

NATIONAL RISK ASSESSMENT - NRA

Methodology

Working Group on the Risks of Money Laundering, Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction



Sumário

Introduction	5
1. Work Plan:.....	7
1.1. Glossary:.....	7
1.2. Objectives of the work plan:	8
1.3. Information flow and work process:	9
1.4. Roles and Responsibilities:	10
2. Methodology – National ML/TF Risk Assessment Process	12
2.1. Survey of Money Laundering Threats:	13
2.1.1.Objective.....	13
2.1.2.Evaluation Form	13
2.1.2.1. Sophistication Level (difficulty of detection);	13
2.1.2.2. Capabilities Level (structure);	14
2.1.2.3. Scope Level;	14
2.1.2.4. Profit Level;.....	14
2.1.2.5. Perception of incidence;.....	14
2.1.3. Information request form	15
2.1.4.Institutions that will be invited to express their opinion	17
2.1.5. Absence of data for treatment	18
2.1.6.Treatment and consolidation of information	18
2.1.7. ML Threat Survey Product	19
2.1.8. Formalization of the assessment process	20
2.1.9. Graphical Representation of the Macroprocess	21
2.2.Survey of Financing of Terrorism Threats:.....	22
2.2.1. Purpose	22
2.2.2.Assessment Form.....	23
2.2.2.1. GROUP 1 – Jihadist, ethnic-nationalist and separatist terrorist organizations	23
2.2.2.1.1. Worldwide presence;.....	24
2.2.2.1.2. Probability of practicing TF actions in the country;	24
2.2.2.1.3. FT capability in the country;	24
2.2.2.1.4. Social damage caused by fundraising actions in the country;	24
2.2.2.1.5. Presence of people linked to the organization in the country;.....	25
2.2.2.1.6. Financing characteristics and activities possibly used by the threat;	25
2.2.2.2. GROUP 2 – Other actors involved with TF threats	26
2.2.2.2.1. Presence in Brazil;	27
2.2.2.2.2. Probability of practicing TF actions in the country;	28
2.2.2.2.3. FT capability in the country;	28
2.2.2.2.4. Social damage caused by fundraising actions in the country;	28

2.2.2.2.5. Performance in Brazil;	28
2.2.2.2.6. Financing characteristics and activities possibly used by the threat	29
2.2.2.3. GROUP 3 – Activities used by the first two groups to make their financing viable	29
2.2.2.3.1. Perception of use:	31
2.2.2.3.2. Characteristics of the financing activity in the country’s context;	32
2.2.3. Information request form	32
2.2.4. Institutions that will be invited to express their opinion	33
2.2.5. Absence of data for treatment	33
2.2.6. Treatment and consolidation of information	33
2.2.7. FT Threat Survey Product	34
2.2.8. Formalization of the assessment process	35
2.2.9. Graphical Representation of the Macroprocess	36
2.3. Survey of Typologies:	37
2.3.1. Purpose	37
2.3.2. Form of contribution of participants	37
2.3.3. Information request form	38
2.3.4. Institutions that should be invited to express their opinion	38
2.3.5. Product of the Survey of Typologies	39
2.3.6. Formalization of the assessment process	42
2.3.7. Graphical Representation of the Macroprocess	43
2.4. Survey of Vulnerabilities in Regulated Sectors:	44
2.4.1. Purpose	44
2.4.2. Assessment Form	44
2.4.2.2. Compliance - requirement of conduct and/or controls to regulated sectors	46
2.4.2.3. Vulnerability Rating	47
2.4.3. Vulnerability Handling	47
2.4.4. Product of the analysis of the vulnerabilities of the regulated sectors	51
2.4.5. Information request form	53
2.4.6. Institutions that will be invited to express their opinion	53
2.4.7. Absence of data for treatment	54
2.4.8. Formalization of the assessment process	54
2.4.9. Graphical Representation of the Macroprocess	56
2.5. Survey of Vulnerabilities in the Ability to Prevent and Combat ML/TF	57
2.5.1. Purpose	57
2.5.2. Assessment Form	59
2.5.2.1. Pillar – Laws and Types	61
2.5.2.2. Pillar – National Strategy and Policy for Preventing and Combating ML/TF ...	61
2.5.2.3. Pillar – International Cooperation	62
2.5.2.4. Financial Intelligence	62

2.5.2.5. Pillar - Power of Investigation and Prosecution	62
2.5.2.6. Pillar - Power of Judgment and Condemnation	62
2.5.2.7. Pillar - Power of Confiscation and Recovery of Assets.....	63
2.5.2.8. Pillar - Tax Administration and Customs Control	63
2.5.2.9. Pillar - Supervision - National Financial System	63
2.5.2.10. Pillar – Supervision - DNFBP	64
2.5.2.11. Pillar - Correction and Integrity	64
2.5.2.12. Pillar – Ability to Prevent and Combat Financing of Terrorism	64
2.5.2.13. Pillar - Ability to Prevent and Combat the Financing of Proliferation of Weapons of Mass Destruction.....	65
2.5.3. Information request form	65
2.5.4. Institutions that should be invited to express their opinion	66
2.5.5. Absence of data for treatment.....	68
2.5.6. Treatment and consolidation of information	69
2.5.7. Product of the vulnerability assessment of the ability to prevent and combat ML/TF;	72
2.5.8. Formalization of the assessment process	72
2.5.9. Graphical Representation of the Macroprocess	73
3. National Consolidation - National ML/TF Risk Assessment	74
3.1. Consolidation of National Money Laundering Threats.....	74
3.2. Consolidation of National Terrorism Financing Threats	75
3.3. Consolidation of National Vulnerabilities.....	77
3.3.1. Quantitative approach – consolidated assessment score	77
3.3.2. Quantitative approach – consolidated vulnerabilities	79
3.4. National Consolidation of NRA.....	79
3.5. Structure of the Final Report of the National Risk Assessment of ML/TF	80
Annex – Relevant Legislation	82
ORDINANCE No. 1.258, OF JANUARY 15, 2020	82
DECREE No. 10.270, OF MARCH 6, 2020	84
ORDINANCE No. 107.560, OF MAY 20, 2020.....	87

Introduction

Brazil is a member of the Financial Action Group (FATF), an intergovernmental organization whose purpose is the development of a global strategy to prevent and combat money laundering, financing of terrorism and weapons of mass destruction (WMD) proliferation financing (ML/TF/PFML/TFML/TF/PF).

FATF's objectives are the development of standards and the promotion of the effective application of legislative, regulatory and operational ML/TF/PF measures and, in collaboration with other international actors, the identification of vulnerabilities that could allow the use of the international financial system for illicit purposes.

As a policy-making entity designed to encourage regulatory reforms in its areas of activity, FATF has developed a series of recommendations recognized as the international standard for Anti-Money Laundering / Countering the Financing of Terrorism (AML/CFT). Published in 1990, the 40 FATF Recommendations have been revised in 1996, 2001 and 2003 and, more recently, in 2012, to ensure that they remain relevant, up-to-date, and in conditions of application by all countries in the world.

In the latest revision of the Recommendations, the FATF established an important milestone in the way that money laundering and financing of terrorism should be combated, confirming the so-called "risk-based approach", a mechanism in which countries must identify, evaluate and understand the ML/TF/PF risks to which they are exposed and subsequently adopt, in accordance with the identified risks, proportional and adequate measures to mitigate them

In this context, the development of a specific methodology for the elaboration of a National Risk Assessment (NRA) that contemplates the adequate assessment of threats and vulnerabilities of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction (ML/TF/PF) to which Brazil is susceptible.

In this context, the Working Group of the National Risk Assessment of Money Laundering, Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction (NRAWG) was created, responsible for, among others, preparing the National Risk Assessment of ML/TF as provided for in Decree No. 10.270, of March 6, 2020.

Due to its condition as financial intelligence unit (FIU) in the country, responsible for "promoting institutional dialogue with national, foreign and international bodies and entities that have a connection with their activities²", the Financial Activities Control Council (Coaf) created a group to study a methodology for developing the subject.

Thus, Coaf's President issued Ordinance No. 1258, of January 15, 2020, which instituted the Special Team in order to concentrate efforts to complete the development of formal proposals for methodology and work plan to be employed in the process of preparation of the NRA, as well as to proceed with the corresponding activities.

[1] Law No. 13.794, of January 7, 2020, art. 3rd, item I.

[2] Law No. 13.794, of 2020, art. 3, item II.

[3] Decree No. 4.376, of September 13, 2002.

The result of its work was approved by Ordinance 12.625, of June 18, 2020 – National Risk Assessment Methodology. This methodology was received by the Working Group on National Risk Assessment of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction (NRAWG), and adjusted in the methodology now proposed.

Thus, the NRAWG uses this model to fulfill its objective of periodically diagnose, understand and assess the risks of ML/TF in the country, in order to subsidize actions by competent bodies and entities for the adoption of preventive and combat measures related.

Comprised of representatives from the Ministry of Justice and Public Security (Ministério da Justiça e Segurança Pública), the Central Bank of Brazil (Banco Central do Brasil) and Coaf (coordinator of the WG), it is the responsibility to this group to hold the first NRA, which should be completed within one year from the Group's installation.

In the greater interest of Brazil, the methodology is the conceptual basis in the implementation and conclusion of the first NRA, a work coordinated between government authorities, the private sector and civil society that will have the effect of not only bringing the country into full compliance with international standards, but also to leverage the development and practical and effective application of a national anti-money laundering regime and to combat the financing of terrorism and financing of proliferation of weapons of mass destruction.

1. Work Plan:

The structuring, development and implementation of the National Risk Assessment aims to enable the implementation of a process that makes it possible to identify, understand, analyze and mitigate the risks inherent in the entire system of combating money laundering, financing of terrorism and weapons of mass destruction proliferation financing – ML/TF/PF.

In order to carry out this work in Brazil, studies have been developed with a view to support it methodologically and, thus, based on innumerable risk assessments from other countries already disclosed, the foundations of this work plan was built. In its implementation, a methodology based on an analytical risk assessment tool that seeks to identify, analyze and understand the risks of money laundering, financing of terrorism and weapons of mass destruction proliferation financing –ML/TF/PF will be adopted.

At the end of the process, the identification, assessment and understanding of ML/TF risks are an essential part of the development and practical application of a national anti-money laundering and Financing of Terrorism combating regime.

1.1. Glossary:

✓ **Threats:** person, group or activity with the potential to cause damage to the State, society or economy, i.e., factors external to the control of authorities or economic sectors.

✓ **Ability to Combat:** it is an analysis of the country's ability to face threats, whether in a preventive or repressive manner.

✓ **Risk Events:** specific event of risk inherent to the sector, whether due to the use of products or activities regulated by it or due to the peculiarity of the environment that makes it difficult or limits the inspection or coercive action.

✓ **Impact:** damage caused by the threat, whether financial loss or bad reputation in the business environment.

✓ **Macroprocesses:** five (5) large groups of activities that will be carried out to arrive at the country's National ML/TF Risk Assessment.

✓ **“Money Laundering Threat Identification” Macroprocess:** it refers to the identification, assessment and understanding of the ML threats to which the country is susceptible. In this macroprocess, threats must be understood, as a priority, as crimes and criminal organizations that generate illicit resources causing damage to society as a whole;

✓ **“Financing of Terrorism Threat Identification” Macroprocess:** it refers to the diagnose, understand and assess of the TF Threats that may be present in the country carrying out financing operations. In this macroprocess, threats must be understood, as a priority, as the Terrorist Organizations listed in the UN Security Council, in addition to other specific designations carried out by other countries.

✓ **“Identification of Typologies” Macroprocess:** it refers to the identification and understanding of the ways that threats have been most used in the country to materialize in illicit operations.

✓ **“Identification of Vulnerabilities in the Regulated Sectors” Macroprocess:** it refers to the identification, assessment and understanding of the possible vulnerabilities that the regulated sectors may be susceptible to, either due to regulatory absence or the recurrence of certain risk events.

✓ **“Identification of Vulnerabilities in the Ability to Combat ML/TF” Macroprocess:** it refers to the identification, assessment and understanding of possible vulnerabilities in the preventive and coercive ML/TF system in the country. The identification of possible failures, inefficiencies, non-existent conduct, lack of structure and lack of powers are the expected results.

✓ **Pillar:** thematic structure related to the various areas for assessing the vulnerability of the Ability to Prevent and Combat ML/TF, which aggregates subjects and queries on major themes.

✓ **Query:** systematized questions with the FATF recommendations as the focus for the analysis of the country’s ML/TF Prevention and Combat Ability.

✓ **Risk:** resulting from the threat and Vulnerability variables, the impact of which is responsible for defining the priority in mitigating a certain risk to the detriment of another:

✓ **Inherent Risk:** level of risk before considering responses that reduced their likelihood of occurrence or impact.

