



EU AML / CFT GLOBAL FACILITY

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Mr. Abdul Hafiz Mansour
Secretary General of the Special
Investigation Commission
LEBANON

Following the adoption of Lebanon's FATF Action Plan, **Lebanon partnered with the EU Global Facility** on several action plan items to enhance the effectiveness of the country's AML/CFT regime.

This partnership began positively with a workshop jointly organised with TAIEX in Beirut in June 2025, entitled "Turning Financial Intelligence into Evidence." It brought together representatives from the judiciary, law enforcement, FIU, customs, and the tax authority, who benefited from the expertise of EU Global Facility specialists on relevant FATF standards and the effective use of financial intelligence in investigations and prosecutions.

In parallel, important work is advancing in the notaries sector with the support of the EU Global Facility. The objective is to strengthen risk understanding and improve supervision by the Ministry of Justice. Support started with online sessions led by EU Global Facility experts. It was followed by a three-day workshop in Paris co-organised with TAIEX. Such hands-on support will lead to the drafting of a ML/TF sectoral risk assessment for notaries.

These efforts are part of the EU Global Facility's broader engagement in **supporting Lebanon to establish and operationalise a national coordination mechanism** to structure and align technical assistance activities, with the ultimate goal of removal from the FATF's list of jurisdictions under increased monitoring (Grey List).

