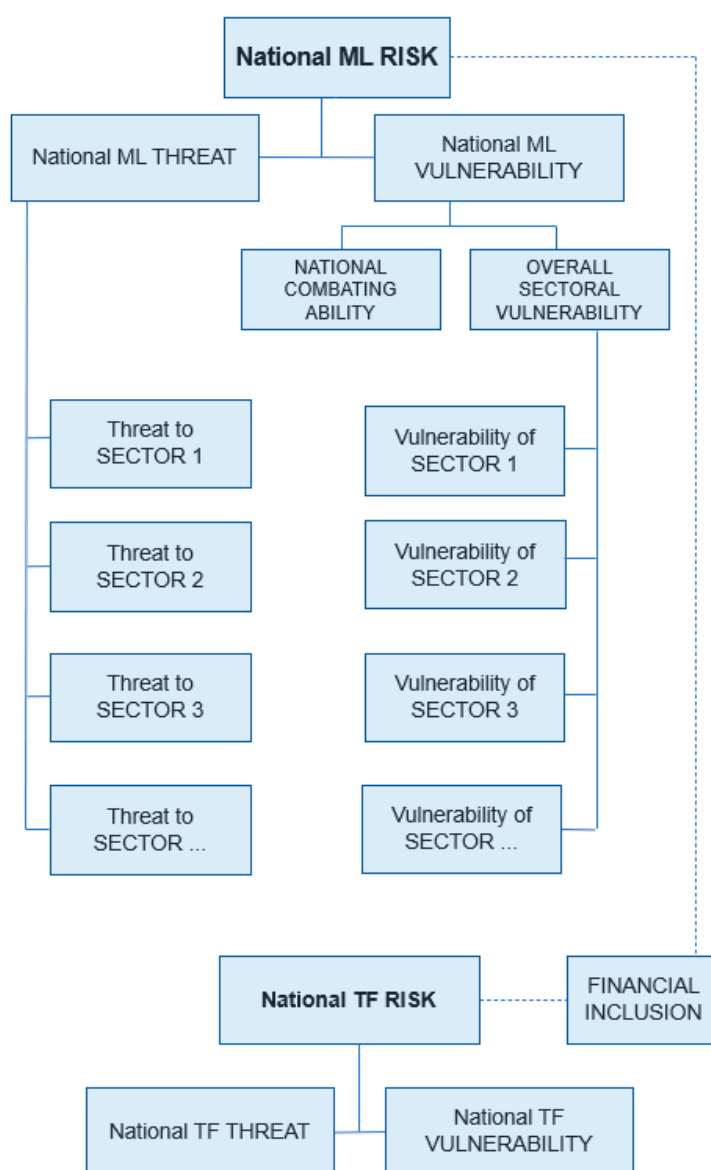
The purpose of the National Risk Assessment is to mitigate ML/TF risks by understanding the risks, effectively allocating the limited resources available to law enforcement, regulatory and other agencies responsible for preventive measures, and taking appropriate measures. To this intent, the National Risk Assessment Report is prepared to develop risk-based action plans and strategies. Understanding the scale and impact of ML/TF risks will assist government agencies and law enforcement, regulatory and supervisory authorities to combat these types of crimes especially by prioritizing their high-risk sectors and geographies and efficiently allocating resources and formulating policies for them. Countries are required to conduct National Risk Assessments in accordance with the International AML/CFT Standard issued by the FATF. Mongolia has expressed its full commitment to implement this standard through its membership in the APG, the FATF-style regional body.

The National Risk Assessment is organized by FIU-Mongolia. Mongolia's first National Risk Assessment was conducted in 2016 and assessed the risk of ML/TF crimes and risks in the banking sector, the non-bank financial sector, and the DNFBP sector.

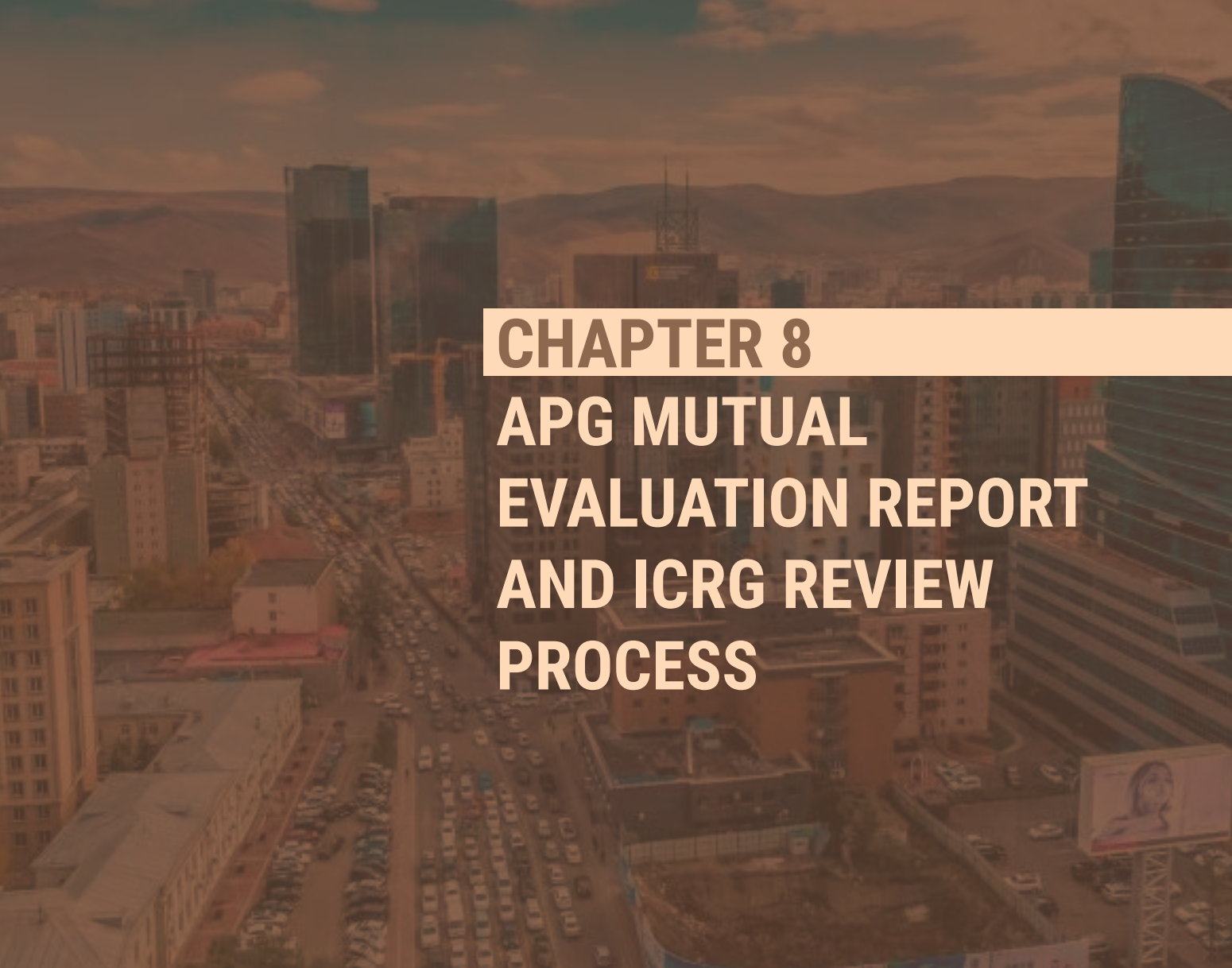
The second National Risk Assessment is currently in progress and planned to be finalized in 2020. The Minister of Finance approved the composition of the working group to conduct the National ML/TF Risk Assessment and report its progress as an Annex to Decree No. 20 dated January 31, 2020. In this context, the following sub-working groups were established in accordance with the Annex to Decree No. 90 of the Minister of Finance dated April 27, 2020. These include:

1. ML threat assessment sub-working group
2. National vulnerability assessment sub-working group
3. Banking sector vulnerability assessment sub-working group
4. Securities sector vulnerability assessment sub-working group
5. Insurance sector vulnerability assessment sub-working group
6. Other financial institutions vulnerability assessment sub-working group
7. DNFBP vulnerability assessment sub-working group
8. TF risk assessment sub-working group
9. Financial inclusion product risk assessment sub-working group
10. Non-profit organizations vulnerability assessment sub-working group

### General structure of the National Risk Assessment Tool



National strategies and action plans are developed to mitigate accurate and realistic risks in all sectors identified during the National Risk Assessment. Based on the National Risk Assessment, the relevant agencies work together to implement the activities outlined in the national strategy and to prepare for the Mutual evaluation report in order to comply with the requirements of the FATF recommendations.



