



## **Digitalisation Questionnaire**

### **Instructions**

The FATF is carrying out two exploratory projects:

A study of “Opportunities and Challenges of New Technologies for AML/CFT” which seeks to highlight specific best practice cases or solutions that do not currently exist or are not fully utilised, whilst noting ways in which existing or potential challenges can be overcome.

A stocktake on “Data Pooling, Analysis and Data Protection”. The FATF wants to explore the use of emerging technologies to share/pool/exchange information amongst financial institutions for AML/CFT purposes, while maintaining a high level of data privacy and protection.

Delegations and experts are invited to provide responses to this questionnaire to the FATF Secretariat by **COB 7 December 2020**. Responses will be consolidated and input may be attributed. If a part of the provided material is sensitive and should remain anonymised or kept confidential for the report and future discussions, please note this in your response. Please feel free to include hyperlinks to webpages.

For the purposes of this questionnaire, **new technologies** refers to the use of technology to alter or amend existing practices, processes and procedures. It includes, but is not restricted to, digital ID, Artificial Intelligence, Distributed Ledger Technology, Privacy Enhancing Technologies, Cloud based computing, among others.

If you have any questions or technical issues with this questionnaire please contact [PSCF@fatf-gafi.org](mailto:PSCF@fatf-gafi.org)

**\* 1. Please indicate:**

Name of organisation

Contact person

E-mail

Country

**\* 2. Sector**

Public

Private

Other (please specify)



**Digitalisation  
Questionnaire**

**\* 3. Which category best describes your function?**

- Supervisor
- Financial Intelligence Unit
- Law maker
- Other (please specify)



## **Digitalisation Questionnaire**

**4. Which category best describes your function?**

- Financial Institution
- Technology providers
- Non-profit organisation
- DNFBP
- Other (please specify)



## Digitalisation Questionnaire

\* 5. Please specify the type of financial institution that best describes your organisation

- Online bank
- Money value transfer service
- Currency exchanger
- Investment funds/portfolio manager
- Trader
- Retail and commercial bank
- Large bank (including private and investment)
- Insurance company



## Digitalisation Questionnaire

**6. Please specify the type of DNFBP**

- Casino
- Real estate agent
- Dealer in precious metals and stones
- Lawyer, notary or accountant
- Trust and company service provider

**7. Based on your ongoing industry interactions, to what extent do firms in your jurisdiction use new technologies for AML/CTF purposes?**

- Large extent
- Some extent
- Limited extent
- No known use



**Digitalisation  
Questionnaire**

**8. Who are the main users of these technologies?**

- Multinational financial institutions
- Internet based firms (Fintech or other)
- Retail and commercial banks
- Big tech
- Supervisors (public sector)

Other (please specify)

**\* 9. In your opinion, which areas may benefit the most from the use of new technologies. Please select a maximum of 3.**

- Regtech
- Suptech
- Financial Inclusion
- Beneficial Ownership
- Payments
- Cooperation and information sharing
- Law enforcement
- Other (please specify)

**10. Please describe how new technologies allow greater effectiveness to be achieved, if compared to traditional approach.**

**\* 11. In your experience, which kind of new technologies are mostly used/bring more benefit for AML/CFT applications. Please select a maximum of 3.**

- Artificial Intelligence (including machine learning, robotic process automation and natural language processing)
- KYC Utilities (including advanced data analytics, risk management and monitoring tools)
- Distributed Ledger Technology
- Application Programme Interface (APIs)
- Cloud computing
- Other (please specify)

**\* 12. Who is driving the development and implementation of the new technologies?**

- Supervisors
- Fintech firms
- Technology providers
- Users
- Financial institutions

**\* 13. Which preconditions enable the adoption and use of the new technologies?**

- Favorable regulatory frameworks or incentives
- Technology friendly procurement processes
- Market scale
- Adequate skills/training
- Competitive costs
- Demand

Other (please specify)

**\* 14. What are the main benefits of the use of new technologies?**

AML/CFT Effectiveness

Better HR management

Cost savings

Accuracy of results

Better risk management

Auditability

Other (please specify)