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Where we worked

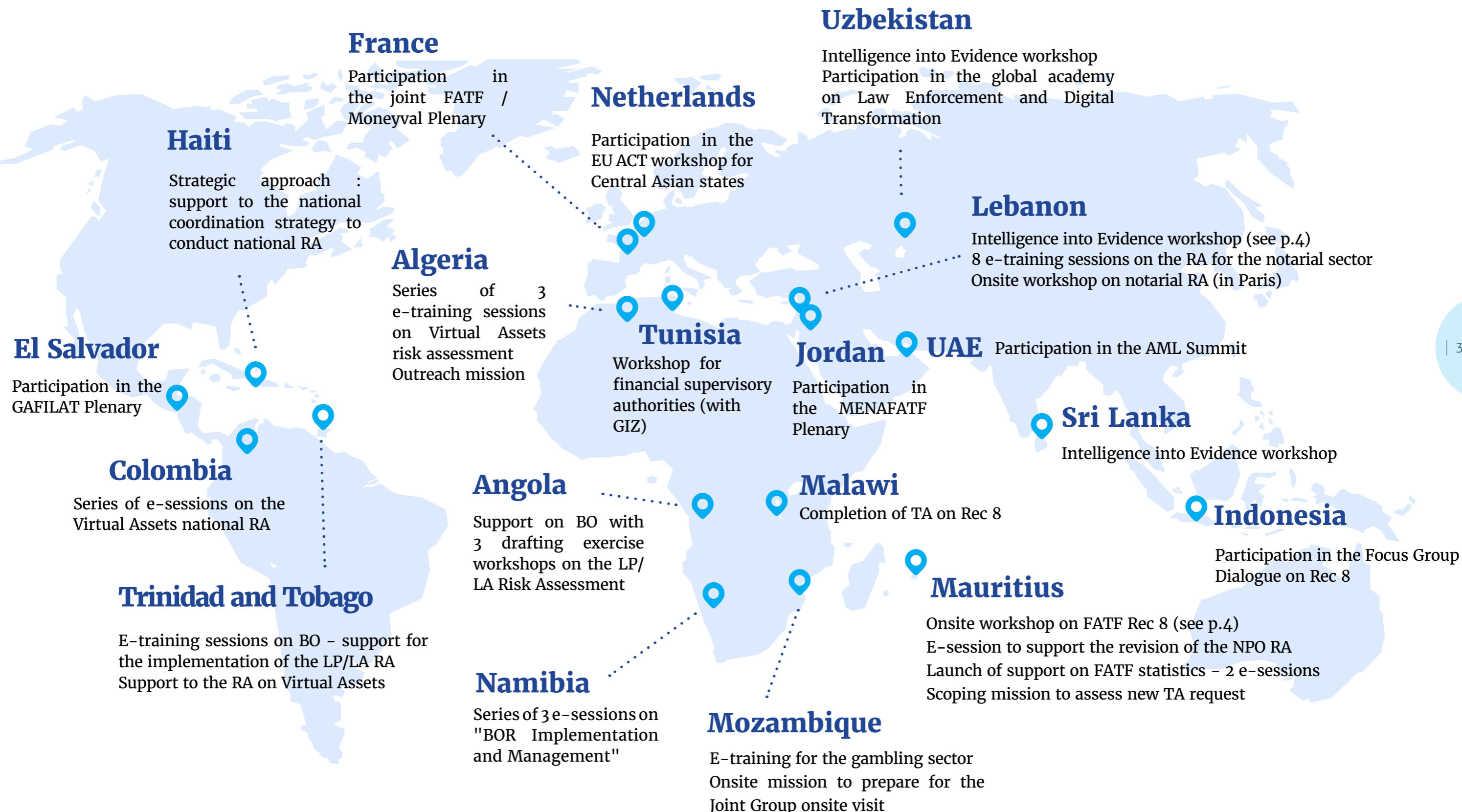
May – July 2025

Global

Webinar "The future of Trust BO disclosure frameworks" (see p.5)



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Updates from the field

Lebanon: first onsite mission to Beirut

June marked a significant milestone for the EU Global Facility's support to Lebanon. Following the delivery of several technical assistance activities online, a delegation from the project conducted its very first onsite mission to Beirut from 2–4 June 2025.



There, the project co-organised its **"Intelligence to Evidence"** workshop with TAIEX, bringing together over 50 law enforcement officers, FIU analysts, prosecutors, judges, and tax investigators. Using real-life scenarios, multidisciplinary teams worked to identify structural challenges and propose practical solutions for transforming financial intelligence into admissible evidence. The workshop also laid the foundation for enhanced interagency cooperation in line with FATF Immediate Outcome 7.

This activity is part of a **broader technical assistance programme** delivered to Lebanon, which also includes new support for enhancing Beneficial Ownership data and strengthening national risk assessments, as well as support to the notary sector.

Recognising the sector's role in high-risk areas such as real estate and corporate formation, the EU Global Facility has been assisting the Ministry of Justice and the Special Investigation Commission in conducting the **risk assessment of the notary sector**. After a first series of e-training earlier in the year, a three-day workshop was held in Paris from 8 to 10 July 2025. Hosted by the French Ministry of Economy and Finance, with the support of TAIEX, the French Ministry of Justice and the French notariat, the sessions focused on risk quantification, data analysis, and supervisory tools aligned with FATF standards.

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Mauritius: renewed support to the partner country

Over the past months, the EU Global Facility has renewed its support to its long standing partner state of Mauritius. It was done through a series of targeted technical assistance activities including the **launch of a new support package on FATF statistics**.



In June–July 2025, the project organised two online sessions focused on practical implementation and inter-agency coordination related to statistics. These sessions provided space for national authorities to present their current systems, reflect on challenges, and outline proposed improvements. This will pave the way for the development of a Centralised Information Management System, a major step toward enhanced compliance with FATF Recommendation 33.

In parallel, the EU Global Facility conducted a technical mission in May to assist Mauritius in **updating its Non-Profit Organisation Sectoral Risk Assessment**. The mission focused on aligning national methodologies with the latest FATF guidance, reinforcing interagency coordination, and equipping authorities with practical tools for risk identification and mitigation.

Building on over 5 years of partnership, this renewed engagement reflects Mauritius' continued commitment to international standards and effective implementation. The EU Global Facility looks forward to supporting the next phases of work as Mauritius prepares for its upcoming mutual evaluation!