# CHAPTER 8

## APG MUTUAL EVALUATION REPORT AND ICRG REVIEW PROCESS

### 8.1 APG MUTUAL EVALUATION REPORT FOR AML/CFT

#### 8.1.1. APG MUTUAL EVALUATION REPORT OF MONGOLIA

After joining the APG (FATF-style regional body) in 2004, Mongolia adopted the Law on Combating Money Laundering and Terrorism Financing in July 2006.

Mongolia's first mutual evaluation was conducted by the APG in 2007, and the second one was conducted in 2017. In the first Mutual evaluation report of 2007, 15 out of 49 FATF Recommendations<sup>1</sup> were rated partially compliant and 21 as non-compliant. Thus, in June 2011, the FATF has included Mongolia in its list of jurisdictions with AML/CFT strategic deficiencies. Furthermore, in October 2013, FATF has identified Mongolia as a jurisdiction not making sufficient progress for not addressing the most significant or the majority of its action plan items. At that time, Mongolia's economy has experienced fewer drawbacks due to its high economic growth and good reputation overseas. As a result of the prompt actions taken by the Parliament and the Government of Mongolia such as making amendments to the AML/CFT Law and the Criminal Code and approving the relevant regulations and guidelines, Mongolia was removed from the list of jurisdictions with strategic AML/CFT deficiencies in June 2014 after the re-assessment in the Follow-Up report on technical compliance.

<sup>1</sup> The FATF first issued an international anti-money laundering standard in 40 + 9 format. Subsequently, in 2012, it was updated to 40 Technical Compliance ratings and 11 Immediate outcomes.

Since then, the second mutual evaluation has been conducted in 2017, assessing Mongolia's AML/CFT system as of November 2016. In addition to the Technical Compliance of FATF's 40 Recommendations, 11 Immediate Outcomes have been assessed for this second mutual evaluation.

Mongolia submitted the Follow-up report on Technical Compliance in June 2016 and the Progress report on Level of Efficiency in September 2016 to the evaluation team. The evaluation team visited Mongolia in October 2016 and May 2017 to conduct an on-site assessment and to meet with the relevant institutions in order to verify the report.

Mongolia's Mutual evaluation report was discussed at the APG Annual Meeting held in Colombo, Sri Lanka in July 2017, and Mongolia was placed on Enhanced (Expedited) Follow-Up. Due to the risk of being included in the FATF's list of countries with strategic AML/CFT deficiencies, the FATF gave recommendations on the action plan for a certain period of time and postponed to publicly identify Mongolia as having strategic AML/CFT deficiencies.

#### The conditions to place on Enhanced (Expedited) Follow-Up are as follows:

- Out of FATF's 40 Recommendations, 20 or more are assessed as "Partially compliant" or "Non-compliant" for Technical Compliance;
- 3 or more of the Recommendations: 3, 5, 6, 10, 11 and 20 are assessed as "Partially compliant" or "Non-compliant";
- 9 or more of the FATF's 11 Immediate Outcomes are rated as having "Low" or "Moderate" level of effectiveness with a minimum of 2 lows;
- 6 or more of FATF's 11 Immediate Outcomes are rated as having "Low" level of effectiveness and the country is included in the list of jurisdictions under increased monitoring after being identified as having strategic deficiencies in the AML/CFT system and its implementation.

As a result of Mongolia's mutual evaluation in 2017, out of the FATF's 40 Recommendations, 5 Recommendations were rated as "Compliant" /C-5/, 15 Recommendations as "Largely compliant" /LC-15/, 15 Recommendations as "Partially compliant" and the remaining 5 Recommendations were rated as "Non-compliant" /NC-5/. Out of the 11 Immediate Outcomes, 2 were "Moderate" and 9 were rated as "Low".

**Table 3. Technical Compliance Ratings–2017**

*/C-compliant, LC-largely compliant, PC- partially compliant, NC-non-compliant/*

R1	R2	R3	R4	R5	R6	R7	R8
PC	PC	LC	LC	LC	PC	NC	PC
R9	R10	R11	R12	R13	R14	R15	R16
LC	LC	C	LC	LC	PC	LC	LC
R17	R18	R19	R20	R21	R22	R23	R24
NC	LC	PC	LC	PC	NC	NC	PC
R25	R26	R27	R28	R29	R30	R31	R32
PC	PC	LC	NC	PC	C	C	PC
R33	R34	R35	R36	R37	R38	R39	R40
PC	PC	PC	C	C	LC	LC	LC

Source: Mutual evaluation report, 2017

**Table 4. Level of Effectiveness–2017**

Immediate Outcome 1	Immediate Outcome 2	Immediate Outcome 3	Immediate Outcome 4
Low	Moderate	Low	Low
Immediate Outcome 5	Immediate Outcome 6	Immediate Outcome 7	Immediate Outcome 8
Low	Low	Low	Moderate
Immediate Outcome 9	Immediate Outcome 10	Immediate Outcome 11	
Low	Low	Low	

Source: Mutual evaluation report, 2017



Mongolia was advised to immediately improve its legal environment to combat money laundering and terrorism financing, and then to work on the Technical Compliance of Recommendations and Immediate Outcomes that were rated as NC and PC.

### 8.1.2. MEASURES TAKEN IN 2017-2019 TO IMPROVE THE RATINGS OF THE MUTUAL EVALUATION

In order to improve Mongolia's AML/CFT system, the Bank of Mongolia initiated the following measures in cooperation with relevant organizations. These include:

- The Government of Mongolia has approved Mongolia's mid-term AML/CFT national strategy as an annex to its Resolution No.143 dated May 17, 2017.
- In 2017, the National Security Council issued recommendations and monitored their implementation.
- Expanded members of the CC and intensified its operations by establishing specialized working groups under the CC.
- The relevant issues were included in the Monetary policy guidelines for 2018 and 2019 and were implemented.
- "Action Plan to comply with the Recommendations of APG" was developed and approved by the Government of Mongolia and further implemented.
- Working groups responsible for drafting the necessary amendments to relevant legislation were established and the amendments were approved.

For example:

- Law on Combating Money Laundering and Terrorism Financing;
- Criminal code;
- Law on Infringement;
- Law on Proliferation of Weapons of Mass Destruction and Combating Terrorism;
- Law on the Legal Status of Financial Regulatory Commission;
- Law on the Legal Status of Lawyers;
- Law on Accounting;
- Law on Intelligence Activity;
- Law on Investigation of Regulatory Infringement;
- Customs law;
- Law on Post;
- Law on State Registration of Legal Entities;
- Banking law;
- Regulation of preventive measures on anti-money laundering and combating the financing of terrorism;
- Other laws, regulations, and procedures.

For example, the 2017 Mutual evaluation report addressed issues such as the lack of understanding of the AML/CFT system by lawyers, notaries, accounting and financial advisory service providers, no practice of conducting their supervision and ML/TF risk assessment, and uncertainty over their responsible supervisory bodies.