✓ **Segment:** it refers, within the area of operation of each regulatory body, to that part that is logically separable, either because it is a specific matter (e.g. segment of luxury goods) or because it is a product with its own characteristics (e.g. exchange rate) or regulated sector (arts and antiquities).s).

✓ **Obligated Sectors:** sectors of economic activity for which there is a legal obligation for PML/TF;

✓ **Coercive System:** bodies and entities of the coercive system of public administration;

✓ **Typologies:** form or structure created for ML/TF; ;

✓ **Vulnerabilities:** flaws or weaknesses in the ML/TF regulation, control or enforcement systems that can be exploited by threats.

1.2. Objectives of the work plan:

The NRA is a technical document, which covers the survey of threats and vulnerabilities, where the latter is divided into regulatory vulnerabilities and vulnerabilities to combat ML/TF. From the analysis of these elements, the country’s national ML/TF risk will be calculated.

The risk assessment is based on a coordinated work between government authorities, the private sector and civil society and will constitute a fundamental input of the FATF’s mutual evaluation process of Brazil. It stands out, as relevant, that the country will be evaluated, not just a specific body. Therefore, the engagement of every stakeholder is essential so that the country can effectively achieve all the advances obtained in the last years of the national ML/TF system, since the last mutual evaluation held completed in 2010¹.

The main objective of this plan is to structure the work of identification, assessment and understanding of ML/TF/PFrisk for the country, as well as address efforts to mitigate the prioritized risks and serve as a basis for efficient allocation of resources and actions of the national ML/TF regime.

¹ Relatório de Avaliação Mútua da República Federativa do Brasil. Disponível em <https://www.fatf-gafi.org/publications/mutualevaluations/documents/mutualevaluationreportofbrazil.html>

In this regard, the following list of activities was established:

- a) Survey the country's main threats;
- b) Survey the country's main typologies;
- c) Assess the country's main vulnerabilities according to:
 - The Obligated Sectors;
 - The Ability to Prevent and Combat ML/TF;
- d) Suggest recommendations for mitigating the identified risks.

The work describe here is the result of the efforts of the Special Coaf Team ratified and revised by NRAWG in collaboration with the various bodies of the PML/TF system and seeks to structure the entire construction of the National Risk Assessment.

Processes, tools, questionnaires, metrics and consolidation criteria, information flow structures, role structures and responsibilities have been designed for this purpose. In addition, several intermediary documents have been produced for understanding, explaining and constructing the entire risk assessment structure form the perspective of Money Laundering, Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction.

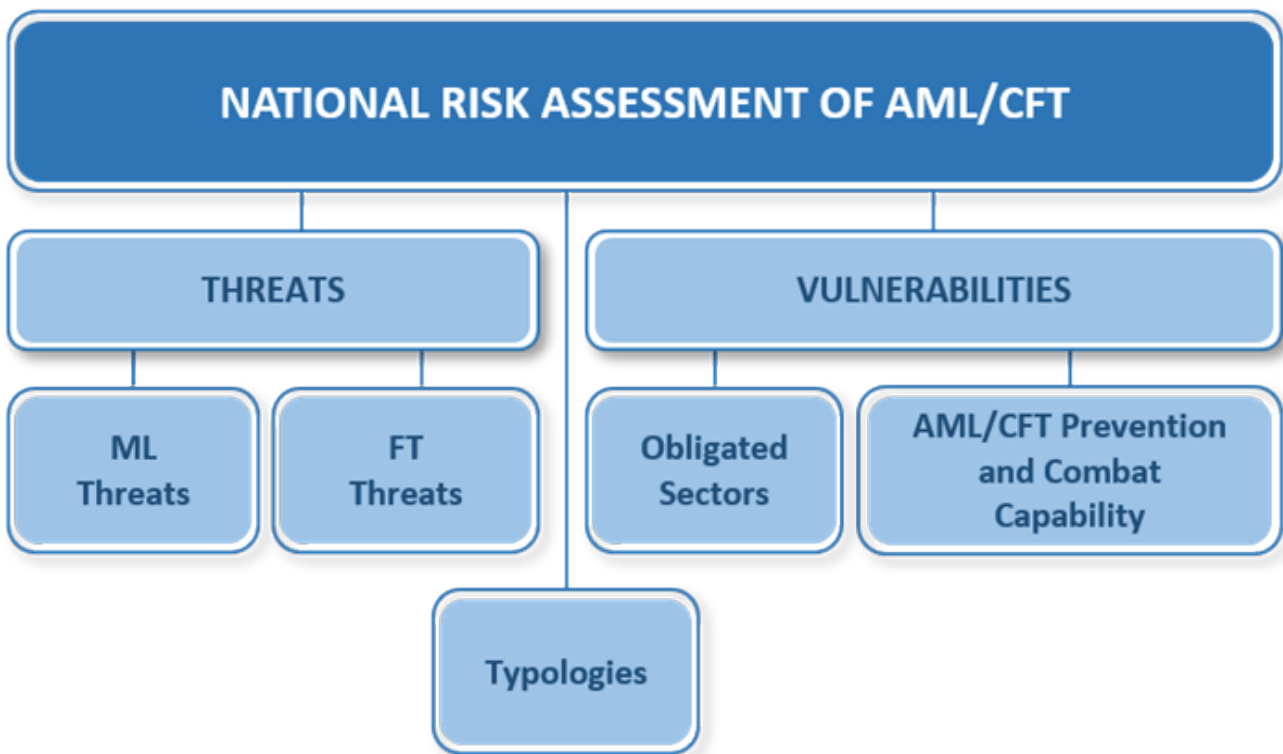


Figure 1: Analytical Structure of the National Risk Assessment.

1.3. Information flow and work process:

The ML/TF National Risk Assessment process, be it in any of its macroprocesses, must be clear when demonstrating to any interested party:

- a) all steps performed;

- b) which competent authorities contributed to;
- c) how and what data was received;
- d) by whom its information was handled; and,
- e) how its technical conclusions were reached.

Therefore, all information and products of the macroprocesses must be formalized in a process in the Electronic Information System (SEI), in a specific unit.

1.4. Roles and Responsibilities:

For the preparation of the NRA, information and data from different bodies and entities are required, as well as thematic meetings to discuss the different aspects for a more complete and perfect understanding of the subject, as well as the effective engagement of everyone in this project.

Thus, during the process of building the methodology and work plan presented in this report, it was requested to nominate representatives from different institutions and authorities, with the following profiles:

- Knowledge of the topic of combating money laundering and financing of terrorism, to address the technical content; and
- Knowledge of information management and information technology to enable the provision of the data and statistics necessary for carrying out the NRA.

In each macroprocess, several institutions have been invited to participate in the analysis. The institutions suggested for each phase of the work are listed in specific parts of this document and, briefly, in the list below:

<i>Institution</i>	Threats			Vulnerabilities	
	Money Laundering	Financing of Terrorism	Typologies	Obligated Sectors	ML/TF/PF Combat and Prevention Ability
<i>ABIN</i>		X	X		X
<i>ABRAPP</i>			X		
<i>ANM</i>	X			X	X
<i>B3</i>			X		
<i>BCB</i>			X	X	X
<i>CFC</i>				X	X
<i>CGU</i>	X				X
<i>CNJ</i>	X			X	X
<i>CNSEG</i>			X		
<i>Coaf</i>	X		X	X	X
<i>COFECI</i>				X	X
<i>COFECON</i>				X	X
<i>CONCPC</i>	X				X
<i>CVM</i>			X	X	X
<i>DRCI</i>					X
<i>DREI</i>				X	X
<i>ENCCLA</i>					X

FEBRABAN			X		
IPHAN				X	X
IBAMA	X				
MAPA				X	X
MJUST - SENAD/ SENASP/SEMPI	X		X		X
MPF (CNMP)	X		X		X
MTUR				X	X
OAB				X	X
PF – Departamento Antiterrorismo		X			X
PF – Investigação	X		X		X
PF - Transporte de Valores				X	X
PREVIC			X	X	X
REDE-LAB	X		X		X
RFB	X		X		X
SECAP				X	X
SUSEP			X	X	X

Figure 2 – bodies responding by macroprocess.

In carrying out this step, the main roles and responsibilities of different groups have been identified, according to the skills required to carry out the first NRA. Below, are listed the groups and their roles:

- **Special Coaf Team:** instituted by the President of Coaf through Ordinance No. 1258, of January 15, 2020, responsible for defining the methodology and work plan of the NRA and main interlocutor of the works in its preliminary stage;
- **Focal points:** representatives appointed by the various institutions as responsible for the dialogue with NRAWR, Special Coaf Team and the Technical Group.
- **Institutions:** public, federal, state or municipal agencies, or private entities whose field of activity, regulatory or coercive, integrates or relates to the country's PML/TF system. Its technical manifestations are the input for the realization of the entire NRA.
- **Working Group on National Risk Assessment of Money Laundering, Financing of Terrorism and Weapons of Mass Destruction Proliferation Financing (NRAWG):** Working Group instituted by Decree No. 10.270, of March 6, 2020, the consultative and deliberative instance, responsible for the approval of the consolidated analyzes of all the macro processes of NRA, also having the role of authorizing the Technical Group to carry out analyzes directly on incomplete or whose responsible institution did not provide the necessary information for the analysis process.
- **Technical Group:** a group formed by Coaf officials who are members of the Special Team and assisted by representatives of the bodies that are part of the NRAWG. It will be responsible for executing phases of the assessment process, from requesting information to consolidating the results found.

2. Methodology – National ML/TF Risk Assessment Process

As previously seen, the preparation of the National Risk Assessment (NRA) should include the adequate survey of the threats and vulnerabilities of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction (ML/TF) to which the country is susceptible.

Based on this premise, the Work Plan referred to in topic 1 of this report aims to structure the work of identifying, assessing and understanding ML/TF risks for the country, as well as identifying the mitigation actions for the prioritized risks, aiming at optimizing the efficient allocation of resources and actions of the national AML/CFT regime. In this process, the methodology presented in this topic establishes the general lines of execution of the following activities:

- a) Survey the country's main threats;
- b) Survey the country's main typologies;
- c) Assess the country's main vulnerabilities according to:
 - The Obligated Sectors;
 - The Ability to Prevent and Combat ML/TF;
- d) Suggest recommendations for mitigating the identified risks..

Processes, tools, questionnaires, measurement and consolidation metrics, information flow structures, role structures and responsibilities will be presented below, as well as several intermediate documents designed to understand, explain and build the entire risk assessment structure in Brazil from the perspective of ML/TF/PF.

2.1. Survey of Money Laundering Threats:

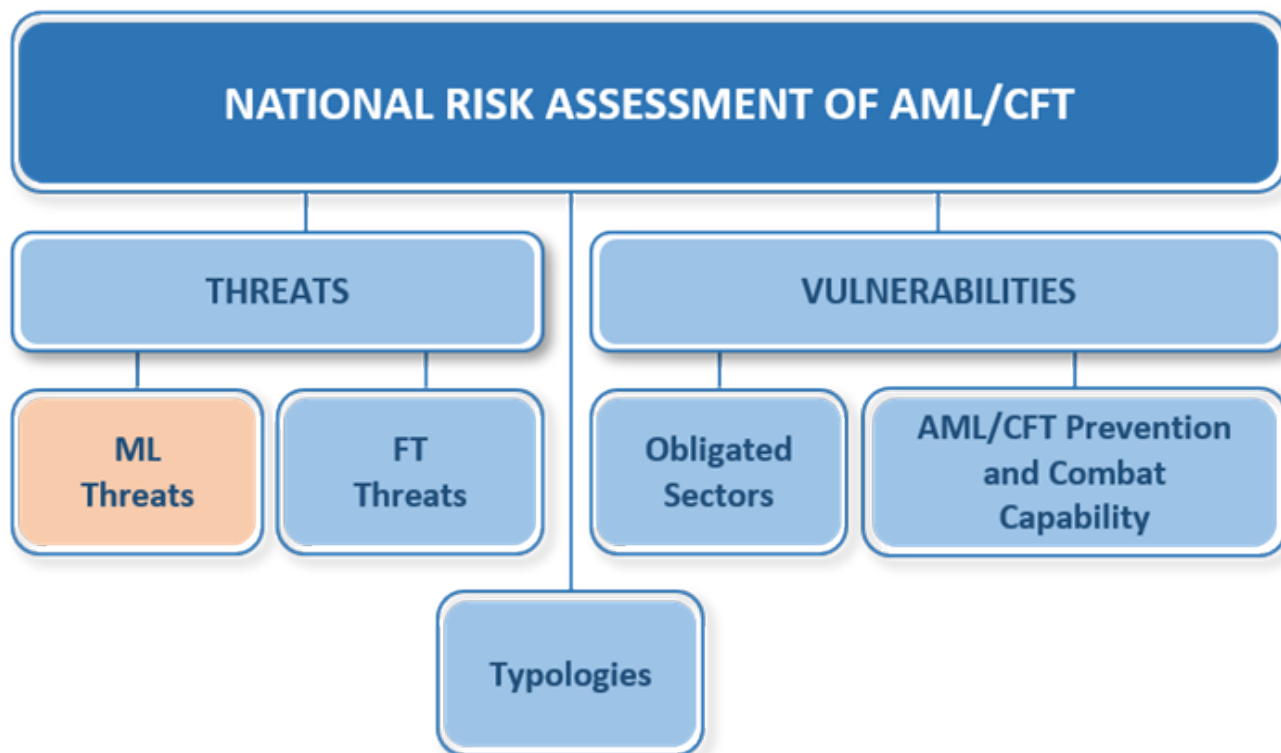


Figure 3: NRA structure - highlighted ML Threats.