BO Discussion Series

96 jurisdictions attend Webinar on 'The Future of Trust BO Disclosure Frameworks'

On 20–22 May 2025, the EU Global Facility launched its very first BO Discussion Series on FATF's Rec. 25 and enhancing BO requirements for Trusts (and similar arrangements). With this highly successful three-day webinar, the project brought together **500 experts** from prestigious institutions including the FATF, the European Commission, the Global Forum on Exchange of Information for Tax Purposes, Moneyval, CFATF, GAFILAT, APGML, MENAFATF, Basel Institute, The Examiner, STEP, Malta, Namibia, Czech Republic, Ecuador, IADB, EBRD, Australia Tax Office, Transparency international, Open Ownership, Flacso University and Colombia University.

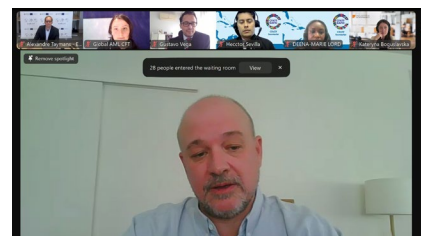
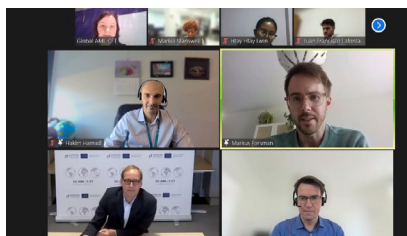
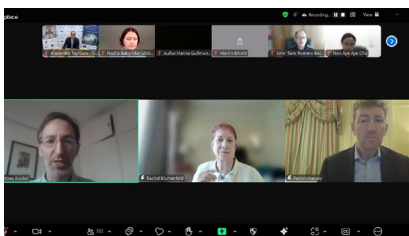
Organised with the support of the CFATF and GAFILAT and with contributions from the APGML and EBRA, this high-level event aimed at enhancing participants' **understanding and implementation of evolving international standards**, in line with the updated FATF's Recommendation 25 and the new EU AML/CFT legislative package.

Representing 96 jurisdictions, specialists from national authorities and supervisors discussed **how complex trust structures can obfuscate real owners and impede the effective implementation of Rec. 25 requirements**. They highlighted how important it is to have clear and comprehensive legal frameworks and guidance, thorough supervision by authorities, and strong national and international coordination to ensure access to ownership data and deliver on the expected reforms.

What were the main highlights ?

- **Risk landscape and global standards:** In-depth sessions on the money laundering and terrorism financing risks posed by trusts.
- **Regional and national perspectives:** Implementation challenges and experiences shared from across Asia-Pacific, the Middle East and North Africa, the Caribbean, Latin America, and Europe with country case studies from the Czech Republic, Ecuador, Malta and Namibia.
- **Private sector engagement:** Practical discussions with trustees, financial institutions, and supervisory bodies on how Trust BO frameworks operate in practice.
- **Forward-looking research:** Exploration of trust data analytics and comparative studies from various institutions and researchers.

"As partner jurisdictions face increasingly complex challenges around beneficial ownership disclosure and the misuse of legal arrangements, this dialogue provided a timely platform for capacity building, peer learning, and strategic planning," noted EU Global Facility Key Expert on BO, Alexandre Taymans.



Overview of our Technical Assistance

As the EU Global Facility gets ready to slow down its activities for the month of August, we take a look back at the state of technical assistance and the partner countries our team of experts has been supporting over the past year.



An example of successful cooperation:
The EU Global Facility and South Africa's Financial Intelligence Centre



EU and South Africa Partnership
Focus on AML/CFT

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Long Read

Using AML to Counter Kleptocracy – Reeling in the Professional Enablers

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When implemented wholistically, the Anti-Money Laundering (AML) standards of the Financial Action Task Force (FATF) should support countries in maintaining the integrity of the global financial system by ridding it of the proceeds of organised crimes. But strong AML systems are also well suited to tackling a related but distinct threat to financial integrity: the **corrosive influence of kleptocrats** who misuse their status, power and access to bleed the state of its resources and deprive its citizens.