**15. Has the adoption of new technologies had an impact on the regulatory framework (were new or additional requirements created)?**

Yes

No

Describe



**\* 16. In your opinion, what challenges do firms face in the development and/or implementation of new technologies? Please select a maximum of 4.**

- Regulatory (e.g., explainability and interpretability of technology to regulators, lack of incentives)
- Commercial interests
- Complexity of new technologies
- Risk Aversion
- Data Privacy and Protection requirements
- Data Quality (e.g. varying or incompatible data standards and formats)
- Data localisation requirements
- STR tipping off requirements
- Technology (e.g. upgrading or harmonising legacy systems)
- Cost of new technology
- Lack of a regulatory sandbox for use of new technology
- The threat of criminal interference (e.g. cyber criminality)
- Concerns about financial inclusion and de-risking

Other (please specify)

**\* 17. In your opinion, what type of actions (both at international and national level) could assist in addressing the existing challenges?**

\* 18. Are the roles and responsibilities of FIs and third party platforms and providers sufficiently clear (e.g. regarding KYC requirements, communication, liability, etc.)?

Yes

No



## **Digitalisation Questionnaire**

19. What kind of additional clarification is needed?

\* 20. Do you believe new technology may help overcome information sharing challenges in AML/CFT?

Yes

No



## Digitalisation Questionnaire

\* 21. In your jurisdiction, are financial institutions **using new technologies to exchange/pool/share** information with other financial institutions for AML/CFT purposes?

Yes

No



## Digitalisation Questionnaire

**\* 22. What is the primary reason why financial institutions in your jurisdiction do not share/pool information for AML/CFT purposes?**

- Regulatory (e.g., explainability and interpretability of technology to regulators)
- Commercial interests
- Data Privacy and Protection requirements
- Data Quality (e.g. varying or incompatible data standards and formats)
- Data localisation requirements
- STR Tipping off requirements
- Technology (e.g. upgrading or harmonising legacy systems)
- Other (please specify)
- Cost of new technology
- Lack of a regulatory sandbox for use of new technology
- Complexity
- Risk aversion
- The threat of criminal interference (e.g. cyber criminality)
- Concerns about financial inclusion and de-risking



**Digitalisation  
Questionnaire**

\* 23. What kind of information is shared?

- Customer information (including beneficial owner)
- Transaction information
- Account information
- Red flags
- Indications of customer risk, such as whether a suspicious transaction report (STR) has been filed
- Other (please specify)

\* 24. What is the primary purpose for financial institutions to share/exchange/pool AML/CFT information?

- Transaction monitoring
- Onboarding customers (KYC)
- Risk management of a business relationship
- Identification of the beneficial owner
- Identify typologies of crime
- Other (please specify)

\* 25. Please describe the types of new technology used or under consideration to share/exchange/pool AML/CFT information amongst financial institutions (e.g., privacy enhancing technologies, such as homomorphic encryption or federated learning).

26. Please briefly describe the **results achieved or desired** with the use of this technology to share/pool/exchange AML/CFT information.

\* 27. What are the **drivers** for the use of new technology to share/exchange/pool AML/CFT information between financial institutions?

- Technological developments
- Favorable regulatory frameworks or incentives
- Industry demand
- Affordability
- Adequate skills/training
- Other (please specify)

\* 28. Is information sharing between financial institutions occurring as part of a **public-private partnership** arrangement?

- Yes
- No

\* 29. Please indicate the **stage of deployment** of the aforementioned technology for AML/CFT purposes.