2.1.1. Objective

Demonstrate which are the biggest THREATS to the country's PML/TF system, i.e. to identify the "WHAT" or "WHO", represented by which antecedent crimes and which actors, criminal factions, are more active in the country and have greater potential to cause damage to the state, society or the economy.

2.1.2. Evaluation Form

Based on a previous list of ML threats, antecedent crimes and criminal organizations, the Technical Group invites (through focal points) the institutions listed in item 2.1.4 to manifest themselves, evaluating, specifically, each of the threats before each one of the five (5) criteria below:

2.1.2.1. Sophistication Level (difficulty of detection);

4 - VERY HIGH SOPHISTICATION - Very high detection difficulty. It is constantly using sophisticated systems, a form of adaptive implementation and a legal appearance.

3 - HIGH SOPHISTICATION - High detection difficulty. Usually it uses sophisticated systems, a routine and/or uncoated form of legal appearance.

2 - AVERAGE SOPHISTICATION - Medium detection difficulty. It does not need sophisticated systems, but its form of implementation is simple and does not have a legal appearance.

1 - LOW SOPHISTICATION - Low detection difficulty. It is carried out in a rudimentary way, there being no doubt of its illegality.

2.1.2.2. Capabilities Level (structure);

4 – VERY HIGH CAPABILITY - It has numerous actors involved, being individuals and/or legal entities incorporated in Brazil and/or abroad, with a clear segregation of functions and joint action.

3 – HIGH CAPABILITY - It has many actors involved, being individuals and/or legal entities incorporated in Brazil, with relative segregation of functions.

2 – AVERAGE CAPABILITY - It has few actors involved, essentially individuals residing in Brazil, who act together without an apparent planning and/or segregation of functions.

1 – LOW CAPABILITY - It has a unique actor, with a specific and punctual performance.

2.1.2.3. Scope Level;

4 - NATIONAL AND INTERNATIONAL LEVEL with receipt and remittance of resources also from abroad;

3 - NATIONAL LEVEL with predominantly internal operations, without receiving or remitting resources abroad.

2 - STATE LEVEL, and there may be operations in more than one state or a specific region of the country.

1 - MUNICIPAL LEVEL with specific and strictly defined action.

2.1.2.4. Profit Level;

4 - Threat whose financial income is VERY HIGH.

3 - Threat whose financial income is HIGH.

2 - Threat whose financial income is AVERAGE.

1 - Threat whose financial income is LOW.

2.1.2.5. Perception of incidence;

By incidence, we understand the perception of recurrence of this threat in the country. For the highest level we establish an **aggravating factor of 100%** and for the lowest level of incidence an **aggravating factor of 25%**, both of which affect the sum of the scores assessed in the previous stages.

2.00 - (100%) - Perception of very high incidence in the country.

1.75 - (75%) - Perception of high incidence in the country.

1.50 - (50%) - Perception of average incidence in the country. Average incidence in the country.

1.25 - (25%) - Perception of low incidence in the country.

As shown, items 2.1.2.1 and 2.1.2.4 must be evaluated following a graduation of 4 levels with the last criterion, where the last criterion, **Incidence Perception**, (aggravating factor in 25%, 50%, 75% and 100%), **levied** on the sum of the first four. Thus, the sum of the first four criteria is between 4 and 16, and the final score multiplied by the aggravating factor in item 2.1.2.5, results in a score of **5 to 32**.

Thus, the threat level will be rated according to the table below:

26-32 - VERY HIGH THREAT
19-25 - HIGH THREAT
12-18 - AVERAGE THREAT
5-11 - LOW THREAT

It should be noted that, in addition to the quantification of the 5 items listed above, the threat assessment must be accompanied by comments explaining the score given.

Contextualization of the threat in the Country;

After the threat is classified as low, average, high or very high, the institution responsible for filling it out should describe its general considerations about each threat, when it will have space to contextualize it, informing the strategic studies already carried out, its statistical data (surveys, investigations, convictions, confiscation), possible case series, form of action, etc.

It is noteworthy that the information provided in this context should not be limited to the quantitative data of the threat linked to the ML/TF that the performance of the evaluating body produced, but to all data it has about each threat in the country. This form of assessment aims to demonstrate the threat as a generator of illegal resources liable to ML/TF, without limiting itself only to the cases that have been the object of some repressive action of ML/TF by the assessing body.

2.1.3. Information request form

The Special Team developed an Electronic Questionnaire containing a previously defined list of ML Threats, antecedent crimes and criminal factions that could be analyzed in the light of the criteria of **sophistication, capability, scope, profit and incidence**.

Following is an image of the Electronic Questionnaire:

***Nível de Sofisticação (dificuldade na detecção) das Ameaças**

A partir das informações e do seu conhecimento dos participantes, avalie esta ameaça de forma a estimar seu nível de sofisticação.

Como nível alto de sofisticação, deve-se entender as ameaças que trazem maior dificuldade de detecção para todo o sistema de ALD e, quando concretizadas, utilizam de sistemas complexos, adaptativos e que possuem aparência legal.

Sendo assim, para cada ameaça, estabeleça uma nota de 1 a 4, onde:

Escolha uma das seguintes respostas

- 4 - Sofisticação Muito Alta - Dificuldade de detecção altíssima. Constantemente se utiliza de sistemas sofisticados, forma de concretização adaptativa e com aparência legal.
- 3 - Sofisticação Alta - Dificuldade de detecção alta. Usualmente se utiliza de sistemas sofisticados, forma de concretização rotineira e/ou não revestida de aparência legal.
- 2 - Sofisticação Média - Dificuldade de detecção média. Não necessita de sistemas sofisticados, mas sua forma de concretização é simples e não se reveste de aparência legal.
- 1 - Sofisticação Baixa - Dificuldade de detecção baixa. É concretizada de forma rudimentar, não havendo dúvida de sua ilegalidade.

***CONTEXUALIZAÇÃO DA AMEAÇA NO PAÍS**

Tendo em vista a análise da ameaça acima, descreva, nesse espaço, as informações, estatísticas e impressões acerca do tema no âmbito de atuação da sua instituição.

Fique a vontade para colocar documentos e análises públicas ou feitas pelo próprio órgão, no campo seguinte.

(Pedimos especial atenção ao preenchimento deste campo, tendo em vista a relevância deste insumo para construção do texto final sobre essa ameaça na Avaliação Nacional de Risco)

Figure 4: ML electronic questionnaire - Level of sophistication and contextualization of the threat in the country.

The Technical Group must inform that the institutions indicated in item 2.1.4 **are not obliged to assess all threats** listed in the previous list, but only those antecedent crimes and criminal factions that, in any way, directly or indirectly, are related to its institutional performance and on which, of course, its specialists have greater expertise. The following is an image of the Electronic Questionnaire that provides this option.

Corrupção

***Analisar a Ameaça **Corrupção** agora?**

Escolha uma das seguintes respostas

Por favor, selecione... ▼

Por favor, selecione...

Sim

Não

Figure 5: ML Electronic Questionnaire - Possibility of not completing a given threat.

In the opposite way, it is also worth noting that the evaluating institution does not need to limit itself to the threats listed in the previous list, since the tool was designed in such a way as to allow the registration of a new threat, where the interest and the decision of the evaluator for its inclusion is enough, as follows:

Sugestão de Ameaça

Com base na sua experiência profissional, há alguma ameaça de **relevante interesse nacional** que deveria ser avaliada, e que não tenha sido abordada anteriormente?

📌 Escolha uma das seguintes respostas

Figure 6: ML Electronic Questionnaire - Insert unlisted threat.

In addition, in order to facilitate the process, an official letter should be sent to the directors of the evaluating institutions, with a copy to their respective focal points, containing a spreadsheet attached that allows the preliminary assessment exercise, thus optimizing the completion of the Electronic Questionnaire.

There is in the tool a specific field for sending files by the evaluator, and it is necessary to request that the evaluating institutions send strategic studies or other files that they consider relevant about the contextualization of the evaluated threat. Let's see:

ESTUDOS E MATERIAIS DIVERSOS

Havendo estudos estratégicos correlatos à ameaça ou quaisquer outros materiais produzidos pela instituição, favor nos enviar.

O tamanho máximo de arquivo suportado pelo servidor é de 2048 KB. Arquivos que excedam esse tamanho podem ser encaminhados diretamente para coaf.anr@mj.gov.br. Favor utilizar como assunto "Materiais Diversos - CV - [Nome do seu órgão]".

📌 Por favor, envie, no máximo, 5 ficheiros

📎 Submeta ficheiros:

Figure 7: ML Electronic Questionnaire - Field for sending files by the evaluator.

Regarding the security and relevance of the information, it is worth informing that each questionnaire can only be accessed by a specific link sent to the focal point, defined as the person responsible for sending the information produced by the institution. It is noteworthy, in this regard, that the manifestation linked to **the login of the Focal Point is considered a formal manifestation of the represented institution.**

2.1.4. Institutions that will be invited to express their opinion

For the survey of threats, we understand that the institutions listed below should **preferably** be invited to manifest themselves bringing all their expertise, strategic studies and statistical data about their performance in the face of each of the threats to be evaluated:

Financial Activities Control Council - Coaf

- National Justice Council - CNJ
- National Council of Civil Police Chiefs - CONCPC
- Office of the Comptroller General- CGU
- Ministry of Justice Department of Assets Recovery and International Legal Co-operation - DRCI-SENAJUS-MJSP

- Brazilian Institute of the Environment and Renewable Natural Resources - IBAMA
- Federal Prosecution Service- MPF
- Federal Police - PF
- Integrated Operations Secretariat - Seopi - Ministry of Justice and Public Security
- Secretariat of the Federal Revenue of Brazil - RFB
- National Secretariat for Drug Policy - Senad - Ministry of Justice and Public Security
- National Secretariat of Public Security - Senasp - Ministry of Justice and Public Security

2.1.5. Absence of data for treatment

If there is no response with sufficient data on a given threat, the Technical Group may request additional information from institutions already invited to express their opinion or from other institutions, public or private, that can best contribute to its assessment. Even so, in the absence of data, the Technical Group will inform the NRAWG of this act, with the latter, with the experience of its members, carrying out the assessment.

2.1.6. Treatment and consolidation of information

Having received all the information requested from the institutions, the Technical Group will formalize the Working Paper demonstrating the **consolidation of the ratings** received from the different institutions **into a single national score by criterion and by assessed threat**.

It should be noted that the Consolidated Threat Working Paper will demonstrate, in addition to the consolidated threat score, all scores per rating institution. In other words, every assessor institution will have its assessment considered when defining the final assessment of a given Threat. The transformation of the many scores (by criteria) provided by institutions with diverse mandates, into a single national score may also take into account the expertise of the assessor institution vis-a-vis the assessed threat. Additionally, those that, by their nature, possess greater dominance in a given antecedent crime and/or criminal faction, may have their assessment scores considered with greater representativeness. This situation must be defined by the NRAWG in the specific case.

Having completed the treatment of the threat assessment scores, the Technical Group will have to consolidate **the general information provided by each institution**, making efforts to build the contextualization, under national focus, of each threat in the country. This work will use as reference all the information, statistics and strategic studies that each institution sent in the assessment process.

In this way, the contextualization of each threat will not only be a specific view of the assessor institution, but rather a synergistic **National Contextualization**, including various views and statistics of bodies with different, but essentially complementary actions. This step may take advantage of national or international studies in addition to expert opinions that the Technical Group has access to adjust possible edges not explained by the different agencies separately. It is worth mentioning that, during the formalization of this work, all texts, in their original formats, sent by each institution, must be stored in full as a way to trace the origin of the information used.

Once the stages of quantitative consolidation (final score for each threat) and qualitative (contextualization of the threat) have been completed, the Technical Group will have to present the results to all bodies participating in the ML Threat Survey, **so that the final mentions presented will be understood as a national, synergistic assessment, derived from numerous institutional assessments specific to each participant.**

Having performed this exercise and having resolved any distortions that may have arisen during the process, the Technical Group will submit the Final Report of the survey of the threats of ML for consideration by the **NRAWG**. Once approved, **it will be up to the NRAWG to define the threats that should have priority treatment within the scope of the country's PML/TF System.**

2.1.7. ML Threat Survey Product

The product of the survey of threats is a single report, derived from the contribution of several participating bodies, containing the **Ranking of Threats** (very high, high, medium and low) of the country's ML, assessed under the criteria of level of sophistication (difficulty of detection), level of capability (structure), geographic coverage, level of financial income and perception of incidence in the country.