Kleptocracy and Money Laundering

Kleptocracy can take many forms, whether it involves a former president's daughter siphoning off the proceeds of the state oil company into personal accounts, or a sitting politician's involvement in slowly bleeding the state's sovereign wealth fund. Regardless of the precise activity, with the revenue generation capabilities of entire states at their disposal, **kleptocrats stand to make incredibly vast sums for themselves, their families and their associates.**

Corruption is easy enough to understand. Wherever a public official accepts a bribe to ignore wrongdoing or a politician awards a government contract to a friend promising a financial kickback, corruption is at play. But there are cases where misuse of one's public office or influence reaches monumental proportions: enter the kleptocracy. Sometimes referred to as "grand corruption" to underscore its scale and magnitude, kleptocracy involves systematic misuse of high office by elites and their families for personal enrichment, typically

involving the plundering of national wealth. Where political systems become contorted to enable elites to do so with impunity, **a kleptocracy (rather than a democracy) is born.**

As with those seeking to launder the proceeds of drug trafficking, cybercrime, modern slavery or any other organised crime, kleptocrats require avenues for legitimising their ill-gotten gains so that they may be enjoyed, typically far from their home countries. That's where the implementation of the FATF's AML standards can play a prominent preventative role.

“Kleptocracy is sometimes referred to as 'grand corruption' ... due to its scale and magnitude.”

FATF and Countering Kleptocracy

The FATF recognises corruption and kleptocracy to be one of many co-called “**predicate crimes**”: the money-generating offense that gives rise to the need to launder its proceeds. Many of the standards' emphasis on ensuring transparency in financial dealings are markedly useful for addressing kleptocracy.

Standards on beneficial ownership registries should help reduce the utility of complex corporate structures used by kleptocrats, as well as other criminals, to hide the provenance

of illicit wealth. This is achieved by providing law enforcement authorities with a reliable guide for determining the natural person (a flesh and blood human) behind one or a series of companies or complex corporate vehicles.

Further, the FATF requires states to conduct enhanced due diligence on what it calls “Politically Exposed Persons” (PEPs), typically individuals “who have been entrusted with prominent public functions”, such as heads of state or government, senior politicians, executives of state-owned corporations, diplomats, or senior government, judicial or military officials. Given these individuals’ unique access to resources and capability to embezzle public funds – in other words, to engage in kleptocratic activity – the FATF requires extra scrutiny of their financial dealings for preventative purposes.

Meet ‘the Enablers’

Above all, in relation to countering kleptocracy, the FATF’s standards pertaining to customer due diligence, internal controls and supervision of the so-called “enablers” of illicit finance are noteworthy. Recommendations 22, 23 and 28 require states to place certain AML obligations onto the Designated Non-Financial Businesses and Professions (DNFBPs). Chief among these professions are lawyers, accountants and real estate agents, all three of which act as gatekeepers of the financial system and offer services of paramount importance and utility to kleptocrats trying to spirit away with their illicit wealth. Regardless of whether their involvement in facilitating kleptocracy is witting or unwitting, **the FATF requires the enablers of illicit finance to know their clients and detect and report suspicious transactions**, all under the supervision of a competent authority to ensure adherence to these obligations.

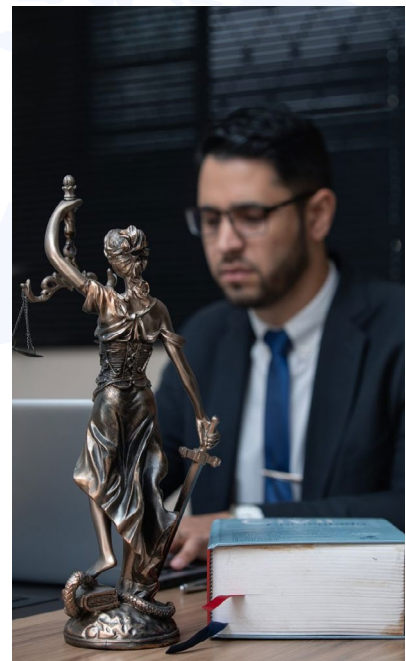
But how exactly do lawyers, accountants and real estate agents – three of the most prolific categories of professional enablers – make use of their offices to support kleptocrats?