In this regard, the Law on Combating Money Laundering and Terrorism Financing was amended on January 17, 2020, stating that notaries, lawyers, accounting, and financial advisory service providers are obliged to report certain activities of their clients to FIU-Mongolia. In addition, FIU-Mongolia, in cooperation with the Financial Regulatory Commission, the Ministry of Justice and Home Affairs, and the Mongolian Institute of Certified Public Accountants, conducted trainings on AML/CFT system and risk assessment as part of its outreach activities to the DNFBSs. See Appendix 5 for details about trainings.

### 8.1.3. IMPROVEMENT OF RATINGS BASED ON THE PROGRESS MADE

As mentioned above, since Mongolia was placed on the enhanced (expedited) follow up in July 2017 and given recommendations on the action plan to implement within a certain period of time, re-rating of the technical compliance of 20 Recommendations that were assessed as NC and PC by the mutual evaluation was requested on 31 January 2019. The Follow-up report on technical compliance of the Recommendations was submitted to the APG along with the accompanying documents. This report was discussed at the APG Annual meeting held in August 2019, and out of a total of 20 Recommendations that were evaluated as NC and PC, the re-ratings of 16 recommendations were upgraded. As of October 2019, Mongolia has adequately implemented 35 of FATF's 40 Recommendations. This is shown in the table below:

**Table 5. Improvement of Technical Compliance of Recommendations rated as NC and PC**

*/C-compliant, LC-largely compliant, PC- partially compliant, NC-noncompliant/*

R1	R2	R3	R4	R5	R6	R7	R8
PC	LC	LC	LC	LC	LC	LC	PC
R9	R10	R11	R12	R13	R14	R15	R16
LC	LC	C	LC	LC	PC	LC	LC
R17	R18	R19	R20	R21	R22	R23	R24
LC	LC	LC	LC	C	LC	LC	LC
R25	R26	R27	R28	R29	R30	R31	R32
LC	LC	LC	PC	C	C	C	LC
R33	R34	R35	R36	R37	R38	R39	R40
LC	LC	PC	C	C	LC	LC	LC

Source: 2<sup>nd</sup> Round Follow-Up report of Mongolia

At the APG Annual Meeting held in Canberra, Australia in August 2019, the Follow-up report on AML/CFT actions taken in accordance with the MER in Mongolia in 2017-2019 for improving Technical Compliance was discussed and 7 Recommendations were rated as "Compliant" /C-7/, 28 as "Largely compliant" /LC-28/, 5 as "Partially Implemented" /PC-5/. There were no Recommendation rated as "Non-compliant". The re-rating of 16 Recommendations were upgraded at this meeting. As a result, Mongolia exited enhanced (expedited) follow-up in terms of Technical Compliance and was placed on enhanced follow-up.

See Appendix 10 for the Time Matrix (2007-2020) of Mongolia on FATF's Technical Compliance and Effectiveness Assessment.

## 8.2 OUTCOMES OF THE FATF AND ICRG MEETINGS

### 8.2.1. ICRG'S CONCLUSION

At the Joint Meeting of the FATF and the APG on September 9-13, 2019 in Bangkok, Thailand, it was concluded that Mongolia's level of effectiveness rating has been improved based on the fact that 7 out of 11 Immediate Outcomes have been largely addressed, but measures taken on remaining 4 Immediate Outcomes were considered not satisfactory.

### 8.2.2. FATF'S PUBLIC STATEMENT ON INCLUDING MONGOLIA UNDER ITS ENHANCED MONITORING

The outcomes of the progress report and the draft action plan were discussed at the FATF Plenary held in Paris, France in October 2019.

On 18 October 2019, the FATF issued a public statement on improving global AML/CFT compliance. This statement stipulated that since the completion of its MER in 2017, Mongolia has made progress on updating its relevant laws and regulations. Moreover, it was noted that Mongolia has made a high-level political commitment to develop and implement an action plan with the FATF and the APG to address the

identified deficiencies and improve the effectiveness of the AML/CFT system.

According to this statement, the FATF announced through its website that Mongolia was identified as having strategic AML/CFT deficiencies and developed an action plan with the FATF.

### 8.2.3. ACTION PLAN TO ADDRESS STRATEGIC DEFICIENCIES

Mongolia has acknowledged its strategic AML/CFT deficiencies and has developed an action plan with the FATF outlining measures to be taken until May 2021. Removal from the FATF's list will be determined by how quickly and efficiently Mongolia completes the work outlined in the action plan.

Table 6. Action plan

Nº	Actions
Immediate Outcome: 3	1. Improve sectoral ML/TF risk understanding by DNFBP supervisors and apply a risk-based approach to supervision; 2. Apply proportionate and dissuasive sanctions for breaches of AML/CFT obligations;
Immediate Outcome: 7	3. Demonstrate increased investigations and prosecutions of different types of ML activity in line with identified risks;
Immediate Outcome: 8	4. Demonstrate further seizure and confiscation of falsely/non-declared currency and apply effective, proportionate, and dissuasive sanctions;
Immediate Outcome: 11	5. Demonstrate cooperation and coordination between authorities to prevent sanctions evasion; 6. Monitor compliance by financial institutions and DNFBPs with their PF-related TFS obligations, including the application of proportionate and dissuasive sanctions.

Source: FIU-Mongolia, Bank of Mongolia

In this regard, the CC has drafted a detailed work plan for implementing the action plan developed with the FATF in September 2019, and at the CC meeting held on 8 October 2019, it was decided that each member organization of the council will update its internal work plan including the necessary measures to be taken.

### 8.3. IMPACT OF BEING INCLUDED IN THE FATF'S LIST

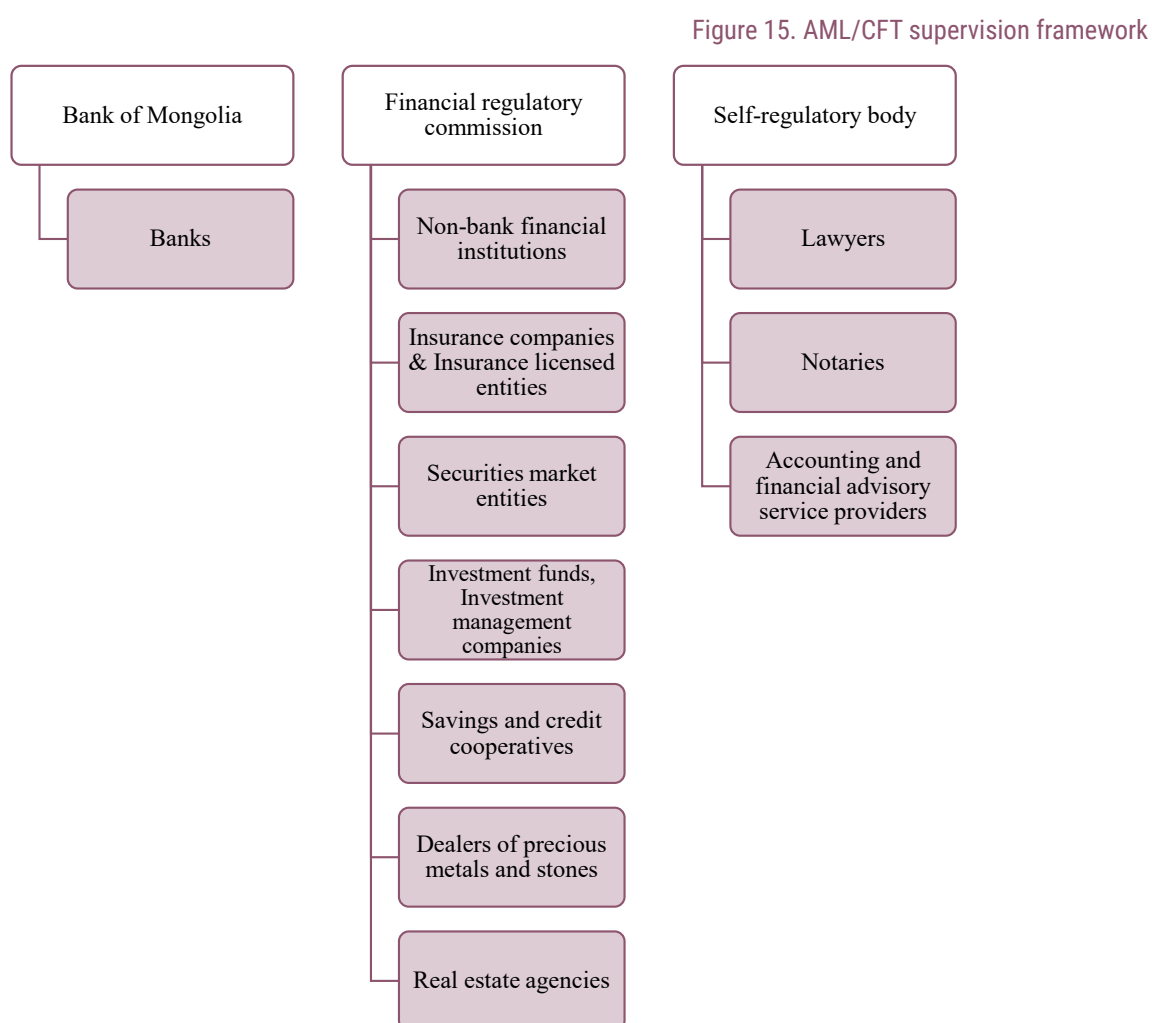
The results of major international research studies on how a country's economy is likely to be affected for being included in the FATF's list are summarized as follows: (1) Reduction in the number of correspondent banks and financial institutions, increases in the cost of foreign transfers, payments, and financial services, and reduction in remittances and foreign trade of the country, (2) Decline in opportunities to attract funds from foreign markets due to negative effects on credit ratings, (3) Decline in investment due to enhanced due diligence, supervision and reporting and (4) Implications such as an increase of inflation and depreciation of the national currency.