The following is an example of the ranking of threats:

Ameaças	Avaliação Ameaça	Pontuação
AMEAÇA LD 1	26-32 - Ameaça Muito Alta	32
AMEAÇA LD 2	26-32 - Ameaça Muito Alta	28
AMEAÇA LD 3	26-32 - Ameaça Muito Alta	28
AMEAÇA LD 4	19-25 - Ameaça Alta	25
AMEAÇA LD 5	19-25 - Ameaça Alta	25
AMEAÇA LD 6	19-25 - Ameaça Alta	21
AMEAÇA LD 7	19-25 - Ameaça Alta	20
AMEAÇA LD 8	12-18 - Ameaça Média	18
AMEAÇA LD 9	12-18 - Ameaça Média	18
AMEAÇA LD 10	12-18 - Ameaça Média	16
AMEAÇA LD 11	12-18 - Ameaça Média	16
AMEAÇA LD 12	12-18 - Ameaça Média	16
AMEAÇA LD 13	12-18 - Ameaça Média	14
AMEAÇA LD 14	12-18 - Ameaça Média	14
AMEAÇA LD 15	12-18 - Ameaça Média	14
AMEAÇA LD 16	12-18 - Ameaça Média	14
AMEAÇA LD 17	12-18 - Ameaça Média	13
AMEAÇA LD 18	12-18 - Ameaça Média	12
AMEAÇA LD 19	5-11 - Ameaça Baixa	11
AMEAÇA LD 20	5-11 - Ameaça Baixa	10
AMEAÇA LD 21	5-11 - Ameaça Baixa	10
AMEAÇA LD 22	5-11 - Ameaça Baixa	9
AMEAÇA LD 23	5-11 - Ameaça Baixa	8

Figure 8: Ranking of Threats (example data)

2.1.8. Formalization of the assessment process

In line with what was exposed in topic 1.3 and given the need to threat the National Risk Assessment of ML/TF as a process with several steps and contributions from countless institutions, specifically regarding the Survey and Assessment of ML Threats, it is suggested that its formalization contains the following documents:

- Opening document showing the reason why the process is being opened, i.e. survey and assessment of threats;
- Letters to the institutions that should be invited to manifest themselves at this stage, with confirmation of sending and receiving;
- Letters' responses with the requested information and assessments;
- Possible reiterations of Letters in the absence of answers, if necessary;
- Possible complementary letters in view of the lack of certain information, if necessary;
- Minutes of the meetings held with representatives of all institutions, from general awareness meetings to practical meetings to demonstrate the specific tools of this module;
- Working Paper drafted by the Technical Group informing the conclusions of the consolidation of the Survey and Assessment of Threats;
- Submission of the consolidated report of the ML Threat Assessment work for approval by the NRAWG;
- Submission of the conclusions to the participating institutions, making their results a National Assessment;
- Formalization of approval, by NRAWG, of the consolidated report containing, in addition to other information, the Ranking of ML Threats assessed;
- Conclusion of the Process informing that its results will be input for the drafting of the final document of the National Risk Assessment of ML/TF.

2.1.1.9. Graphical Representation of the Macroprocess

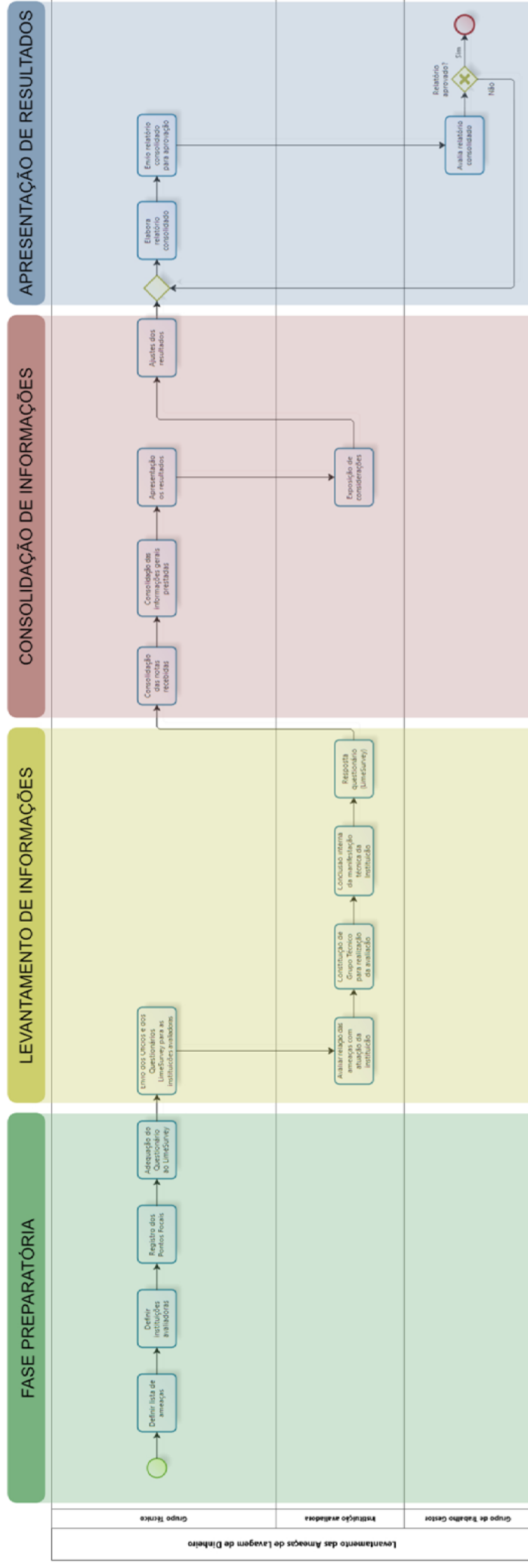


Figure 9 - View of the ML threat process

2.2. Survey of Financing of Terrorism Threats:

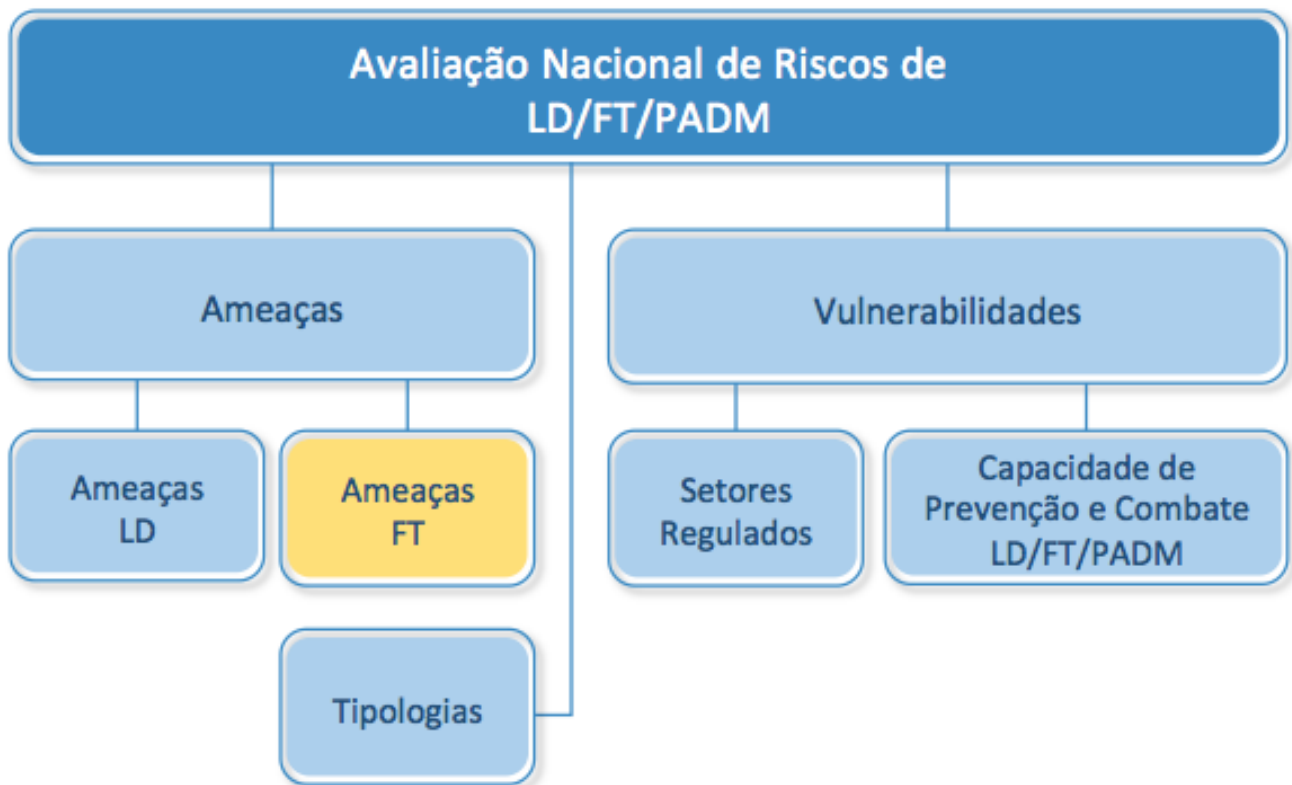


Figure 10: NRA structure - highlight FT threats.

2.2.1. Purpose

Financing of Terrorism involves soliciting, raising or providing funds for the purpose of being used to support terrorist acts or organizations. Funds can come from both legal and illegal sources.

In the context of Financing of Terrorism, a **threat** must be understood as **a person or group of people (physical or legal), object or activity with the potential to cause damage when raising, moving, storing or using resources or other assets, whether from lawful sources or from other sources, illicit sources, for terrorist purposes or to finance terrorist persons or organizations.**

Thus, for purposes of better understanding and assess of the phenomenon, the analysis of **Financing of Terrorism Threats** was divided into three major groups:

- GROUP 1 - **Terrorist Organizations or National Liberation Movements (TOs- threat);**
- GROUP 2 - **Other actors engaged in terrorism (threat actors);**
- GROUP 3 – **Activities used by the first two groups to render their financing viable (threat activities).**

This macroprocess aims to identify, assess and understand which terrorist financing threats the country is susceptible to. This information helps to prioritize and better allocate resources aimed at combating the Financing of Terrorism by all authorities in the country.

2.2.2. Assessment Form

2.2.2.1. GROUP 1 – Jihadist, ethnic-nationalist and separatist terrorist organizations

Group 1 of Financing of Terrorism Threats comprises jihadist, ethnic-nationalist or separatist terrorist organizations. For the assessment of this group, it will be used not only the organizations formally recognized as terrorists by the Brazilian government, but also other groups mentioned in the international counterterrorism agenda that represent a local, regional or global threat.

Based on the List of Organizations Listed by the United Nations Security Council – UNSC, pursuant to Resolutions 1267 (1999) 1989 (2011) and 2253 (2014) and also taking into account specific designations carried out by other countries, a non-exhaustive list of the best known, ethnic-nationalist or separatist terrorist organizations (TOs) was drawn up.

In view of this initial list of possible TF threats (TOs – Group 1), it will be up to the evaluator to mark YES, if he/she considers that there is an indication of the presence of the threat in Brazil, or NO, if no suspicion of OT activity in the national territory has been identified. The following is an illustrative image of this part of the assessment:

GRUPO 1

Organizações Terroristas (OTs) jihadistas, étnico nacionalistas ou separatistas

Tradicionalmente, o Brasil reconhece como terroristas tão somente os grupos designados como tal pelo Conselho de Segurança das Nações Unidas, com base no regime da Resolução 1267 do órgão, quais sejam: Al Qaeda e suas afiliadas, Estado Islâmico e suas afiliadas, e o Talibã. Contudo, o financiamento do terrorismo compreende não apenas as organizações classificadas pelo governo brasileiro, mas também aquelas referidas na agenda Internacional, independentemente de serem reconhecidas ou não pelo Brasil como organizações terroristas.

Abaixo encontra-se listagem das mais conhecidas organizações terroristas (OTs) jihadistas, étnico-nacionalistas ou separatistas. Na sua percepção, assinale SIM, caso considere que há indício de presença das OTs seguintes no Brasil, ou NÃO, caso não se tenha sido identificada qualquer atividade da OT em território nacional.