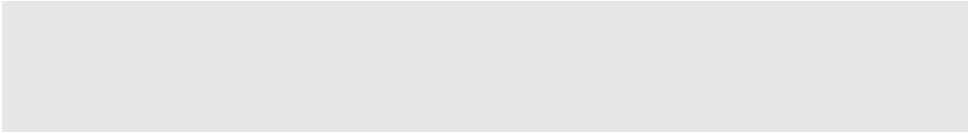
- Under consideration
- Under development (untested)
- Pilot stage
- Other (please specify)
- Deployed as part of core AML/CFT business
- Not being considered

**\* 30. What are the main challenges to the use of new technologies for information sharing/pooling between financial institutions for AML/CFT purposes? Please select a maximum of 4.**

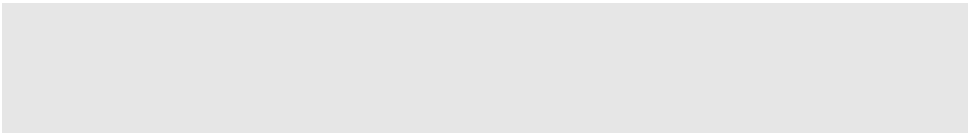
- Regulatory (e.g., explainability and interpretability of technology to regulators)
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- Cost of new technology
- Lack of a regulatory sandbox for use of new technology
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- Risk aversion
- The threat of criminal interference (e.g. cyber criminality)
- Concerns about financial inclusion and de-risking
- Other (please specify)

**31. Based on the above response, please describe the main obstacles associated with the use of emerging technologies to share/exchange/pool AML/CFT information between financial institutions.**

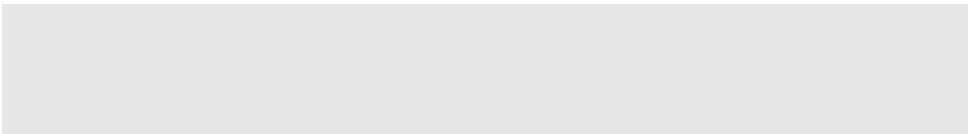
\* 32. Please describe the **involvement of AML/CFT supervisors and/or data privacy and protection authorities** while developing and deploying such technologies for information sharing.



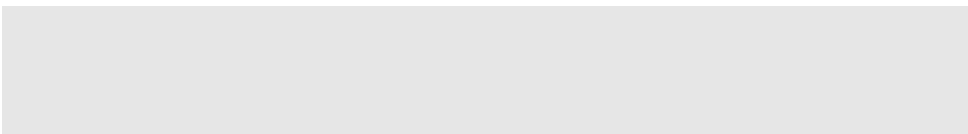
\* 33. What kind of **solutions** could help overcome the challenges associated with the development or deployment of new technologies for information sharing/pooling (e.g., national, international, regulatory or other?)



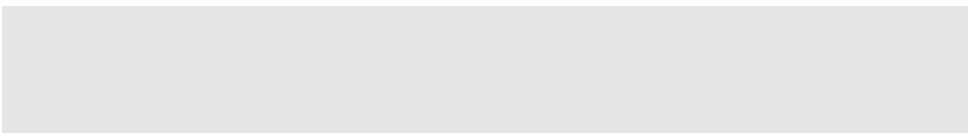
\* 34. Please describe the use of any new technologies to **analyse** pooled data (e.g., machine learning, etc.)



\* 35. Please describe the main benefits and/or challenges associated with the use of new technologies to **analyse** large data sets for AML/CFT purposes.



36. If using **artificial intelligence** and other advanced analytics to analyse pooled/shared data, what measures were taken to ensure **bias avoidance** to prevent discrimination?







## **Digitalisation Questionnaire**

**37. Please provide case studies on past, ongoing or planned initiatives regarding the adoption, implementation and practice of the AML/CFT relevant technologies.**

This should include examples of tools that allow for greater information sharing, privacy enhancing technologies, Regtech and Suptech tools, including KYC utilities, transaction monitoring tools, etc...

**Please include:** Description of the initiative; Background; Type of data (for collection, use, analysis, pooling, sharing); What were the main obstacles; and Enabling Framework and/or Actors.

**If you would like to attach any files to your submission please send them to [PSCF@fatf-gafi.org](mailto:PSCF@fatf-gafi.org).** Please clearly indicate the name of the organisation and contact person, including email address, that should be associated to the submission.