# CHAPTER 9

## SUPERVISION

According to Article 18.1.7 of the AML/CFT Law, FIU-Mongolia is responsible for compiling and publishing consolidated statistics on supervision of the law implementation, performing supervision, and requesting to perform supervision by other authorized bodies. In addition, Article 19.1 of the Law stipulates that there are three types of organizations that are responsible for monitoring and ensuring the implementation of legal obligations by reporting entities using the risk-based approaches: Bank of Mongolia, Financial Regulatory Commission and self-regulatory organizations (Mongolian Institute of Certified Public Accountants, Mongolian Bar Association, and Mongolian Chamber of Notaries).



Supervision of banks is carried out by the Anti-Money Laundering Division of the Supervision Department of the Bank of Mongolia. Financial institutions other than banks such as non-bank financial institutions, insurance companies, securities market entities, investment funds, investment management companies, savings and credit cooperatives, as well as dealers of precious metals and stones and real estate agencies are supervised by the Anti-Money Laundering Unit of the Supervision and Regulation Department of the Financial Regulatory Commission. However, self-regulatory bodies of DNFBPs, professional associations for lawyers, notaries, accounting, and financial advisory service providers, conduct risk-based supervision.

## 9.1 SUPERVISION OF BANKS' AML/CFT ACTIVITIES

Supervision of banks' AML/CFT activities is performed in two forms: off-site and on-site. FIU-Mongolia has contributed to the development of the regulations on conducting on-site and off-site supervision of banks' AML/CFT activities.

In 2017-2019, banks' AML/CFT activities were supervised as follows:

Table 7. Number of banking supervision /2017-2019/

2017	2018	2019
2	14	24

Source: FIU-Mongolia, Bank of Mongolia

## 9.2 SUPERVISION OF FINANCIAL INSTITUTIONS OTHER THAN BANKS

AML/CFT supervision of financial institutions other than banks as well as dealers of precious metals and stones and real estate agencies is conducted by the Anti-Money Laundering Unit of the Supervision and Regulation Department of the Financial Regulatory Commission. Other DNFBPs (accounting and financial advisory service providers, lawyers, notaries) are supervised by Self-regulatory bodies, such as Mongolian Institute of Certified Public Accountants, Mongolian Bar Association, and Mongolian Chamber of Notaries.

As of 2019, FIU-Mongolia has held 13 joint meetings with the Bank of Mongolia, the Ministry of Justice and Home Affairs, Mongolian Institute of Certified Public Accountants, Mongolian Bar Association, and Mongolian Chamber of Notaries to improve the understanding of lawyers, notaries, as well as accounting and financial advisory service providers on the supervision of money laundering and the financing of proliferation of weapons of mass destruction and terrorism. See Appendix 6 for details of these meetings.

FIU-Mongolia conducted on-site supervisions on activities of notaries, law firms, and accounting and financial service advisers that were identified as having high risk and prepared their supervision reports. See Appendix 7 for details.

After examining the AML/CFT law compliance by the DNFBPs during the supervision, FIU-Mongolia issues rectification notices with deadline when necessary and is obliged to take measures for violations in accordance with the Article 23 of the AML/CFT Law and in Article 11.29 of the Law on Infringement.

FIU-Mongolia has provided technical assistance and support to relevant organizations on conducting risk assessments related to the money laundering, financing of proliferation of weapons of mass destruction and terrorism. Moreover, FIU-Mongolia has developed the initial inspection methodology guideline and sent it to the relevant authorities. Also, FIU-Mongolia has organized seminars and training sessions for supervisors.

FIU-Mongolia has developed the following guidelines and manuals and distributed them to the relevant reporting entities:

1. AML/CFT guidance for implementing Risk-Based Approach for accounting and financial advisory service providers, notaries and lawyers;
2. Guidelines for reporting to the Financial Information Unit for accounting and financial advisory service providers, notaries, lawyers, dealers of precious metals and stones, and real estate agencies.

Please visit the official website of FIU-Mongolia at <https://fiu.mongolbank.mn/> for these guidelines and manuals.

AML/CFT supervision on reporting entities other than banks was carried out in 2017-2019 as follows:

**Table 8. Number of supervision of reporting entities other than banks /2017-2019/**

<b>2017</b>	<b>2018</b>	<b>2019</b>
139	1,025	269

Source: FIU-Mongolia, Bank of Mongolia

# APPENDIX

## Appendix 1. MOUs with FIUs in other jurisdictions

	Agency	Jurisdiction
1.	Financial Crimes Investigation Board (MASAK)	Turkey
2.	China Anti-Money Laundering Monitoring and Analysis Center (CAMLMAC)	China
3.	Financial Transactions and Reports Analysis Center of Afghanistan (FinTRACA)	Afghanistan
4.	Financial Intelligence Unit - Malaysia (UPWBNM)	Malaysia
5.	The State Financial Monitoring Service of Ukraine (SFMS)	Ukraine
6.	Bangladesh Financial Intelligence Unit (BFIU)	Bangladesh
7.	Financial Intelligence Unit-Mexico (FIU-Mexico)	Mexico
8.	Financial Information Unit (FIU-Nepal)	Nepal
9.	Office for Money Laundering Prevention (OMLP)	Slovenia
10.	Federal Financial Monitoring Service (Rosfinmonitoring)	Russia
11.	Anti-Money Laundering Division (AMLĐ)	Taiwan
12.	Japan Financial Intelligence Center (JAFIC)	Japan
13.	The Department of Financial Monitoring of the State Control Committee of the Republic of Belarus (DFM)	Belarus
14.	Anti-Money Laundering Council (AMLC)	Philippines
15.	Financial Intelligence Unit of Sri Lanka (Sri Lanka FIU)	Sri Lanka
16.	Office for Prevention and Fight against Money Laundering (SPCSB)	Moldova
17.	Committee on Financial Monitoring of the Ministry of Finance of the Republic of Kazakhstan (Finmonitoring)	Kazakhstan
18.	Korea Financial Intelligence Unit (KoFIU)	South Korea
19.	The State Financial Intelligence Service under the Government of the Kyrgyz Republic (FIS)	Kyrgyz Republic