	Sim	Não	Sem resposta
Abu Sayyaf (Grupo Portador da Espada; Al Harakat al Islamiyya; Jamaah Abu Sayyaf. Grupong Aby Sayyaf) / Filipinas	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Ahlu Sunnah Wa Jama (ASWJ, Ansar al Sunna, Apolantes da Tradição) / Moçambique	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Ajnad Misr (Soldados do Egito) / Egito	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Al-Gama'at al-Islamiya / Egito	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Al Ghurabaa / Reino Unido	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Figure 11: FT Electronic Questionnaire – Group 1

At that time, all jihadist, ethnic-nationalist or separatist terrorist organizations identified by the evaluator as suspicious of activity or relationship with Brazil will be subject to **individual assessment** against the following criteria: **1) worldwide presence; 2) probability of taking Financing of Terrorism (TF) actions in Brazil; 3) FT capability in Brazil; 4) social damage from TF actions; and 5) presence of people linked to the organization, as follows:**

2.2.2.1.1. Worldwide presence;

Based on the available information and the evaluator’s knowledge on the subject, the threat must be addressed in order to estimate the **territorial extent of its worldwide presence**, understood here as “case-by-case extension of actions taken by terrorist organizations”, establishing a 1 to 4 score, where:

4 - VERY HIGH WORLDWIDE PRESENCE - This organization is present worldwide.
3 - HIGH WORLDWIDE PRESENCE - This organization has a predominantly regional presence surrounding Brazil.
2 - AVERAGE WORLDWIDE PRESENCE - This organization has a predominantly regional presence not surrounding Brazil.
1 - LOW WORLDWIDE PRESENCE - This organization has a majority presence limited to the country where it is headquartered.

2.2.2.1.2. Probability of practicing TF actions in the country;

Based on the available information and the evaluator’s knowledge of the subject, the threat should be assessed in order to estimate its **probability of practicing TF actions in Brazil**. Probability means “the expert’s perception of the possibility of an TF action being taken in Brazil”.

4 - VERY HIGH PROBABILITY of this organization to be practicing or to come to practice TF actions in the country.
3 - HIGH PROBABILITY of this organization to be practicing or coming to practice TF actions in the country.
2 - AVERAGE PROBABILITY of this organization to be practicing or to come to practice TF actions in the country.
1 - LOW PROBABILITY of this organization being practicing or coming to practice TF actions in the country.

2.2.2.1.3. FT capability in the country;

Based on the available information and the evaluator’s knowledge on the subject, the threat should be assessed in order to estimate its **ability to raise and move resources in Brazil**.

4 - VERY HIGH CAPABILITY of collection and movement of resources in the country.
3 - HIGH CAPABILITY of collection and movement of resources in the country.
2 - AVERAGE CAPABILITY of collection and movement of resources in the country.
1 - LOW CAPABILITY of collection and movement of resources in the country.

2.2.2.1.4. Social damage caused by fundraising actions in the country;

Based on the available information and the evaluator’s knowledge on the subject, the threat must be assessed in order to estimate the **social damage of its fundraising actions**. Social

damage means how much its fundraising activities, when eventually executed, would cause damage to society, ranging from resources from lawful activities to resources from crimes harmful to life.

4 - VERY HIGH SOCIAL DAMAGE - The fundraising actions characteristic of this organization in the country are always harmful to life.

3 - HIGH SOCIAL DAMAGE - The fundraising actions characteristic of this organization in the country are mostly harmful to life.

2 - AVERAGE SOCIAL DAMAGE - The fundraising actions characteristic of this organization in the country are eventually harmful to life.

1 - LOW SOCIAL DAMAGE - The fundraising actions characteristic of this organization in the country are not harmful to life.

2.2.2.1.5. Presence of people linked to the organization in the country;

For the criterion of the presence of people linked to the organization in the country, an **aggravating factor of 100%** is established for the highest level and an **aggravating factor of 25%** for the lowest level of presence in the country, on the sum of the ratings evaluated in the previous steps.

2.00 - (100%) - VERY HIGH - There are countless documented cases of the presence of this organization, or of people associated with it, in Brazil.

1.75 - (75%) - HIGH - There are many documented cases of the presence of this organization, or of people associated with it, in Brazil.

1.50 - (50%) - AVERAGE - There are few documented cases of the presence of this organization, or of people associated with it, in Brazil.

1.25 - (25%) - LOW - There are rare documented cases of the presence of this organization, or of people associated with it, in Brazil.

Thus, in summary, items 1 to 4 should be evaluated following a gradation of 4 levels, with the last criterion, **Presence in the Country**, (aggravating factor of 25%, 50%, 75% and 100%), **should be levied** on the sum of the first four. Thus, the sum of the first four criteria is between 4 and 16, and the final score multiplied by the aggravating factor in item 'Presence in the Country', results in a score of **5 to 32**.

Thus, the threat level will be rated according to the table below:

26-32 - VERY HIGH THREAT

19-25 - HIGH THREAT

12-18 - AVERAGE THREAT

5-11 - LOW THREAT

2.2.2.1.6. Financing characteristics and activities possibly used by the threat;

After the **TF threat** is classified as **low, medium, high or very high**, in view of the studies on financing activities listed by international doctrine, the **institution responsible for the assessment must describe its characteristics**, considering, necessarily, the possible activities that the threat assessed may be using to carry out its financing operations in the country.

This information, sufficiently detailed, will become one of the inputs that allow the adaptation of all TF control and monitoring systems in the country.

2.2.2.2. GROUP 2 – Other actors involved with TF threats

Group 2 is made up of other actors considered Financing of Terrorism threats, which do not fit the traditional definition of jihadist, ethnic-nationalist or separatist TOs, however, they are often included in the available bibliography on the topic of Financing of Terrorism. Below, we bring a **non-exhaustive** list of the other actors most mentioned in the doctrine:

I. Small terrorist cells: they are decentralized groups, with a small number of participants and geographically dispersed, who can act in activities to support terrorism and its financing.

II. Sleeping or dormant terrorist cells: groups composed of individuals, usually foreigners, who infiltrate a designated society or organization and remain dormant until a group or organization orders a specific action.

III. Radical non-Islamic extremist groups: groups with violent extremist ideology, such as ecoterrorist groups, neo-Nazis, insurrectionary and radicalized anarchists in the virtual environment in forums and chats.

IV. Recruitment, training and facilitation networks: consists of the action of individuals or organizations responsible for recruiting nationals by a terrorist movement through direct interaction with these individuals or indirectly, usually through different types of media, with the intention of instigating activities in favor of terrorist organization by these individuals.

V. Lone actors: also called “lone wolves”, they are people who act alone without orders from or even without connections with an organization.

VI. Foreign terrorist fighters (FTFs): they are unpaid individuals who are not citizens of states in conflict that join insurgencies during civil conflicts. They are usually radicalized in their country of origin and take advantage of clandestine networks to facilitate their journey to a zone of civil conflict.

VII. Diaspora populations: are populations of foreign origin or descent residing in the national territory that can be sympathetic to regional or international terrorist actors.

In view of this initial list of possible TF threats (Actors – Group 2), it will be up to the evaluator to mark YES, if he/she considers that there is an indication of the presence of the threat in Brazil, or NO, if no suspicion of the activity of other non-Actors has been identified in the national territory. The following is an illustrative image of this part of the assessment:

GRUPO 2

Na literatura disponível sobre o tema de financiamento do terrorismo, existe um grupo de atores que são considerados ameaças de financiamento do terrorismo, mas que não se enquadram na definição tradicional, tampouco possuem características de Organizações terroristas Jihadistas, étnico-nacionalistas ou separatistas.

A próxima etapa do Questionário trata de outros atores considerados ameaças de financiamento do terrorismo, que não se enquadram na definição tradicional de OTs Jihadistas, étnico-nacionalistas ou separatistas, contudo frequentemente constam da bibliografia disponível sobre o tema de financiamento do terrorismo. Na sua percepção, assinale "Sim", caso considere que há indício de presença desses outros atores-ameaça seguintes no Brasil, ou "Não", caso não se tenha sido identificada qualquer atividade desse tipo de ator-ameaça em território nacional.

	Sim	Não	Sem resposta
Pequenas células terroristas: são grupos descentralizados, com número reduzido de participantes e dispersas geograficamente, que podem atuar em atividades de apoio do terrorismo e seu financiamento.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Células terroristas adormecidas ou dormentes: grupos compostos de indivíduos, em geral estrangeiros, que se infiltram em uma sociedade ou organização designada e permanece dormente até que um grupo ou organização ordene alguma ação específica.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Figure 12: FT electronic questionnaire – Group 2.

At the moment, in the face of other actors engaged in terrorism that do not fit the definition of jihadist, ethnic-nationalist or separatist TOs, but are considered Financing of Terrorism threats **and that have a relationship with Brazil**, an **individual assessment** of each TF threat (Actors – Group 2) in the face of the criteria, **presence in the country, probability of practicing TF actions in the country, TF capability in the country, social damage of the FT actions and performance in Brazil of the respective actor should be carried out**, as follows:

2.2.2.2.1. Presence in Brazil;

Based on the information available through monitoring and on its knowledge on the subject, the **amount of evidence** of this actor-threat that may exist in Brazil should be assessed in order to estimate the level of threat they represent to the country, establishing a 1 to 4 rating, where:

4 - VERY HIGH PRESENCE - there are countless indications of this type of actor-threat known or monitored in Brazil.

3 - HIGH PRESENCE - there are many indications of this type of actor-threat known or monitored in Brazil.

2 - AVERAGE PRESENCE - there is little evidence of this type of actor-threat known or monitored in Brazil.

1 - LOW PRESENCE - there are rare indications of this type of actor-threat known or monitored in Brazil.

2.2.2.2.2. Probability of practicing TF actions in the country;

Based on the available information and the appraiser’s knowledge of the subject, the threat should be assessed in order to estimate its **probability of conducting TF actions in Brazil**. Probability means “the expert’s perception of the possibility of an TF action being taken in Brazil”.

4 – VERY HIGH PROBABILITY of this actor-threatens to be practicing or coming to practice terrorist financing actions in the country.

3 – HIGH PROBABILITY of this actor-threatens to be practicing or coming to practice terrorist financing actions in the country

2 – AVERAGE PROBABILITY of this actor-threatens to be practicing or coming to practice terrorist financing actions in the country.

1 – LOW PROBABILITY of this actor-threatens to be practicing or coming to practice terrorist financing actions in the country.

2.2.2.2.3. FT capability in the country;

Based on the available information and the evaluator’s knowledge on the subject, the threat must be assessed in order to estimate its **ability to raise and move resources in Brazil**.

4 – VERY HIGH CAPABILITY of collection and movement of resources in the country.

3 – HIGH CAPABILITY of collection and movement of resources in the country.

2 – AVERAGE CAPABILITY of collection and movement of resources in the country.

1 – LOW CAPABILITY of collection and movement of resources in the country.

2.2.2.2.4. Social damage caused by fundraising actions in the country;

Based on the available information and the appraiser’s knowledge on the subject, the threat must be assessed in order to estimate **the social damage of its fundraising actions**. Social damage means how much its fundraising activities, when eventually executed, would cause damage to society, ranging from resources from lawful activities to resources from crimes harmful to life.

4 - VERY HIGH SOCIAL DAMAGE - The fundraising actions characteristic of this actor-threat in the country are always harmful to life.

3 - HIGH SOCIAL DAMAGE - The fundraising actions characteristic of this actor-threat in the country are mostly harmful to life.

2 - AVERAGE SOCIAL DAMAGE - The fundraising actions characteristic of this actor-threat in the country are eventually harmful to life.

1 - LOW SOCIAL DAMAGE - The fundraising actions characteristic of this actor-threat in the country are not harmful to life.

2.2.2.2.5. Performance in Brazil;

Based on the information available on the evaluator’s knowledge on the subject, a mention should be made about the performance of the assessed threat in national territory. For the criterion

of performance in Brazil, an **aggravating factor of 100%** will be established for the highest level and for the lowest level of performance in the country, an **aggravating factor of 25%**, levied on the sum of the scores evaluated in the previous stages.

2.00 - (100%) - VERY HIGH - There are countless documented cases of terrorist financing of this actor-threat in Brazil.
1.75 - (75%) - HIGH - There are many documented cases of terrorist financing for this actor-threat in Brazil.
1.50 - (50%) - AVERAGE - There are few documented cases of terrorist financing for this actor-threat in Brazil.
1.25 - (25%) - LOW - There are rare documented cases of terrorist financing for this actor-threat in Brazil.

Thus, in summary, items 1 to 4 must be evaluated following a gradation of 4 levels, and the last criterion, **Performance in Brazil** (aggravating of 25%, 50%, 75% and 100%) **should be levied on the sum of the first four**. Thus, the sum of the first four criteria will be between **4 and 16**, and the final score multiplied by the aggravating factor in the item “Performance in Brazil” will result in scores from **5 to 32**.

Thus, the threat level will be qualified according to the table below:

26-32 - VERY HIGH THREAT
19-25 - HIGH THREAT
12-18 - AVERAGE THREAT
5-11 - LOW THREAT

2.2.2.2.6. Financing characteristics and activities possibly used by the threat

As in the analysis of TF Group 1 threats (TOs - threat), after the TF Group 2 threat (actors - threat) framed between **low, medium, high or very high**, in view of the studies on the most used financing activities listed by international doctrine, the institution responsible for the assessment must specifically describe its characteristics, considering necessarily the possible activities that the assessed threat may be using to carry out its financing operations in the country.

