

OUT OF THE GREY – ICELAND’S JOURNEY FROM THE GREY LIST

A few words on Iceland’s experience from the FATF
grey list and the lessons learned

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ICELAND'S MUTUAL EVALUATION

- Iceland's Fourth Round Mutual Evaluation took place in 2017.
- Iceland's Mutual Evaluation Report (MER) published in 2018.
- The results of the MER:
 - Effectiveness:
 - 6 Low
 - 4 Moderate
 - 1 Substantial
 - Technical Compliance:
 - 2 Non-Compliant
 - 20 Partially-Compliant
 - 13 Largely-Compliant
 - 5 Compliant



AFTERMATH OF THE MER

- Observation Period after the MER.
- A period to address deficiencies identified in the MER.
- Efforts taken to address deficiencies and recommended actions.
- Great progress demonstrated.
- However not enough.
- Iceland grey listed in October 2019.



ICELAND'S ACTION PLAN

- Actions related to three Immediate Outcomes (IOs).
- Ensuring access to accurate basic and beneficial ownership information for legal persons by competent authorities.
- Introducing an automated system for STR filing and enhancing the FIU's capacity.
- Ensuring implementation of Targeted Financial Sanctions (TFS) requirements among Financial Institutions (FIs) and Designated Non-Financial Businesses and professions (DNFBPs) through effective supervision.
- Enabling effective oversight and monitoring of Non-Profit Organizations (NPO)s with adequate resources.



POST GREY LISTING

- Iceland's approach:
 - Keep up the momentum.
- Two questions:
 - When is delisting possible?
 - Is there anything that can be done to speed up the process?
- Populating the BO-Registry was the main action.



POPULATING THE BO-REGISTRY

- Iceland implements the AML Directives.
- BO legislation took effect in summer 2019.
- Vast number of legal entities that had to register BO-information.
- Huge effort undertaken.
- Promotion of the registration obligation.
- Joint efforts.
- Legislation amended.



THE EXIT

- First Progress Report in February 2020.
 - Actions related to TFS supervision, NPOs and the FIUs resources considered addressed.
- Second Progress Report in June 2020.
 - Actions related to goAML and Beneficial Ownership information considered addressed.
 - On-site visit warranted.
- On-site visit in September 2020 – progress confirmed.
- Iceland removed from the grey list in October 2020.



LOOKING BACK

- The positive perspective.
- Both negative and positive consequences.
 - Negative.
 - Positive.
 - Four points to highlight.



SUBSTANCE

- The work done to enhance the ML and TF defenses.
 - Actions on the action plan.
 - Work done before the listing.
- The result and the goal.
 - Stronger AML and CFT regime.
- A point of view:

Focus on the work already done instead of just the listing itself.



CO-OPERATION

- A key element.
- Different authorities and agencies.
- Cooperation is essential.
- Swift communications.
- Iceland's Steering Committee.
 - Tasks.
 - Ongoing role.



KNOWLEDGE

- Knowledge and experience.
- One of the consequences.
- Enhanced knowledge in relation to:
 - The FATF Standards.
 - The FATF Methodology.
 - The FATF as a body.
- And all the related issues.



AWARENESS

- Raised awareness.
 - Regarding AML and CFT.
 - On multiple levels.
 - Important aspect.



THANK YOU....

- and the best of luck moving forward.