## Appendix 2. Outcomes of public awareness raising activities for governmental, non-governmental organizations and self-regulating bodies

Nº	Date	Topic	Coorganization	Number of participants
1	October 8, 2018	FIU activities, participation and IAAC cooperation	IAAC	50 officials of IAAC and LEAs
2	March 12, 2019	FIU activities and the involvement of the GCA in AML/CFT	GCA	About 40 customs inspectors
3	February 13, 2019	Regulation of the real estate sector and AML/CFT	FRC	13 officials of the competent authorities
4	June 27, 2019	AML/CFT system, the role of the FIU, and the involvement of the NPA	NPA	60 detectives
5	July 2018 to April 2019	The role of lawyers in AML/CFT and the Implementation of International Standards and Supervision	Mongolian Bar Association	Leaders of the Bar Associations
6	March 2019	Regulation of the NPOs	MOJHA	Working group on drafting the law on NPOs
7	June 14, 2019	Responsibilities of the GASR in AML/CFT	GASR	20 state registrars
8	May 10, 2019	Introductions of the CTR, FSTR, STR which are submitted to the FIU	GTA	

### Appendix 3. Information on trainings, seminars, forums, discussions, and meetings organized for DNFBPs

No.	Date	Event type /trainings, seminars, forums, discussions, meetings/	Topic	Coorganization	Number of participating agencies and officials
1	September 10, 2019	Certified training for SCCs' Supervisory Board, CEO and Accountants	Understanding of AML/CFT	Mongolian Association of Savings and Credit Cooperatives	11 representatives of SCCs
2	September 20, 2019	Training for managers of SCCs	Understanding of AML/CFT	Mongolian Association of Savings and Credit Cooperatives	12 representatives of SCCs
3	September 26, 2019	Training for accountants of SCCs	Provide accountants with an understanding of AML/CFT	Mongolian Association of Savings and Credit Cooperatives	16 accountants of SCCs from urban and rural areas
4	September 29, 2019 - October 4, 2019	Financial market open day, AML/CFT training	Provides guidance on the risks of ML/TF, the non-bank financial sector, issues to be addressed in the AML/CFT, the development of a compliance program, and the prevention of ML/TF	FRC	242 regulated entities
5	October 6, 2019 - October 7, 2019	Capacity building training for members and management of the Supervisory Board of SCC	Understanding of AML/CFT	FRC and Asian Development Bank	51 representatives from top 20 SCCs in terms of assets
6	October 11, 2019	Training for members of the SCCs' Supervisory Board organized by the MOCCU	Understanding of AML/CFT	Mongolian Association of Savings and Credit Cooperatives	11 members of 8 SCC's Supervisory Board
7	October 25, 2019	Training for members of the Credit Committee of the Mongolian Association of Savings and Credit Cooperatives	Understanding of AML/CFT	Mongolian Association of Savings and Credit Cooperatives	18 members of the Credit Committee of SCCs
8	October 22, 2019	AML/CFT training	Understanding of AML/CFT, reporting suspicious transactions, PEP, case studies, beneficial ownership related tasks, etc.	Asian Development Bank	27 representatives of banks, NBFIs, SCCs, Brokers and Dealers, Insurance companies and NGOs
9	October 23, 2019	AML/CFT training	Understanding of AML/CFT, reporting suspicious transactions, PEP, case studies, beneficial ownership related tasks, etc.	Asian Development Bank	26 representatives of banks, NBFIs, SCCs, Brokers and Dealers, Insurance companies and NGOs

10	October 25, 2019	AML/CFT training	Understanding of AML/CFT, reporting suspicious transactions, PEP, case studies, beneficial ownership related tasks, etc.	Asian Development Bank	34 lawyers and notaries
11	October 28, 2019	AML/CFT training	Understanding of AML/CFT, reporting suspicious transactions, PEP, case studies, beneficial ownership related tasks, etc.	Asian Development Bank	37 accountants
12	October 29, 2019	AML/CFT training	Understanding of AML/CFT, reporting suspicious transactions, PEP, case studies, beneficial ownership related tasks, etc.	Asian Development Bank	31 dealers in precious metals and stones
13	October 30, 2019	Advanced training for FRC officials	Advanced training on AML/CFT	Asian Development Bank	29 officials of the Supervision Department of FRC
14	November 15, 2019	AML/CFT training	Legal framework of AML/CFT, REs, CDD, reporting and responsibilities		28 representatives of the Mongolian Association of Savings and Credit Cooperatives
15	November 20, 2019	AML/CFT training	Legal framework of AML/CFT, REs, CDD, reporting and responsibilities		15 representatives of the Supervisory Board of the Mongolian Association of Savings and Credit Cooperatives
16	November 21, 2019	Prevention of ML/TF	FATF Recommendations and Implementation, regulated entities of FRC, amendments to the law, AML/CFT risk assessment, supervision, and Scope		20 officials of the National Emergency Management Agency
17	November 23, 2019	AML/CFT training	Legal framework of AML/CFT, REs, CDD, reporting and responsibilities	Mongolian Association of Damage Assessors	50 damage assessors
18	November 25, 2019	AML/CFT training	Legal framework of AML/CFT, REs, CDD, reporting and responsibilities		16 loan officers of the Mongolian Association of Savings and Credit Cooperatives
19		AML/CFT training	Legal framework of AML/CFT, REs, CDD, reporting and responsibilities		12 accountants of the Mongolian Association of Savings and Credit Cooperatives
20	December 6, 2019	Insurance broker training	Legal framework of AML/CFT, REs, CDD, reporting and responsibilities	Mongolian Insurance Brokers Association	70 insurance brokers

21	December 13, 2019	Mongolian National Association of Savings and Credit Cooperatives' Training for Accountants of Savings and Credit Cooperatives	Understanding of AML/CFT	Mongolian Association of Savings and Credit Cooperatives	15 members of the Supervisory Board of SCCs
22	December 26, 2019	AML/CFT training	AML/CFT implementation requirements, legal obligations, measures to be taken, risk assessment, customer identification measures	Mongolian Institute for Certified Public Accountants	39 accountants
23	January 3, 2020	Capacity building training for supervisors	Experiences and challenges faced by the FRC in implementing the AML/CFT supervision system	Bank of Mongolia, FRC	40 supervisors
24	January 10, 2020	Providing large NBFIs with STR information	Identifying suspicious transactions and activities	FRC	32 NBFIs



## Appendix 4. Technical assistance

No.	Requesting agency	Supporting agency	Purpose	Period
1	MFA (FIU-Mongolia and MOJHA)	ADB	Improving the Law on AML/CFT and creating a legal basis for the implementation of sanctions to combat financing of terrorism and the proliferation of weapons of mass destruction	2018
2	FIU-Mongolia (NCTC)	Department of Home Affairs of Australia	Legal and policy aspects for establishing legal basis of PF/TF sanctions (drafting law, regulations and training)	2018-2020
3	FIU-Mongolia	US Treasury OTA	Strengthening of FIU-Mongolia's capacity to combat money laundering and terrorist financing and to monitor financial and non-financial sectors	2018-2021
4	FIU-Mongolia	IMF	Improving the legal and supervision systems and the capacity of FIU-Mongolia staff	Until December, 2019
5	FIU-Mongolia	ADB	FIU-Mongolia supports for training on CDD procedures international standards and ongoing activities for REs	2018-2020
6	Bank of Mongolia	IMF	Improving the legal system and capacity building of the supervision system	2018-2020
7	Bank of Mongolia	ADB	Training for banks on CDD procedures, international standards, and ongoing measures	2018-2020
8	FRC	International Investment Bank	Revised the regulations of reporting suspicious transaction and on-site/off-site supervision and improved the overall supervisory framework of regulated reporting entities	2018.01-2018.06 /first stage is completed/
9	FRC	ADB	AML/CFT training for FRC supervisors, registrars and non-bank financial institutions, savings and credit cooperatives, and real estate agencies	2018-2020
10	GPO (IAAC, NPA, FIU)	World Bank 'StAR initiative'	Mutual legal assistance and financial investigation /improvement of confiscation and return procedures/	2018-2020
11	GPO (IAAC, NPA, FIU)	Thai Law Enforcement Academy and US Federal Tax Administration	Investigation on money laundering and terrorist financing crimes, conduct financial analysis, and learn methods and techniques to investigate this type of crime, and exchange experience with the similar type of organizations	2018-2020