This information, sufficiently detailed, becomes one of the inputs that allows the adaptation of all FT control and monitoring systems in the country.

2.2.2.3. GROUP 3 – Activities used by the first two groups to make their financing viable

Group 3 is made up of **activities used to raise, move, store or used resources for terrorism purposes that are related to Brazil**. The definition of Financing of Terrorism activities most sued, or likely to be, together with an adequate knowledge about their characteristics, allow a greater effectiveness in the adaptation, and prioritization, of all FT monitoring systems in the country.

It should be noted that, unlike the Money Laundering threats whose resources are necessarily the result of illegal activities, the resources used for TF can originate from legal or illegal

resources. The following is a **non-exhaustive** list of activities, mentioned by international doctrine as most used in financing terrorism:

- (i) Donations from individuals;
- (ii) Donations from legal entities;
- (iii) Donations between terrorist groups;
- (iv) State sponsorship;
- (v) Self-financing;
- (vi) Capture of aircraft, ships or other means of collective or goods transportation;
- (vii) Smuggling of goods;
- (viii) Smuggling of antiquities and cultural artifacts;
- (ix) Smuggling of cigarettes;
- (x) Smuggling of precious stones;
- (xi) Smuggling of gold and other precious metals;
- (xii) Smuggling of wildlife;
- (xiii) Smuggling of people;
- (xiv) Exploitation of prostitution networks;
- (xv) Extortion from businesses and local and diaspora populations;
- (xvi) Extortion through kidnapping and/or deprivation of liberty;
- (xvii) Trade-based Financing of Terrorism;
- (xviii) Credit card fraud;
- (xix) Insurance fraud;
- (xx) Thefts;
- (xxi) Bank robbery;
- (xxii) Taking hostages to request ransom;
- (xxiii) Arms trafficking;
- (xxiv) Drug trafficking;
- (xxv) People trafficking;
- (xxvi) Sale of natural resources.

In view of this initial list of possible TF Group 3 (threat activities), it will be up to the evaluator to mark **YES**, if he/she considers that there is an indication of the presence of the threat in Brazil, or **NO, if no suspicion of OT activity in the national territory has been identified**. The following is an illustrative image of this part of the assessment:

GRUPO 3

O conceito de “ameaça” inclui pessoa ou grupo de pessoas, objeto ou atividade de financiamento do terrorismo (FT) passada, presente e futura, com potencial de causar dano ao Estado, à sociedade, à economia, etc. O foco principal no combate ao FT é a prevenção de atos terroristas futuros, enquanto no combate à lavagem de dinheiro (LD) a atividade criminosa (crime antecedente) já aconteceu. Além disso, diferentemente da LD, cujos recursos resultam necessariamente de atividades ilegais, os recursos utilizados para o FT podem se originar de fontes lícitas ou ilícitas.

Foram identificadas as seguintes fontes lícitas e ilícitas de possível financiamento do terrorismo. Na sua percepção, assinale SIM, caso considere que há indício de presença das atividades-ameaça listadas abaixo em território nacional, relacionadas ou suspeitas de relacionamento com o financiamento do terrorismo, e NÃO, caso não haja qualquer indício de relacionamento da atividade com o financiamento do terrorismo.

	Sim	Não	Sem resposta
Doações de pessoas físicas	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Doações de pessoas jurídicas	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Doações entre grupos terroristas	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Patrocínio estatal	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Autofinanciamento	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Captura de aeronaves, navios ou outros meios de transporte coletivo ou de mercadorias.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Contrabando de produtos	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Contrabando de antiguidades e artefatos culturais	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Contrabando de cigarros	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Contrabando de pedras preciosas	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Contrabando de ouro e outros metais preciosos	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Contrabando de vida selvagem	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Contrabando de pessoas	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Exploração de redes de prostituição	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Figure 13: FT Electronic Questionnaire – Group 3.

At that moment, in view of the survey carried out in the available bibliography on the topic, plus the eventual contributions of the evaluators themselves, we have resulted in the identification of Financing of Terrorism activities that have some indication of occurrence in Brazil. In view of this result, **considering each TF activity individually, the level of its use** should be evaluated, describing, necessarily, its form and characteristics in the country, as follows:

2.2.2.3.1. Perception of use:

VERY HIGH: One of the most widely used forms of Financing of Terrorism in the country.

HIGH: One of the forms of terrorist financing constantly used in the country.

AVERAGE: One of the forms of financing terrorism usually used in the country.

LOW: One of the forms of financing terrorism rarely used in the country.

2.2.2.3.2. Characteristics of the financing activity in the country's context;

After indicating the level of use of the financing activity **between low, average, high or very high**, and in view of the studies and the result of monitoring on the evaluated financing activity, the institution responsible for the assessment must describe, specifically, how they have possible, or may become, the possible terrorist financing activities in the country.

This information, sufficiently detailed containing the description of its sample (concrete or potential), the possible sectors that can be used, regions that are usually more susceptible and other elements that may be relevant, become inputs that allow the adequacy of all control systems and monitoring of TF in the country. The following is an illustrative image of this part of the assessment:

Doações de pessoas físicas

São doações de simpatizantes à causa terrorista oriundas tanto de patrocinadores privados ricos quanto de doadores individuais de pequena monta, incluindo o levantamento de fundos tanto em comunidades locais (na sua vizinhança, em seu local de culto, etc.) quanto por meio de redes sociais (crowdfunding). As fontes dos recursos podem ser tanto a fortuna pessoal do doador, no caso de grandes doações, quanto salários, benefícios sociais, economias próprias, no caso de doações individuais de pequeno volume.

*Percepção de utilização

Por utilização, compreende-se a percepção de utilização desta atividade no País para o financiamento do terrorismo.

Escolha uma das seguintes respostas

- Muito Alta:** Forma, ou uma das formas, de financiamento ao terrorismo mais utilizadas no país.
- Alta:** Forma, ou uma das formas, de financiamento ao terrorismo constantemente utilizada no país.
- Média:** Forma, ou uma das formas, de financiamento ao terrorismo usualmente utilizada no país.
- Baixa:** Forma, ou uma das formas, de financiamento ao terrorismo raramente utilizada no país.

*CARACTERÍSTICAS DAS ATIVIDADES DE FINANCIAMENTO NO CONTEXTO DO PAÍS:

Em posse dos estudos sobre a atividades de financiamento avaliada, descreva, especificamente, como tem (ou pode vir a ser) se concretizado essas atividades de financiamento ao terrorismo no país.

Essas informações, suficientemente detalhadas contendo a descrição de sua casuística (concreta ou potencial), os possíveis setores passíveis de utilização, regiões que usualmente estão mais suscetíveis e etc, se tornarão um dos insumos que permitirão a adequação de todos os sistemas de controle e monitoramento de FT do país.

Figure 14: FT Electronic Questionnaire - assessment of TF-related activities in the country.

2.2.3. Information request form

The Technical Group developed an Electronic Questionnaire to be sent to all institutions participating in the assessment of Financing of Terrorism threats. It is important to note that institutions are not obliged to assess all threats included in the previous list sent in each of the TF Threat Groups, but only those that assess whether they have any possibility of occurrence or link with the Country.

In order to facilitate the filling out by the evaluating bodies, an official letter will be sent to the directors of the evaluating institutions, with a copy for the respective focal points, containing, in annex, a spreadsheet that allows the preliminary assessment exercise, thus optimizing the filling out of the Electronic Questionnaire.

It should be noted that the tool also includes space for the evaluating institutions to send strategic studies or other files that give strength to the assessment:

ESTUDOS E MATERIAIS DIVERSOS

Havendo estudos estratégicos correlatos à ameaça ou quaisquer outros materiais produzidos pela Instituição, favor nos enviar.

O tamanho máximo de arquivo suportado pelo servidor é de 2048 KB. Arquivos que excedam esse tamanho podem ser encaminhados diretamente para coaf.anr@mj.gov.br. Favor utilizar como assunto "Materiais Diversos - Grupo Extremista 1 - [Nome do seu órgão]".

📎 Por favor, envie, no máximo, 5 ficheiros

📎 Submeta ficheiros:

Figure 15: FT Electronic Questionnaire - Field for sending files by the evaluator.

Regarding the security and relevance of the information, it is worth informing that each questionnaire must be addressed to a specific user/login, usually the focal point, who is responsible for sending the information produced by the institution. It is noteworthy, in this regard, that the **manifestation linked to the login of the Focal Point must be considered a formal manifestation of the represented institution.**

2.2.4. Institutions that will be invited to express their opinion

For the survey of the TF threats, we understand that the institutions listed below should preferably be invited to express their opinions bringing their information, expertise, strategic studies and statistical data about each of the threats subject to assessment:

- Brazilian Agency of Intelligence - Abin
- Financial Activities Control Council – COAF
- Department of Federal Police – Antiterrorism Department – DPF/DAT

2.2.5. Absence of data for treatment

If there is no response with sufficient data in GROUPS 1, 2 and 3, the Technical Group may request additional information from institutions already invited to speak or from other institutions, public or private, that can best contribute to its assessment. Even so, with the lack of data remaining, the Technical Group will inform the NRAWG of this fact, and it will be up to the NRAWG, with the experience of its members, to carry out the assessment with the data it has available.

2.2.6. Treatment and consolidation of information

Having received all the information requested, the Technical Group formalizes a Working Paper demonstrating the consolidation of the ratings received from the different institutions into a single national rating by criterion and by assessed TF threat.

It should be noted that the Treat Consolidation Working Paper will demonstrate not only the rating for the consolidated TF threat, but also all the ratings per rating institution. In other words, every evaluating institution will have its assessment considered when defining the final assessment of each threat.

It is noteworthy that the way of transforming countless notes, by criteria, into a single national score may not be just a simple mathematical calculation, as it may also consider the expertise of the evaluating institution in the face of the assessed threat. In other words, institutions that, by

nature, have most studies on a given threat may have their evaluation scores to be considered more representative. This situation must be defined by the NRA in the specific case.

Once the stages of quantitative consolidation (final score for each threat) and qualitative (characteristics of the assessed threats) have been completed, it is up to the Technical Group to submit a preliminary report of the survey of TF threats to the approval of the NRAWG. Once approved, **it is up to the NRAWG to define, in a final report, the threats that should have priority treatment within the scope of the country's PML/TF System.**

2.2.7. FT Threat Survey Product

The product of the threat survey is a single report, derived from the contribution of all participating agencies containing a ranking (**very high, high, average and low**) of the TF threats assessed in **Group 1 (TOs – Threat)** and **Group 2 (Actors – Threat)** together with all the information about **its characteristics and the way it operates in the country.**

In addition, the **Group 3 (Activities – Threat)** assessment will be presented, demonstrating **the main Financing of Terrorism activities that are, or may be, taking place in the country,** containing the description of its casuistry (concrete or potential), the possible sectors that can be used, regions that are usually more susceptible, among other relevant information.

Below, we bring an image illustrating, only, the possible ranking of TOs and Actors (Group 1 and 2) threats and the indication of the most used financing activities (Group 3). In addition to the ranking below, the result of the contribution of all participants and seeking to better map the phenomena, there will be a compilation about the characteristics, form of presence and performance of each of the assessed threats.

Threat (Group 1 and Group 2) Assessment Ranking

Ameaças	Avaliação Ameaça	Pontuação
Ameaça FT1	19-25 - Ameaça Alta	19
Ameaça FT2	12-18 - Ameaça Média	14
Ameaça FT3	12-18 - Ameaça Média	14
Ameaça FT4	12-18 - Ameaça Média	14
Ameaça FT5	5-11 - Ameaça Baixa	11
Ameaça FT6	5-11 - Ameaça Baixa	10
Ameaça FT7	5-11 - Ameaça Baixa	9
Ameaça FT8	5-11 - Ameaça Baixa	8
Ameaça FT9	5-11 - Ameaça Baixa	5
Ameaça FT10	5-11 - Ameaça Baixa	5
Ameaça FT11	5-11 - Ameaça Baixa	5

Figure 16 – TF Threat Ranking

Indication of potentially most used financing activities

Atividade FT 1	Nível de utilização Muito Alta
Atividade FT 2	Nível de utilização Alta
Atividade FT 3	Nível de utilização Média
Atividade FT 4	Nível de utilização Média
Atividade FT 5	Nível de utilização Baixa
Atividade FT 6	Nível de utilização Baixa

Figura 17 - Ranking atividades de financiamento

2.2.8. Formalization of the assessment process

In line with what was explained in topic 1.3 and aware of the need to treat the National Risk Assessment of ML/TF as a process with several steps and contributions from numerous institutions, specifically regarding the Survey and Assessment of FT Threats, it is suggested that the formalization contains the following documents:

- Opening document showing the reason why the process is being opened, i.e. survey and assessment of TF threats;
- Letters to the institutions that should be invited to manifest themselves at this stage, with confirmation of sending and receiving;
- Responses with the requested information and assessments;
- Possible reiterations of Officials in the absence of answers, if necessary;
- Possible complementary letters in view of the lack of certain information, if necessary;
- Minutes of the meetings held with representatives of all institutions, from general awareness meetings to practical meetings to demonstrate the specific tools of this module;
- Working Paper drafted by the Technical Group informing the conclusions of the consolidation of the Survey and Assessment of TF Threats;
- Submission of the consolidated report of the TF Threat Assessment work for approval by the NRAWG;
- Submission of the conclusions found by the Technical Group to the participating institutions, making their results a National Assessment;
- Formalization of approval, by NRAWG, of the consolidated report containing, in addition to other information, the Ranking of TF Threats assessed;
- Conclusion of the Process informing that its results will be input for the drafting of the final document of the National Risk Assessment of ML/TF.