(1) Lawyers

The services of a good lawyer are virtually indispensable for a kleptocrat seeking to use inventive channels to steal, move and launder illicit wealth. Aside from defending their clients in court, lawyers may provide a wide range of transactional services to their clients. They may “acquire property, manage money, operate bank accounts, form trusts and companies and serve key roles in them” – all entirely legitimate services on the face of it.

Ill-intentioned professionals on the other hand may use their expert knowledge of AML systems to aid their clients in circumventing them, say, by incorporating a series of shell companies to obscure beneficial ownership and the provenance of funds. The involvement of a lawyer in such dealings may convey an air of legitimacy to outside parties, possibly prompting others to be more lax in their own due diligence.

Exposés such as the International Consortium of Investigative Journalists’ “Pandora Papers” showed how wealthy, well-connected world leaders, politicians and public officials made ample use of obliging law firms to open and funnel illicit wealth through off-shore companies.



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(2) Accountants

Accountants offer many of the same services to kleptocrats as lawyers, including company registration services used to mask the ultimate beneficial owner of a company, into whose bank account kleptocratic wealth has been deposited. Accountants working for major consulting firms have been known to advise clients on how to evade taxes through company structuring, making a hefty profit for themselves in the process.

(3) Real Estate Agents

The purchase and sale of real estate can benefit kleptocrats hugely as a form of investment in a valuable, secure asset that is likely to appreciate, but also as a means of ultimately benefiting from their wealth. Whether for investment or enjoyment, real estate transactions can involve huge sums and be subjected to much less scrutiny than regular financial transactions, particularly when a property is bought outright in cash. When AML obligations are not fulfilled in such cases, real estate agents may accept and handle large volumes of cash for the sale without requiring clients to reveal the provenance of funds, as would be the case at any financial institution. Once brought to light, some of the most shocking stories of kleptocracy end with the purchase of luxurious properties in Western countries, distorting property markets in major cities in the process: a practical and direct impact of kleptocracy on the lives of ordinary people.

Making the Most of the FATF

Having tasked itself with responding to new and emerging threats to the integrity of the global financial system, in 2022 the FATF sought to better understand how its members were faring when it came to bringing the standards to bear on the challenge of corruption and kleptocracy. Two years later, it published its Horizontal Review of countries' technical compliance with Recommendations 22, 23 and 28 as relates to professional enablers of corruption and kleptocracy.

FATF Standards Related to Professional Enablers

- **FATF's Recommendation 22** requires the selected professions to comply with CDD requirements (such as verifying identity and establishing the nature of the client's business) when involved in buying or selling real estate, managing client funds, or in the creation or management of companies. Secrecy and anonymity, as in the banking sector, is prohibited.
- **Recommendation 23** calls on professionals to use this client data to monitor transactions and report financial activity deemed to be suspicious given the client's risk profile and the nature of their business. Like financial institutions, the DNFBPs must not "tip-off" their clients by informing them that a suspicious transaction report (STR) has been submitted in relation to their activity.
- **Recommendation 28** requires states to designate a competent authority (or "supervisor") responsible for ensuring enabler professions comply with these AML requirements. Supervisors must have the power to sanction identified compliance failures, such as financial penalties or the withdrawal of operating licenses. Supervision is to be risk-based, meaning supervisors consider the money-laundering risk profile of their supervised entities when assessing the adequacy of their AML measures.

The FATF's Horizontal Review found that while many FATF members have satisfactorily implemented these standards, seven of its members (who together represent more than half of the world's GDP) have failed to do so comprehensively. Further, the review noted that these economic heavyweights typically export their goods and services and feature large financial centres, underscoring how **AML supervision of enablers has consequences that go well beyond one's own national borders**.