## Appendix 5. Trainings conducted as part of the outreach work for DNFBPs

No.	Date	Topic / Coorganization	Note
1	November 7, 2019	Measures to combat and prevent money laundering and terrorist financing	Training on AML/CFT and risk assessment for advocacy communities in cooperation with the Mongolian Bar Association
2	October 25, 2019	Mongolian Bar Association, FRC, MOJHA, ADB - Training	AML/CFT and risk assessment
3	December 2, 2019	BoM, MOJHA, GASR, Mongolian Bar Association, Mongolian Institute of Certified Public Accountants, Mongolian Chamber of Notaries	AML/CFT and risk assessment
4	December 26, 2019	FIU-Mongolia, Mongolian Institute of Certified Public Accountants	Roles of accountants in AML/CFT and supervision
5	December 13, 2019	FIU-Mongolia, Mongolian Institute of Certified Public Accountants	General understanding of AML/CFT

## Appendix 6. Meetings organized as part of the joint supervision

No.	Date	Participating organizations	Note
1	October 17, 2019	FIU-Mongolia, Bank of Mongolia, Mongolian Chamber of Notaries	Bank of Mongolia, FIU-Mongolia
2	November 6, 2019	FIU-Mongolia, IMF, Mongolian Chamber of Notaries	Discussion on off-site supervision
3	November 18, 2019	FIU-Mongolia, MOJHA, Mongolian Chamber of Notaries	FIU-Mongolia and MOJHA met with members of the working group of the Notary Chamber to discuss supervision issues.
4	October 31, 2019	FIU-Mongolia, Mongolian Bar Association	A joint meeting between FIU-Mongolia, the Mongolian Bar Association, and MOJHA on supervision
5	November 1, 2019	FIU-Mongolia, Mongolian Bar Association, MOJHA	A joint meeting between FIU-Mongolia, MOJHA, and the Mongolian Bar Association on supervision
6	November 7, 2019	Bank of Mongolia, Mongolian Bar Association	FIU-Mongolia and Mongolian Bar Association joint meeting on supervision
7	November 8, 2019	FIU-Mongolia, MOJHA, Mongolian Bar Association	A joint meeting between FIU-Mongolia, the MOJHA, and the Mongolian Bar Association on supervision
8	November 12, 2019	FIU-Mongolia, MOJHA, Mongolian Bar Association	A joint meeting between FIU-Mongolia, the MOJHA, and the Mongolian Bar Association on supervision
9	November 18, 2019	FIU-Mongolia, MOJHA, Mongolian Bar Association	A joint meeting between FIU-Mongolia, the MOJHA, and the Mongolian Bar Association on supervision
10	November 21, 2019	FIU-Mongolia, Mongolian Bar Association	A joint meeting between FIU-Mongolia, and the Mongolian Bar Association on supervision
11	November 28, 2019	FIU-Mongolia, MOJHA, FRC, Mongolian Bar Association, Mongolian Chamber of Notaries, Mongolian Institute of Certified Public Accountants	Joint supervision
12	December 23, 2019	FIU-Mongolia, MOJHA, Mongolian Bar Association	Joint supervision
13	December 31, 2019	MOJHA, Mongolian Bar Association	Joint supervision

## Appendix 7. Supervision of lawyers, notaries, accountants, and professional non-financial service providers

No.	Activities	Date	Note
1	Establish a supervision working group	November 15, 2019	The Chamber of Notaries and the Bar Association established separate supervision working groups.
2	Develop a manual for off-site supervision in cooperation with professional associations	3rd and 4th quarter of 2019	Supervision manual was developed for the DNFBPs and submitted to the responsible associations.
3	Develop a risk assessment questionnaire and fill out the questionnaire through the DNFBPs	3rd and 4th quarter of 2019	Prepared questionnaire for DNFBPs in cooperation with the responsible associations. Filled out by 250 notaries, 130 lawyers, 150 accountants.
4	Conduct risk assessments and identify high-risk DNFBPs	3rd and 4th quarter of 2019	According to the questionnaire, a risk assessment was conducted to identify high-risk DNFBPs. Five high-risk law firms, five notaries, and five financial services companies were identified for on-site supervisions.
5	Develop guidelines for on-site supervisions	3rd and 4th quarter of 2019	In cooperation with the responsible associations, guidelines for on-site supervisions were developed.
6	Conduct on-site supervision on high risk DNFBPs	4th quarter of 2019	On-site supervisions were conducted on 5 notaries, 5 law firms and financial services companies identified as high risk.
7	Write a supervision report	4th quarter of 2019	On-site supervision report has been completed.

## Appendix 8. List of internal events attended by FIU staff in 2018-2019

No.	Date	Topic	Organizing agency
1	February 1, 2018	Advanced training for MS Excel	IMF
2	March 26, 2018	AML/CFT	FRC, Ernst & Young LLC
3	May 8, 2018	E-money	US Treasury Department TA office
4	May 9-10, 2018	Fighting against the financing of proliferation of weapons of mass destruction	Home Affairs Department of Australia
5	June 14-15, 2018	International experience in combating money laundering using offshore areas	IAAC
6	July 25, 2018	Methods of proving source of income	US Treasury Department TA office
7	September 14, 2018	Offshore bank	US Treasury Department TA office
8	October 8-12, 2018	Financial investigation	UN, WB, IAAC
9	October 22-24, 2018	Adhere to the list of terrorist entities and asset freezing system	UN, MFA, FIU
10	November 2, 2018	Prepare a self-assessment report on the implementation of Chapter 2 (Preventive Measures) and Chapter 5 (Refunds) of the UN Convention against Corruption	IAAC
11	November 29, 2018	Money laundering using foreign trade	-
12	March 20, 2019	Mongolian Sustainable Finance Forum	Golomt bank
13	March 20, 2019	"Future Thinking" training	ADB
14	March 21, 2019	Financial analysis techniques	-
15	April 5, 2019	Discussion and seminar on "Green Taxonomy"	Stable Financial Alliance
16	April 8-12, 2019	Financial investigation	IAAC
17	May 14-17, 2019	Training on credit risk management for small and medium Businesses	ADB
18	June 4, 2019	Anti-corruption 1-day training program	IAAC
19	July 29, 2019	Anti-corruption reforms in Mongolia	IAAC
20	August 26-30, 2019	FBI-AML/CFT	US Embassy, NPA
21	September 24, 2019	Embedding information in electronic reports of government organizations	Extractive Industries Transparency Initiative
22	October 22-24, 2019	Cyber security	US Embassy