2.2.9. Graphical Representation of the Macroprocess

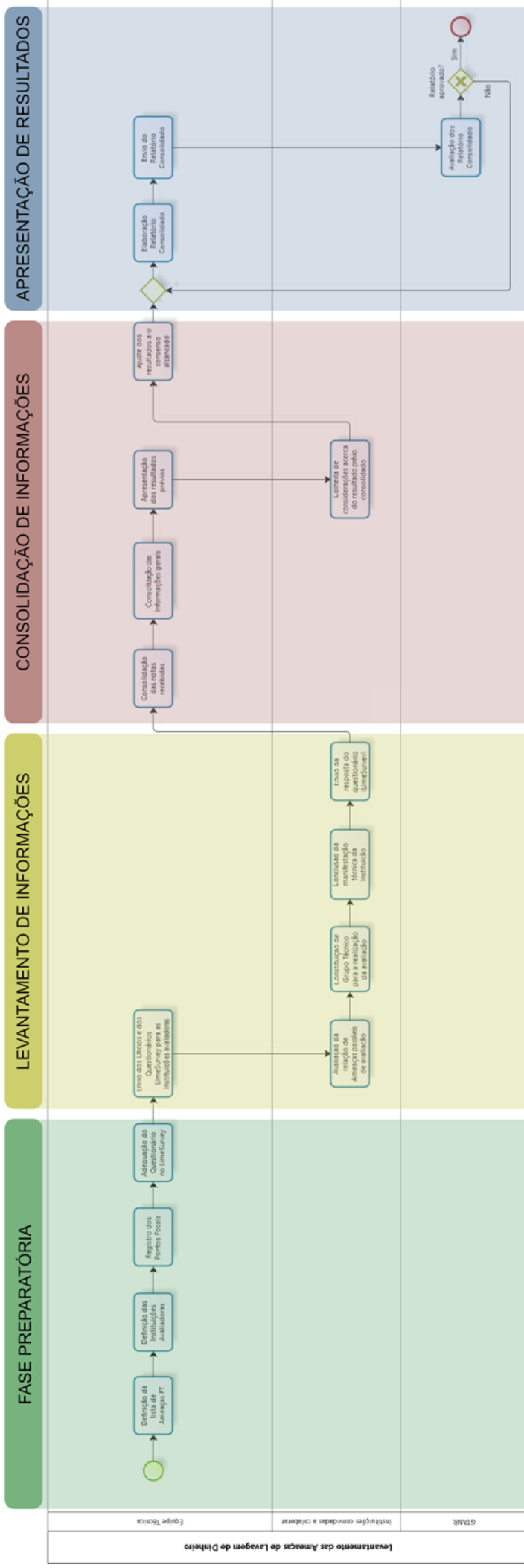


Figure 18 – View of the TF Process

2.3. Survey of Typologies:

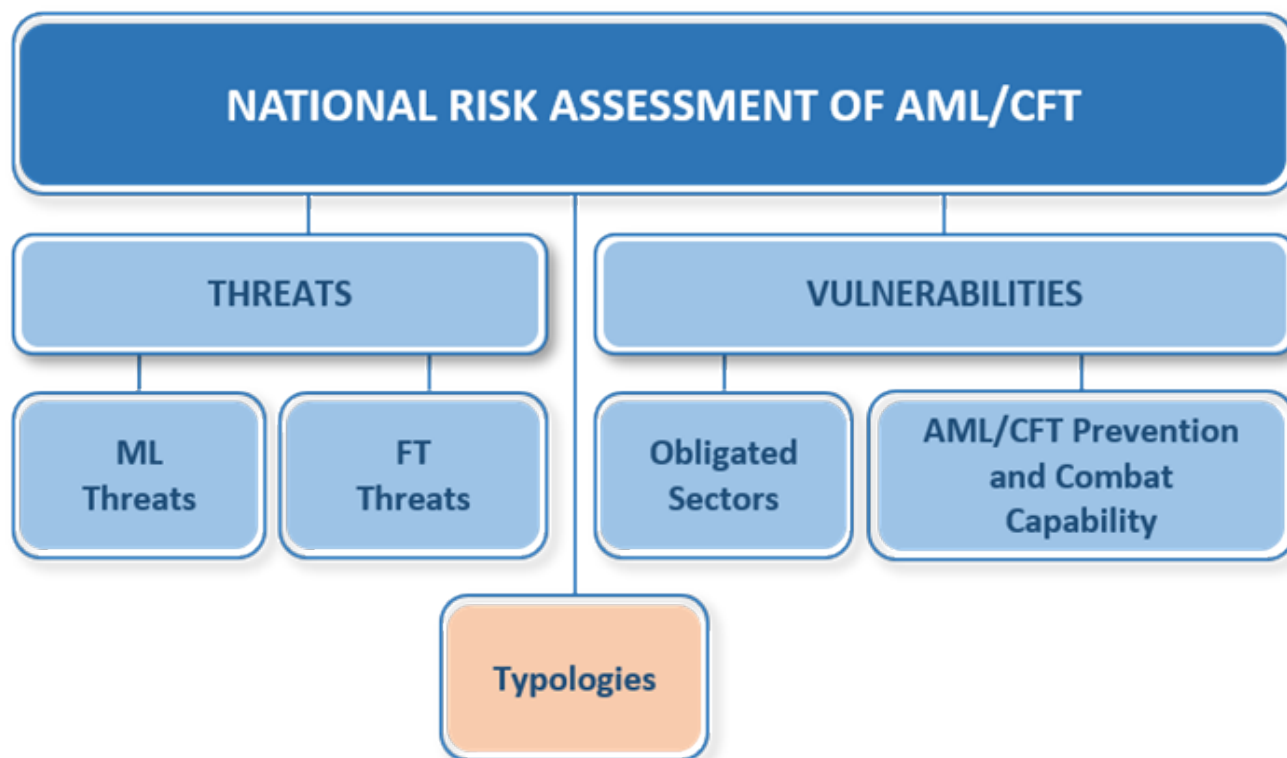


Figure 19: NRA structure – Typologies highlighted.

2.3.1. Purpose

The world scenario of increasingly dynamic financial flows points to the need for the continuous strengthening of the State based on the greater efficiency of its institutions, with a greater **awareness of the risks of using economic sectors** to commit crimes, especially money laundering.

Therefore, the **survey of typologies of ML/TF** seeks to bring even more robustness to the analyzes of the National Risk Assessment of ML/TF, identifying the **“HOW”**, that is, through which forms, structures, formats and arrangements the threats ML/TF operators have completed their operations in the country and which sectors and control systems may be most affected. Thus, this study of the **main typologies of ML/TF** already identified in the country becomes a powerful tool to be used by all competent authorities, public and private sectors, in the implementation of more effective and specific controls in their PML/TF systems.

2.3.2. Form of contribution of participants

In view of a previous list containing sixty-two (62) typologies already identified, **the Technical Group invites (through focal points) the institutions indicated in item 2.3.4** to inform if there are other relevant and recurring forms of actions that have not yet been mapped. If so, a form must be filled out informing (i) **the case description**, (ii) **the sectors most involved**, (iii) **the possible warning signs**, and, if possible, (iv) **their graphic representation**.

2.3.3. Information request form

By means of a Letter, **the Technical Group sends to the institutions indicated in item 2.3.4**, the previous list with sixty-two (62) typologies for analysis of the institution regarding the need to include any other relevant typology known by the body in the development of its activities, but not yet present in the document. Once the institution has performed the analysis and if there is a specific typology to be added, a form to be filled out is provided, attached to the same letter, stating: (i) description of the case, (ii) **the sectors most involved**, (iii) **the possible warning signs**, and, if possible, (iv) **their graphic representation**.

In view of the collaborative form that characterizes this work, it must be emphasized that the success of the document depends entirely on the commitment of all institutions in evaluating and providing information that is not yet mapped in the base document. Institutions are not obliged to add any typology, but only to evaluate the typologies already mapped, manifesting themselves by the insertion, or not, of a new one that they have identified in the exercise of their duties.

2.3.4. Institutions that should be invited to express their opinion

For the **survey of the typologies**, we understand that the institutions listed below should **preferably** be invited to express themselves in order to add all their experience obtained in the exercise of their duties in the context of preventing and combating ML/TF:

- Brazilian Intelligence Agency – Abin
- Brazilian Association of Closed Pension Funds
Complementary - Abrapp;
- Central Bank of Brazil - BCB;
- Brazil, Bolsa e Balcão - B3;
- Securities and Exchange Commission - CVM;
- National Confederation of Insurance Companies - CNSEG;
- Financial Activities Control Board - Coaf;
- National Council of Civil Police Chiefs - CONCPIC;
- Ministry of Justice Department of Assets Recovery and International Legal Co-operation-
DRCI-SENAJUS-MJSP
- Brazilian Federation of Banks - Febraban;
- Federal Prosecution Service y - MPF;
- Department of Federal Police - DPF;
- National Network of Technology Laboratories against Money Laundering - REDE-LAB;
- Secretariat of Integrated Operations - Seopi - Ministry of Justice
and Public Security;
- Secretariat of the Federal Revenue of Brazil - RFB;

- National Secretariat for Drug Policy - Senad - Ministry of Justice and Public Security;
- National Secretariat of Public Security - Senasp - Ministry of Justice and Public Security;
- Supplementary Pension Superintendence - Previc;
- Superintendence of Private Insurance – Susep.

2.3.5. Product of the Survey of Typologies

Counting on the engagement and contribution of all the competent authorities participating in this survey, the aim is to build a single **document that supports the National Risk Assessment of Brazil, containing a national collection of typologies already identified**. In the search for greater clarity and didactics in the final document, **the consolidation carried out by the Technical Group**, whenever possible, seeks to group the typologies with the possible threats, antecedent crimes, or with sectors that usually use this form of action to carry out their ML/TF operations. Some examples:

- a) Crimes of corruption and embezzlement of public resources;
- b) Crimes against the National Financial System;
- c) Tax Evasion Crimes;
- d) Drug and People Trafficking Crimes;
- e) Crimes involving designated non-financial activities and professions.

In line with the main objective of National Risk Assessment, to identify, assess, understand and mitigate the country's ML/TF risks, this collection of typologies will be shared with all institutions, public and private, participants, directly or indirectly, in the country's PML/TF system, which will serve as input for all authorities to be aware of and implement warning signs in their preventive processes, in their detection tools and in their investigation techniques.

The following is an example of an image of a typology identified in a disclosure format.

| Lavagem de Dinheiro de Corrupção por meio de Vendas Simuladas de Ativos

| Atividades Econômicas Utilizadas

- Administração Pública Federal;
- Construção civil;
- Joias e pedras preciosas;
- Títulos públicos.

| Sinais de Alerta

- Movimentações atípicas de recursos por pessoa natural ou jurídica relacionados a licitações;
- Movimentações atípicas de recursos por agentes públicos;
- Operações de compra ou de venda de joias, pedras ou metais preciosos e títulos públicos a preços incompatíveis com os praticados no mercado ou realizadas por pessoa cuja atividade declarada e perfil não se coadunem ao tipo de negociação realizada.

| Descrição do Caso

Agente público recebe valores escusos em dinheiro para favorecer certas empresas em processos licitatórios promovidos pelo Governo Federal. A fim de justificar os valores percebidos, tal agente público, em geral utilizando-se do nome de cônjuge ou de pessoa próxima da família, declara que recursos são provenientes da venda de títulos públicos antigos, pedras preciosas ou joias de família para colecionadores.

Nesse esquema, é fundamental a participação criminosa de supostos peritos, que superavaliavam os objetos por meio de laudos falsos, bem como a participação de terceiros, que figuram como supostos compradores/ colecionadores dos bens superfaturados.

Figure 20: Typology description.