Indeed, a 2023 report from Transparency International that reviewed the role of enablers in facilitating illicit financial flows from Africa found that in 88% of cases studied, the enabler involved provided services to clients based abroad. **Kleptocrats exploit a fragmented global regulatory environment**, shifting wealth across jurisdictions to evade scrutiny. This makes any national deficiency into a global risk.

Across all related standards, performance is weakest in relation to risk-based supervision (Recommendation 28), with countries scoring poorly across the legal (64%), accountancy (63%) and real estate (65%) sectors. One key issue stems from the fact that many industry associations (such as national bar associations) have been entrusted with supervisory responsibilities for their sector, becoming "professional body supervisors". This can, and oftentimes does, create a duality of purpose that is difficult to reconcile, particularly when a body must act as both the AML enforcer and representative of the sector's interests. In such circumstances, significant pressures are present for supervisors to withhold meaningful sanction against AML noncompliance, thus removing a core inducement for professionals to abide by the rules.

The FATF's Horizontal Review helpfully debunks a common myth pertaining to the legal profession: that due to solicitor-client privilege (a principle protecting the communications between a lawyer and their client) the legal sector has fewer AML obligations than other DNFBPs. However, **the sector does stand out from its peers in being poorer than the rest** with respect to undertaking enhanced measures against clients who are PEPs, a notable concern given the categorial overlap between PEPs and the most common kleptocrat profiles.

Conclusion

Whether through ignorance, complacency, or active complicity, professional enablers provide the financial infrastructure that sustains kleptocracy. The FATF standards are there to ensure that would-be enablers ask the right questions of their clients and have proper channels for confidentially reporting suspicious transactions or dubious sources of funds. Effective implementation of those standards gives rise to clear obligations on lawyers, accountants and real estate agents. This is good for the professionals themselves. The threat of losing one's license or being subjected to financial penalty should ease certain pressures from ill-intentioned clients to turn a blind eye to suspected wrongdoing, or from bosses demanding them to meet income targets or retain lucrative clients.

In building their AML regimes and pursuing compliance with the FATF standards, states should recognise and harness the utility of AML systems to protect their economies and democracies from kleptocratic abuse.



Coming Up



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This summer, the EU Global Facility will continue working with several partner countries, while planning future activities. Take a peak at a few of them below and stay up to date with our activities on our [website](#) and [in](#).

Moldova:

In September, the EU GF, together with Moldova's Prosecutor's Office and Anti-Corruption Centre, will host a high-level conference on "Intelligence to Evidence". The *Legal Innovations Report* will also be presented.



Bhutan:

Our support to Bhutan will continue with the launch of technical assistance on the topic of Recommendation 8 on the non-profit sector in August 2025.

Argentina:

TA on FATF Rec 8 will resume to support the state to update its NPO risk assessment in line with the recent Mutual Evaluation Report.



Angola:

Building on the adoption of the LP/LA Risk Assessment, upcoming support will focus on the dissemination of its findings.



GAFILAT Manuals

At the GAFILAT Plenary in late July in El Salvador, the EU Global Facility and GAFILAT will launch two joint manuals - 'Best Practices in FATF statistics' and 'Priorities in effectiveness' - aimed at supporting GAFILAT countries to enhance their AML/CFT frameworks ahead of the 5th round evaluations.

South-East Asia

The EU Global Facility will conduct a series of outreach and scoping missions in the region, including in Sri Lanka and Cambodia, as well as in Japan for the Plenary of the Asia Pacific Group (APG) in Japan through August-September 2025.

Ukraine and FATF Standards Update

The EU GF will host an online workshop with Ukraine's Academy of Financial Monitoring, focusing on newly revised FATF standards, particularly the recently updated recommendations.



THE EUROPEAN UNION'S GLOBAL FACILITY ON
**ANTI-MONEY LAUNDERING AND
COUNTERING THE FINANCING OF TERRORISM**

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