

European Payment Institutions Federation response to the FATF Public Consultation on Complex Proliferation Financing and Sanctions Evasion Schemes

1. What are your unique products or services, including correspondent banking (if applicable), most vulnerable to exploitation by sanctions evaders and PF actors?

All products and services offered by Financial Institutions and Payment Institutions involving cross border transactions are considered as vulnerable in relation to the above.

2. How do you manage risk related to vulnerable products or services and/or high-risk countries for sanctions evasion and/or PF activity?

EPIF members, to manage risk related to vulnerable products or services, implement sanctions screening tools on clients and transactions monitoring. To manage risk related to high-risk countries for sanctions evasion and/or PF activity, EPIF members carry out jurisdiction risk assessment. The assessment includes prohibited and restricted countries, as well as high-risk countries that require MLRO/Senior management approval.

3. Can you share any best practices of any measures (such as setting STR rules) that effectively detect potential sanctions evasion activity?

Among the best practices to detect potential sanctions evasion activity, EPIF members implement respective STR rules and trigger events shared among the FCC team in relation to potential sanctions evasion; enhanced due diligence (EDD) on clients' files, including and not limiting to the UBOs; negative adverse media searches.

4. Do you use the same tools and mechanisms to detect individuals and entities on the UN Sanctions List vs. national or regional sanctions lists?

Yes.

5. What are some best practices for information sharing with the public and/or private sectors?

There are examples of public and private partnership on sharing information when it comes to potential sanctions evaders which are very useful when it comes to the joint actions from both sectors. However, those are not utilised in many jurisdictions.

6. What are the biggest challenges for information sharing with the public and/or private sectors?

GDPR issues, confidentiality, bank secrecy etc.

7. What public information can the FATF provide to assist the private sector, academia, and civil society in mitigating PF risk?

Trainings for raising awareness, encouraging public private partnership for information sharing, sharing lists with updates and sharing some of the best practices and examples that can raise the awareness - including and not limiting to the private sector only but also to the regulatory and supervisory authorities.

8. In what form and how often should the FATF provide it?

Preferably on a quarterly basis.