



**REPORT ON CONCLUSIONS AND TECHNICAL RECOMMENDATIONS
OF THE GROUP OF EXPERTS ON MONEY LAUNDERING CONTROL (GELAVEX)
PERMANENT COUNCIL COMMITTEE ON HEMISPHERIC SECURITY
ORGANIZATION OF AMERICAN STATES (OAS)**

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**REGULAR SESSION OF THE XLIX MEETING OF THE GROUP OF EXPERTS ON
MONEY LAUNDERING CONTROL (GELAVEX)**

Background

GELAVEX met virtually twice in 2020 and, taking into account the current context of the global pandemic caused by the COVID-19 outbreak, the GELAVEX Chair instructed the Technical Secretariat (DIOC) to convene both GELAVEX meetings and for them to take place **virtually**.

The XLIII Meeting of the working subgroups was held from Washington, D.C., USA, on June 30 and July 16, for the purpose of following up on the approved Work Plan and the recommendations agreed upon at the XLVII meeting of GELAVEX, held in Bogotá, Colombia, in September 2019. The special meeting, convened for July 16 and entitled "Cooperation on investigations and proceedings related to corruption, tax crimes, and related money laundering," drew up important conclusions or recommendations for GELAVEX. These would be considered within its strategic planning and work plans, with a view to promoting reliable tools for OAS member states to use to prevent and counteract the laundering of proceeds of corruption and tax crimes.

The XLIX Meeting on November 10 was based in Asunción, Paraguay. The outcomes arising under the Work Plan approved for the 2019-2020 period were presented and approved there. This Meeting also successfully fulfilled the mandates given under the Strategic Planning approved for the 2017-2020 triennium, and new proposals were put forward for the 2020-2023 triennium.

GELAVEX deliberations and recommendations approved at the XLIX Meeting

This Plenary drew participation from 28 delegations: 21 member states (Argentina, Bahamas, Brazil, Canada, Chile, Colombia, Dominican Republic, Ecuador, Guatemala, Guyana, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, United States of America, and Uruguay); 4 permanent observers (Italy, Spain, Philippines, and Poland); and 3 international organizations (CFATF, UNODC, and the International Union of Latin Notaries).

The GELAVEX Meeting consisted of five sessions, as detailed below:

Opening session

This session was addressed by the Minister of Justice and Law of Colombia, as outgoing Chair of the Group of Experts; the Assistant Secretary General of the OAS; the Minister-Executive Secretary of the Secretariat for Money Laundering Prevention and Chair Pro Tempore of the Group of Experts on Money Laundering Control (GELAVEX) for the 2020-2021 period; the Director of Mexico's Financial Intelligence Unit and GELAVEX Vice Chair Pro Tempore; and the Minister of Foreign Affairs of Paraguay.



Second session: Reports of the Working Subgroup on International Cooperation and Forfeiture

Presentation: Study on the applicability of precautionary measures on assets subject to seizure abroad – delivered by the Working Subgroup co-coordinators, Costa Rica and Colombia. (DDOT/LAVEX/doc.22/20) and (DDOT/LAVEX/doc.23/20).

Presentation: Conceptualization and design of a network of administrators of seized and confiscated assets – delivered by the Working Subgroup co-coordinators, Costa Rica and Colombia. (DDOT/LAVEX/doc.24/20) and (DDOT/LAVEX/doc.25/20).

Third session: Reports Working Subgroup on Financial Intelligence Units and Criminal Investigation Agencies

Presentation: Normative study on politically exposed persons (PEPs) in the region – delivered by the Working Subgroup co-coordinators, Chile and Colombia. (DDOT/LAVEX/ doc.26/20) and (DDOT/LAVEX/ doc.27/20).

Presentation: Study of typologies in the laundering of money derived from smuggling – delivered by the Working Subgroup co-coordinators, Chile and Guatemala. (DDOT/LAVEX/ doc.28/20) and (DDOT/LAVEX/ doc.29/20).

Fourth session: 2021-2023 Strategic Plan and the 2020-2021 Work Plan

Regarding the 2020-2021 Strategic Planning, at the proposal of the **Working Subgroup on Financial Intelligence Units and Criminal Investigation Agencies and the Working Subgroup on International Cooperation and Forfeiture**, the following measures were agreed on:

Develop an initiative to identify cases from the perspective of criminal investigation involving crypto-assets, with a special focus on successful investigations in any of the member states, in order to share valuable information and best practices on the laundering of the proceeds of corruption related to illegal drugs and weapons trafficking and tax fraud, with an emphasis on identifying typologies and legislative analysis in the countries of the group, with assistance from the Technical Secretariat and other areas of the OAS General Secretariat, such as the MESICIC, and in the same vein be able to get access to judicial rulings; activities focused on the analysis of ultimate beneficiaries in money laundering, coordinated through the Technical Secretariat with activities that other specialized organizations, such as Latin American FATF and CFATF might be carrying out and, if necessary, with UINL involvement; and develop tools to conduct strategic analysis in money laundering investigations: Experiences the countries have had in developing and using technological tools to improve operational and strategic analysis; a study on the feasibility of implementing a consultation system for the region, with a view to implementing FATF Recommendation 12 on politically exposed persons (PEPs), taking into account the legal limitations in member states on information protected by personal data protection laws; conducting a study on laundering of assets linked to the illegal extraction of minerals, with emphasis on analysis of criminal and administrative laws in this sector, including identification of practical cases, typologies and existing measures to prevent illegal extraction and management of the assets associated therewith; promote the creation of the Illicit Asset Management Network at the hemispheric or sub-regional level, with support from the Technical Secretariat (DIOC); promote the creation of a model for asset sharing, as a reference document for OAS member states; promote the creation of an asset-sharing model, as a reference document for OAS member states; developing a study to identify and analyze the tools available to asset management offices for the management of assets subject to forfeiture, such as databases or inventory software, in order to create a conceptual model with a minimum common denominator of reference for the states at the hemispheric level, including guidelines for



sharing information externally. Likewise, develop a study on the usefulness of advancing electronic processing of requests for international legal cooperation on money laundering; develop initiatives to promote international cooperation and confiscation of assets linked to new criminal trends associated with money laundering, and develop tools to facilitate cooperation in the administration of assets subject to confiscation.

With respect to the 2020-2021 Work Plan:

During the current term, the **Chair The Working Subgroup on Financial Intelligence Units and Criminal Investigation Agencies** will be devoted to pursuing:

An initiative to identify cases focused on criminal investigation involving crypto-assets, with a special focus on successful investigations in any of the member states, in order to share valuable information and best practices on the laundering of the proceeds of corruption related to illegal drugs and weapons trafficking and tax fraud, with an emphasis on identifying typologies and legislative analysis in the countries of the Group.

The Working Subgroup on International Cooperation and Forfeiture will devote itself to promoting the creation of the Illicit Asset Management Network at the hemispheric or sub-regional level; and to promoting the creation of an asset-sharing model, as a reference document for OAS member states.

A presentation was also made to the group, by the Delegation of Paraguay, on cases related to Administering Seized Agricultural Establishments (DDOT/LAVEX/doc.30/20); on the Use of Strategic Intelligence to Prevent and Counter Money Laundering and Terrorism Financing (DDOT/LAVEX/doc.31/20); and on Steps taken and studies done on virtual assets and different business modalities identified (DDOT/LAVEX/doc.32/20).

Fifth session: Conclusions and Recommendations of the Group of Experts. Other business.

Based on the presentations and the discussions surrounding them, the Group reached the following conclusions:

- Regarding the presentation on Administering Seized Agricultural Establishments:

Emphasis was placed on the importance of planning what is to be seized, especially to be able to seize assets that are of interest and have economic value. This allows assets to be preserved and maintained, besides generating income, jobs, and tax payments, among other aspects very much needed for any institution that administers seized assets and providing banking services for administrative operations as best practices.

- The presentation on the use of strategic intelligence to prevent and counter money laundering and terrorism financing underscored the need for partnerships to be established to share data on the study and analysis of the sectors for an understanding of the data, so as to efficiently combine all the variables to be able to identify warning signs or behavioral patterns. The relationship with actors of the obligated sectors must also be strengthened in order to get efficient feedback from them, have early warnings to facilitate adoption of preventive measures in the administrative arena; and with respect to the judicial arena, it stressed the vital importance of appropriate and timely intervention.
- The presentation on steps taken and studies done on virtual assets touched on the need to reach out to the sector to learn about all kinds of mining businesses and intermediaries,



exchangers that are generally suppliers of virtual assets; and also outlined an approach related to threats posed by money laundering, against terrorism financing, citing as well anonymity as most important in getting widespread adoption of the virtual assets product; and touched on virtual assets mining in border areas and cash operations as a vehicle linked to a money laundering background, such as smuggling, drug trafficking, etc. Note was also taken of mitigating factors that were identified, specifically having to do with the application of FATF Recommendation 16 to ensure that virtual assets operations were traceable; and noted the risks in terms of identifying very risky aspects linked to money laundering and terrorism financing, typical of this occupation.

The Technical Secretariat also presented a report on the request from the Inter-American Center of Tax Administrations (CIAT), as an observer to GELAVEX. After deliberating, the delegations raised no objections to this request.

The Chair, with the consent of the delegations, presented and concluded the plenary meeting, recommending approval of the following:

- a) Study on the applicability of precautionary measures on assets subject to seizure abroad (DDOT/LAVEX/doc.22/20).
- b) Document “Conceptualization and design of the Network of Administrators of Assets Subject to Seizure (DDOT/LAVEX/ doc.24/20).
- c) Normative study on politically exposed persons (PEPs) in the region, with special reference to the Caribbean region (DDOT/LAVEX/doc.26/20).
- d) Study of typologies in the area of laundering of assets derived from smuggling (DDOT/LAVEX/doc.28/20).
- e) Proposed Strategic Planning for the 2020-203 triennium.
- f) Work Plan for the 2020-2021 period.
- g) Welcome the incorporation from the Inter-American Center of Tax Administrations (CIAT) as a GELAVEX observer.