## Appendix 9. Overseas events attended by FIU-Mongolia staff /2018-2020 (Q1)/

No.	Date	Topic	Organizing agency	Country
1	April 7-14, 2018	Exchanging experience with FIU-Russia	International Training Center of FIU-Russia	Russia
2	June 10-15, 2018	AML/CFT	US Federal Reserve	US
3	July 9-13, 2018	Financial investigation technique	Thai Law Enforcement Academy and US Federal Tax Administration	Thailand
4	September 21-28, 2018	Annual meeting of Egmont group	Egmont group	Australia
5	October 3-6, 2018	Internal audit training	-	Poland
6	December 3-8, 2018	FIU Security	Egmont group	Taiwan
7	January 9-11, 2019	Joint working group meeting of APG/ICRG	APG/ICRG	Australia
8	March 4-8, 2019	Meeting of Central Asian experts on improving cooperation and information exchanging against TF	EBRD, UNODC	Uzbekistan
9	April 16-20, 2019	Annual meeting of IMF	IMF	US
10	May 14-19, 2019	Joint meeting of APG/FATF	APG/FATF	China
11	May 2-31, 2019	EAG meeting	World bank	Russia
12	June 2-8, 2019	Training	IMF	Singapore
13	July 1-5, 2019	Annual meeting of Egmont group	Egmont group	Holland
14	July 8-13, 2019	Training on FATF Recommendations	FATF	South Korea
15	August 15-25, 2019	APG Annual meeting	APG	Australia
16	September 9-15, 2019	Joint working group meeting of APG/ICRG	APG/ICRG	Thailand
17	September 10-13, 2019	EAG meeting	EAG	Kyrgyzstan
18	October 14-18, 2019	Financial investigation technique	Thai Law Enforcement Academy and US Federal Tax Administration	Thailand
19	January 15-25, 2020	Joint meeting of APG/FATF	APG/FATF	China
20	January 27-31, 2020	FATF meeting	FATF	France
21	February 16-21, 2020	FATF meeting	FATF	France

Appendix 10. Time matrix for FATF technical implementation and effectiveness evaluation of Mongolia (2007-2020)

Old number	New number	Recommendation	40+9			40+11		
			2007-2011	2012-2013	2014-2016	2017-2018	2019	2020
		Criteria \ Reports	MER	PR	PR	MER	2nd FUR	3rd FUR
-	1	<b>Assessing risks and applying a risk-based approach</b>	NA	NA	NA	PC	PC	PC
		1.1				Partly met	Partly met	
		1.2				Met	Met	
		1.3				Met	Mostly Met	
		1.4				Met	Met	
		1.5				Not Met	Partly Met	
		1.6				Not Met	N/A	
		1.7				Mostly Met	Partly Met	
		1.8				Not Met	Partly Met	
		1.9				Partly met	Partly Met	
		1.10				Mostly Met	Met	
		1.11				Mostly Met	Met	
		1.12				NA	Partly Met	
31	2	<b>National cooperation and coordination</b>	PC	PC	PC	PC	LC	LC
		2.1				Not Met	Met	
		2.2				Met	Met	
		2.3				Mostly Met	Mostly Met	
		2.4				Not Met	Met	
		2.5					Met	
1 & 2	3	<b>Money laundering offence</b>	PC	PC	LC	LC	LC	LC
		3.1				Met		
		3.2				Mostly Met		
		3.3				NA		
		3.4				Met		
		3.5				Met		
		3.6				Met		
		3.7				Met		
		3.8				Met		
		3.9				Partly met		
		3.10				Partly met		
		3.11				Met		

3	4	<b>Confiscation and provisional measures</b>	<b>PC</b>	<b>PC</b>	<b>LC</b>	<b>LC</b>	<b>LC</b>	<b>LC</b>
		4.1				Met		
		4.2				Met		
		4.3				Met		
		4.4				Partly met		
II	5	<b>Terrorist financing offence</b>	<b>NC</b>	<b>NC</b>	<b>LC</b>	<b>LC</b>	<b>LC</b>	<b>LC</b>
		5.1				Met	Mostly Met	
		5.2				Met	Mostly Met	
		5.2b				Not Met	Not Met	
		5.3				Met	Met	
		5.4				Met	Met	
		5.5				Met	Met	
		5.6				Met	Met	
		5.7				Partly met	Mostly Met	
		5.8				Met	Met	
		5.9				Met	Met	
		5.10				Met	Met	
III	6	<b>Targeted financial sanctions related to terrorism and terrorist financing</b>	<b>NC</b>	<b>NC</b>	<b>LC</b>	<b>PC</b>	<b>LC</b>	<b>LC</b>
		6.1				Met	Met	
		6.2				Met	Met	
		6.3 (b)				Mostly Met	Met	
		6.4				Partly met	Met	
		6.5 (a,b,c,e)				Not Met	Mostly Met	
		6.5 (d)				Partly met	Mostly Met	
		6.5 (f)				Not Met	Met	
		6.6				Not Met	Met	
		6.7				Met	Met	
-	7	<b>Targeted financial sanctions related to proliferation</b>		<b>NA</b>	<b>NA</b>	<b>NC</b>	<b>LC</b>	<b>LC</b>
		7.1				Not Met	Met	
		7.2				Not Met	Mostly Met	
		7.3				Not Met	Mostly Met	
		7.4				Not Met	Met	
		7.5				Not Met	Met	



VIII	8	<b>Non-profit organisations</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>
		8.1				Not Met	Partly met	
		8.2				Partly met	Partly met	
		8.3				Partly met	Met	
		8.4				Partly met	Partly met	
		8.5				Partly met	no change	
		8.6				Partly met	no change	
4	9	<b>Financial institution secrecy laws</b>	<b>LC</b>	<b>LC</b>	<b>LC</b>	<b>LC</b>	<b>LC</b>	<b>LC</b>
		9.1				Mostly Met		
5	10	<b>Customer due diligence</b>	<b>NC</b>	<b>NC</b>	<b>NC</b>	<b>LC</b>	<b>LC</b>	<b>LC</b>
		10.1				Met		
		10.2				Mostly Met		
		10.3				Met		
		10.4				Met		
		10.5				Met		
		10.6				Met		
		10.7				Met		
		10.8				Met		
		10.9				Met		
		10.10				Partly met		
		10.11				Met		
		10.12				Not Met		
		10.13				Not Met		
		10.14				Met		
		10.15				NA		
		10.16				Met		
		10.17				Met		
		10.18				NA		
		10.19				Met		
		10.20				Met		
10	11	<b>Record-keeping</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>C</b>	<b>C</b>	<b>C</b>
		11.1				Met		
		11.2				Met		
		11.3				Met		
		11.4				Met		
6	12	<b>Politically exposed persons</b>	<b>NC</b>	<b>NC</b>	<b>NC</b>	<b>LC</b>	<b>LC</b>	<b>LC</b>
		12.1				Met		
		12.2				Mostly Met		
		12.3				Met		
		12.4				Partly met		

7	13	<b>Correspondent banking</b>	<b>NC</b>	<b>NC</b>	<b>NC</b>	<b>LC</b>	<b>LC</b>	<b>LC</b>
		13.1				Met		
		13.2				Met		
		13.3				Partly met		
VI	14	<b>Money or value transfer services</b>	<b>NC</b>	<b>NC</b>	<b>NC</b>	<b>PC</b>	<b>PC</b>	<b>C</b>
		14.1				Met	Met	
		14.2				Partly met	Partly met	
		14.3				Met	Met	
		14.4				Partly met	Met	
		14.5				Partly met	Met	
8	15	<b>New technologies</b>	<b>NC</b>	<b>NC</b>	<b>NC</b>	<b>LC</b>	<b>LC</b>	<b>PC</b>
		15.1				Mostly Met		
		15.2				Mostly Met		
VII	16	<b>Wire transfers</b>	<b>NC</b>	<b>NC</b>	<b>NC</b>	<b>LC</b>	<b>LC</b>	<b>LC</b>
		16.1				Met		
		16.2				Met		
		16.3				NA		
		16.4				NA		
		16.5				Met		
		16.6				Met		
		16.7				Met		
		16.8				Partly met		
		16.9				Met		
		16.10				Met		
		16.11				Met		
		16.12				Met		
		16.13				Met		
		16.14				Met		
		16.15				Met		
		16.16				Mostly Met		
		16.17				Not Met		
		16.18				Partly met		
9	17	<b>Reliance on third parties</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>NC</b>	<b>LC</b>	<b>LC</b>
		17.1				Partly met	Mostly Met	
		17.2				Not Met	Met	
		17.3				Not Met	Met	
15 & 22	18	<b>Internal controls and foreign branches and subsidiaries</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>LC</b>	<b>LC</b>	<b>LC</b>
		18.1				Mostly Met	Met	
		18.2 (a)				Partly met	Mostly Met	
		18.2 (b)				Partly met	Mostly Met	
		18.3				Met	Met	

21	19	<b>Higher-risk countries</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>LC</b>	<b>LC</b>
		19.1				Partly met	Mostly Met	
		19.2				Not Met	Mostly Met	
		19.3				Met	no change	
13 & IV	20	<b>Reporting of suspicious transactions</b>	<b>NC</b>	<b>NC</b>	<b>LC</b>	<b>LC</b>	<b>LC</b>	<b>LC</b>
		20.1				Mostly Met		
		20.2				Met		
14	21	<b>Tipping-off and confidentiality</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>C</b>	<b>C</b>
		21.1				Partly met	Met	
		21.2				Partly met	Met	
12	22	<b>DNFBPs: customer due diligence</b>	<b>NC</b>	<b>NC</b>	<b>NC</b>	<b>NC</b>	<b>LC</b>	<b>LC</b>
		22.1				Not Met	Partly Met	
		22.2				Not Met	Mostly Met	
		22.3				Not Met	Partly Met	
		22.4				Not Met	Mostly Met	
		22.5				Not Met	Met	
16	23	<b>DNFBPs: Other measures</b>	<b>NC</b>	<b>NC</b>	<b>NC</b>	<b>NC</b>	<b>LC</b>	<b>LC</b>
		23.1				Not Met		
		23.2				Not Met		
		23.3				Not Met		
		23.4				Not Met		
33	24	<b>Transparency and beneficial ownership of legal persons</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>LC</b>	<b>LC</b>
		24.1				Met	Met	
		24.2				Not Met	Not Met	
		24.3				Met	Met	
		24.4				Met	Met	
		24.5				Partly met	Met	
		24.6				Met	Met	
		24.7				Met	Met	
		24.8				Met	Met	
		24.9				Met	Met	
		24.10				Met	Met	
		24.11				Met	Met	
		24.12				NA	Met	
		24.13				Partly met	Met	
		24.14				Met	Met	
		24.15				Not Met	Not Met	

34	25	<b>Transparency and beneficial ownership of legal arrangements</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>LC</b>	<b>LC</b>
		25.1				NA	Mostly Met	
		25.2				NA	Mostly Met	
		25.3				Not Met	Met	
		25.4				Met	Met	
		25.5				Partly met	Mostly Met	
		25.6				Mostly Met	Mostly Met	
		25.7				Not met	Mostly Met	
		25.8				NA	Mostly Met	
23	26	<b>Regulation and supervision of financial institutions</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>LC</b>	<b>LC</b>
		26.1				Met	Mostly Met	
		26.2				Mostly Met	Met	
		26.3				Partly met	Partly met	
		26.4				Partly met	Mostly Met	
		26.5				Partly met	Mostly Met	
		26.6				Partly met	Partly met	
29	27	<b>Powers of supervisors</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>LC</b>	<b>LC</b>	<b>LC</b>
		27.1				Met		
		27.2				Met		
		27.3				Met		
		27.4				Partly met		
24	28	<b>Regulation and supervision of DNFBPs</b>	<b>NC</b>	<b>NC</b>	<b>NC</b>	<b>NC</b>	<b>PC</b>	<b>LC</b>
		28.1				NA	NA	
		28.2				Not Met	Mostly Met	
		28.3				Not Met	Mostly Met	
		28.4 (a)				Partly met	Mostly Met	
		28.4 (b)				Partly met	Partly met	
		28.4 (c)				Partly met	Mostly Met	
		28.5				Not Met	Partly met	
26	29	<b>Financial intelligence units</b>	<b>NC</b>	<b>NC</b>	<b>NC</b>	<b>PC</b>	<b>C</b>	<b>C</b>
		29.1				Met	Met	
		29.2				Met	Met	
		29.3 (a)				Partly met	Met	
		29.3 (b)				Met	Met	
		29.3 (c)				Met	Met	
		29.4				Partly met	Met	
		29.5				Met	Met	
		29.6				Met	Met	
		29.7				Met	Met	
		29.8				Met	Met	

27	30	<b>Responsibilities of law enforcement and investigative authorities</b>	<u>PC</u>	PC	PC	<u>C</u>	C	C
		30.1				Partly met		
		30.2				Partly met		
		30.3				Mostly Met		
		30.4				Met		
		30.5				Met		
28	31	<b>Powers of law enforcement and investigative authorities</b>	<u>C</u>	C	C	<u>C</u>	C	C
		31.1				Met		
		31.2				Met		
		31.3				Met		
		31.4				Met		
IX	32	<b>Cash couriers</b>	<u>PC</u>	PC	PC	<u>PC</u>	<u>LC</u>	LC
		32.1				Partly met	Mostly Met	
		32.2				Partly met	Mostly Met	
		32.3				Partly met	Mostly Met	
		32.4				Met	Met	
		32.5				Partly met	Mostly Met	
		32.6				Mostly Met	Mostly Met	
		32.7				Mostly Met	Mostly Met	
		32.8				Partly met	Partly Met	
		32.9				Met	Met	
		32.10				Mostly Met	Mostly Met	
		32.11				Met	Met	
32	33	<b>Statistics</b>	<u>NC</u>	NC	NC	<u>PC</u>	<u>LC</u>	LC
		33.1 (a)				Met	Met	
		33.1 (b)				Partly met	Mostly Met	
		33.1 (c)				Partly met	Mostly Met	
		33.1 (d)				Mostly Met	Mostly Met	
25	34	<b>Guidance and feedback</b>	<u>NC</u>	NC	NC	<u>PC</u>	<u>LC</u>	LC
		34.1				Partly met	Mostly Met	
17	35	<b>Sanctions</b>	<u>PC</u>	PC	PC	<u>PC</u>	<u>PC</u>	<u>LC</u>
		35.1				Partly met	Partly met	
		35.2				Partly met	Mostly Met	
35 & I	36	<b>International instruments</b>	<u>PC+NC</u>	<u>NC</u>	<u>LC</u>	<u>C</u>	C	C
		36.1				Met		
		36.2				Met		

36 & V	37	<b>Mutual legal assistance</b>	<u>LC+PC</u>	<u>PC</u>	<u>LC</u>	<u>C</u>	<b>C</b>	<b>C</b>
		37.1				Met		
		37.2				Met		
		37.3				Met		
		37.4				Met		
		37.5				Met		
		37.6				Met		
		37.7				Met		
		37.8				Met		
38	38	<b>Mutual legal assistance: freezing and confiscation</b>	<u>LC</u>	<u>LC</u>	<u>LC</u>	<u>LC</u>	<b>LC</b>	<b>LC</b>
		38.1				Met		
		38.2				Met		
		38.3				Partly met		
		38.4				Mostly Met		
39	39	<b>Extradition</b>	<u>LC</u>	<u>LC</u>	<u>LC</u>	<u>LC</u>	<b>LC</b>	<b>LC</b>
		39.1				Mostly Met		
		39.2				Met		
		39.3				Met		
		39.4				Mostly Met		
40	40	<b>Other forms of international cooperation</b>	<u>PC</u>	<u>PC</u>	<u>PC</u>	<u>LC</u>	<b>LC</b>	<b>LC</b>
		40.1				Met		
		40.2				Partly met		
		40.3				Met		
		40.4				Partly met		
		40.5				Partly met		
		40.6				Partly met		
		40.7				Partly met		
		40.8				Partly met		
		40.9				Met		
		40.10				Mostly Met		
		40.11				Met		
		40.12				Partly met		
		40.13				Partly met		
		40.14				Partly met		
		40.15				Met		
		40.16				Not Met		
		40.17				Met		
		40.18				Mostly Met		
		40.19				Met		
		40.20				Not Met		