Representação Gráfica do Caso

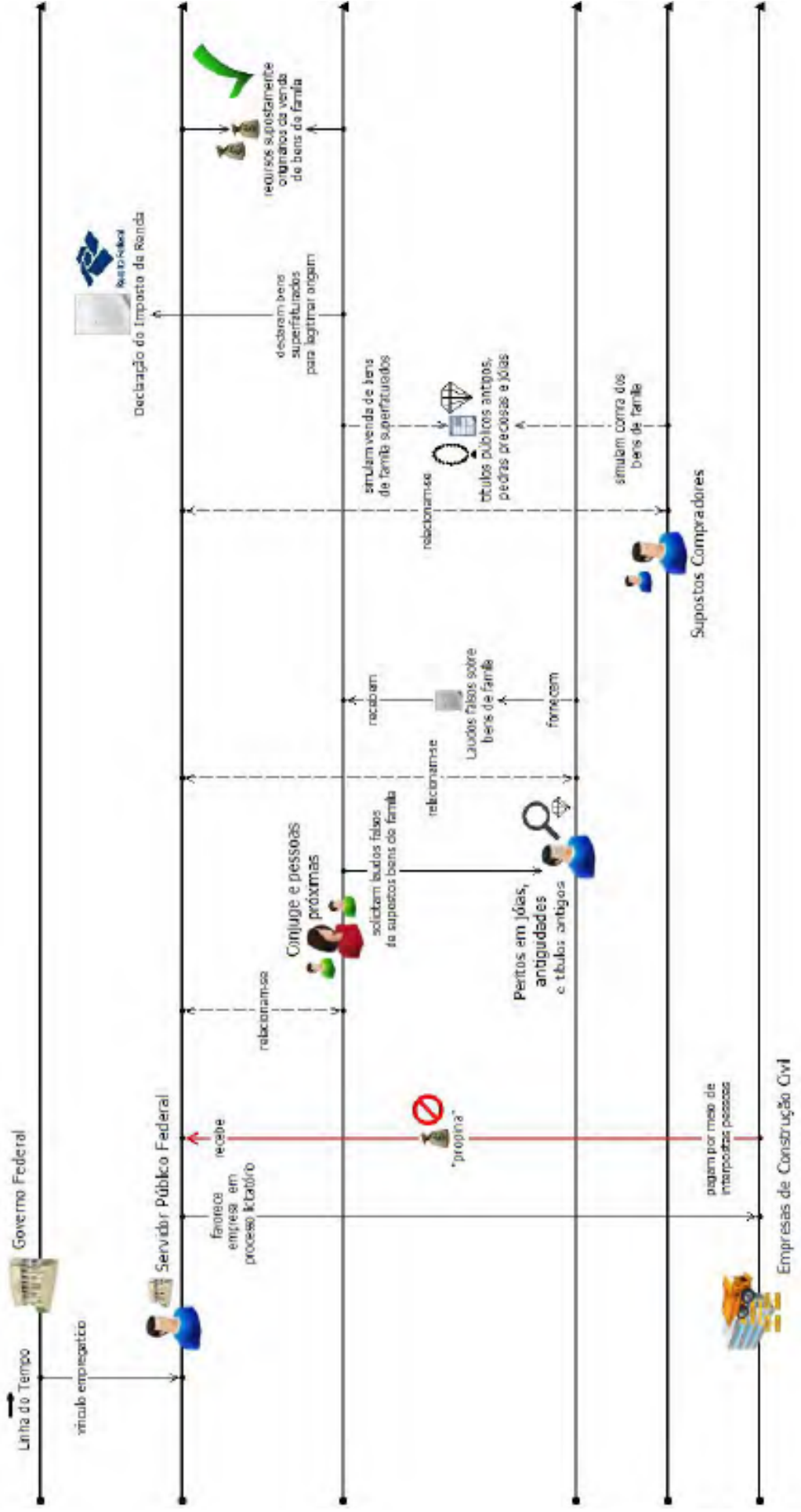


Figure 21: Graphic representation of typology.

2.3.6. Formalization of the assessment process

In line with what was exposed in topic 1.3 and given the need to understand the National Risk Assessment of ML/TF as a process with several steps and contributions from numerous institutions, specifically regarding the **Survey of Typologies**, its formalization is recommended to contain the following documents:

- Opening document showing the reason why the process is being opened, i.e. a survey of the typologies.
- Letters to the institutions that should be invited to manifest themselves at this stage, with confirmation of sending and receiving;
- Responses with the requested information;
- Possible reiterations of letters in the absence of answers, if necessary;
- Possible complementary letters in view of the lack of certain information, if necessary;
- Document, formulated by the Technical Group, informing the consolidation of the survey of typologies;
- Submission of the consolidated report of the work, Survey of Typologies of ML/TF identified in the country, for approval by the NRAWG;
- Submission of the conclusions found by the Technical Group to the participating institutions, making their results a National Survey;
- Formalization of the approval, by NRAWG, of the consolidation of the ML/TF typologies identified in the country;
- Conclusion of the Process informing that its results will be input for the drafting of the final document of the National Risk Assessment of ML/TF.

2.3.7. Graphical Representation of the Macroprocess

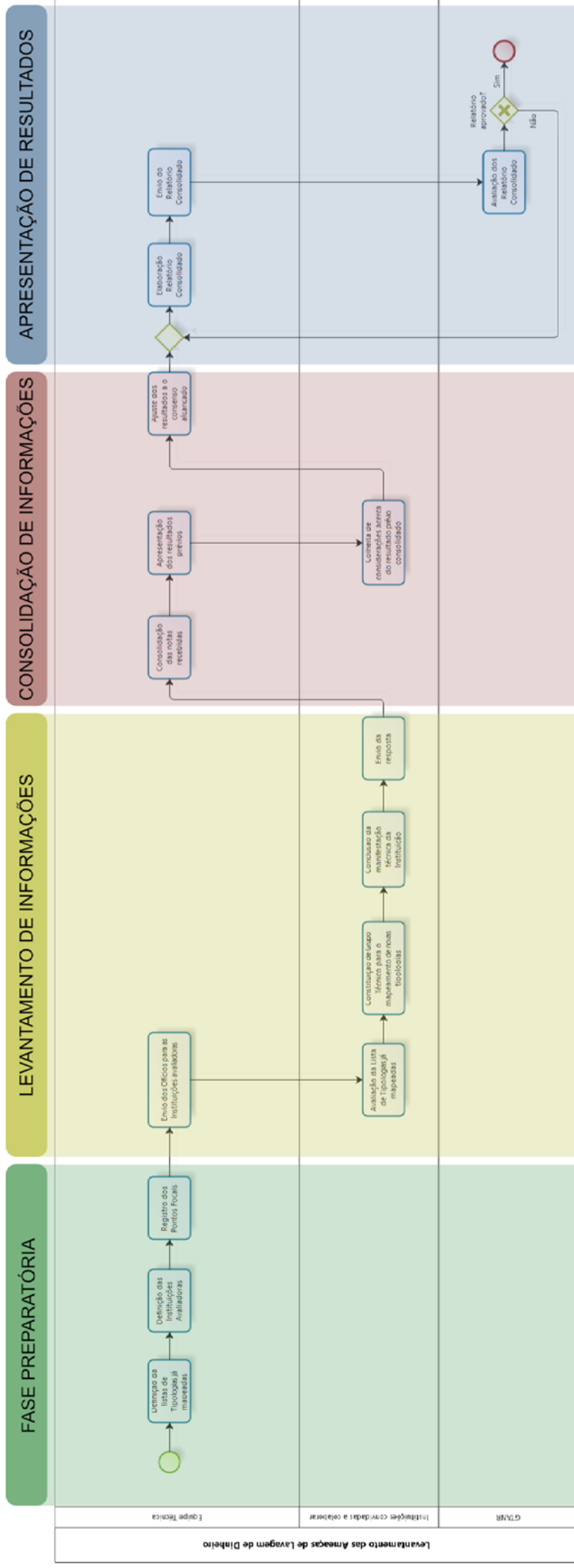


Figure 22 - Typology process view

2.4. Survey of Vulnerabilities in Regulated Sectors:

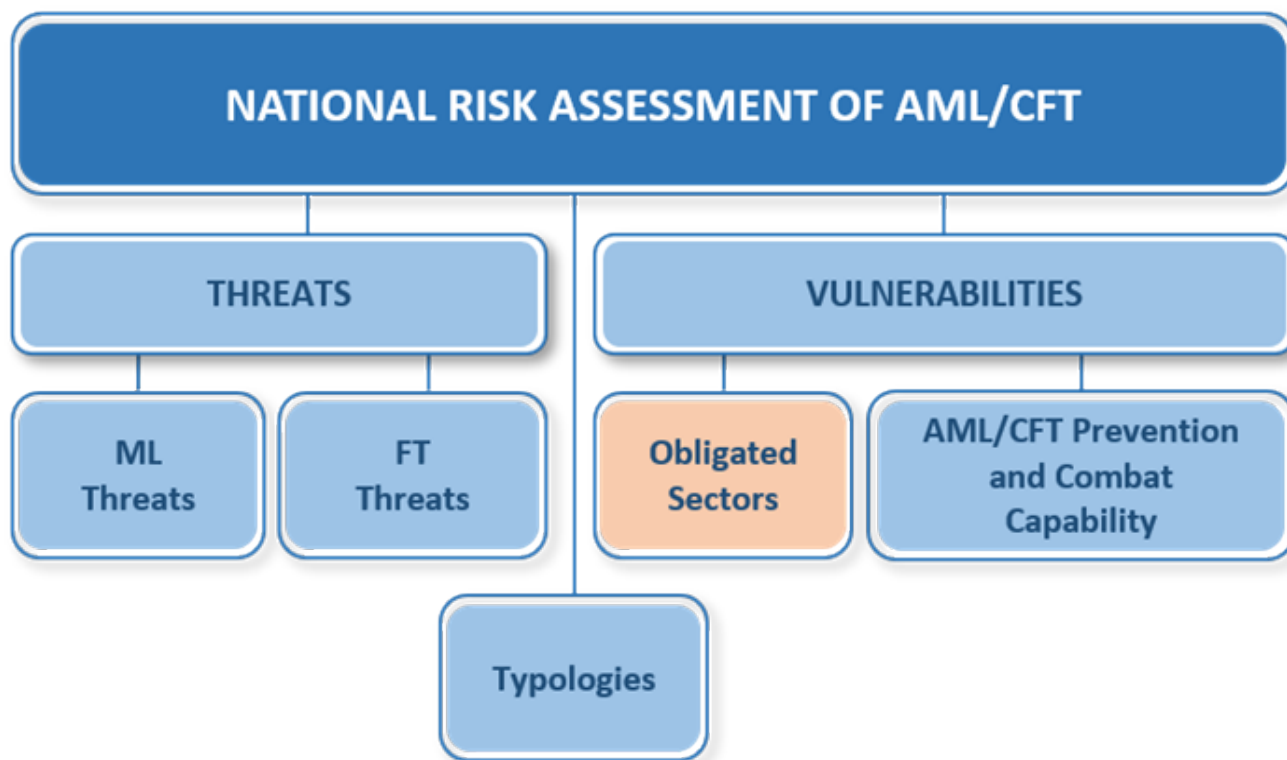


Figure 23: NRA Structure – highlight Vulnerabilities of the Regulated Sectors.

2.4.1. Purpose

Identify possible **flaws or weaknesses in the country’s ML/TF prevention systems** that can be exploited by **threats**, bringing risk to this system. In other words, this step aims to identify the **“WHERE”**, which represents in which sectors, products or services the threats act or can act, taking advantage or causing some damage to the country.

2.4.2. Assessment Form

The Technical Group requests that the institutions indicated in item 2.4.6 carry out their Sectoral Risk Assessments for ML/TF (SRA) in order to identify the main vulnerabilities, critical activities, control weaknesses or regulatory gaps in the various sectors, activities or products, which make them, or can make them, attractive to be used as means to practice ML/TF operations.

The SRAs must be prepared based on the guidelines provided by COAF and detailed in the topic below. As appropriate, it should be noted that the methodology presented for carrying out the ML/TF SRAs is not intended to replace the methodologies that each supervisory body may have developed in compliance with FATF Recommendation 1, **but only to standardize scores and evaluations in order to assign a single, national mention to all regulated sectors.**

In the work of preparing their SRAs, each supervisor identifies the main vulnerabilities in the sector he/she supervises and, considering the generic threat “resources of illicit origin”, measures the impacts and probabilities of exploiting them for ML/TF purposes. It is important to

note that each supervisor takes into account the peculiarities of their sector, activity or product that they supervise/regulate for PML/TF purposes. Aiming at standardizing the responses among the various regulators, Coaf sent a spreadsheet to survey the ASR.

From the SRA, then, the results should be evaluated in relation to: (i) existence of regulations and (ii) perceived effectiveness of the supervisee’s conduct in the face of the vulnerability presented. For each criterion evaluated (i) and (ii), a score from 1 to 4 will be assigned, according to the determined metrics, and it will be possible to classify each vulnerability as “Very High Vulnerability”, “High Vulnerability”, “Average Vulnerability” and “Low Vulnerability”.

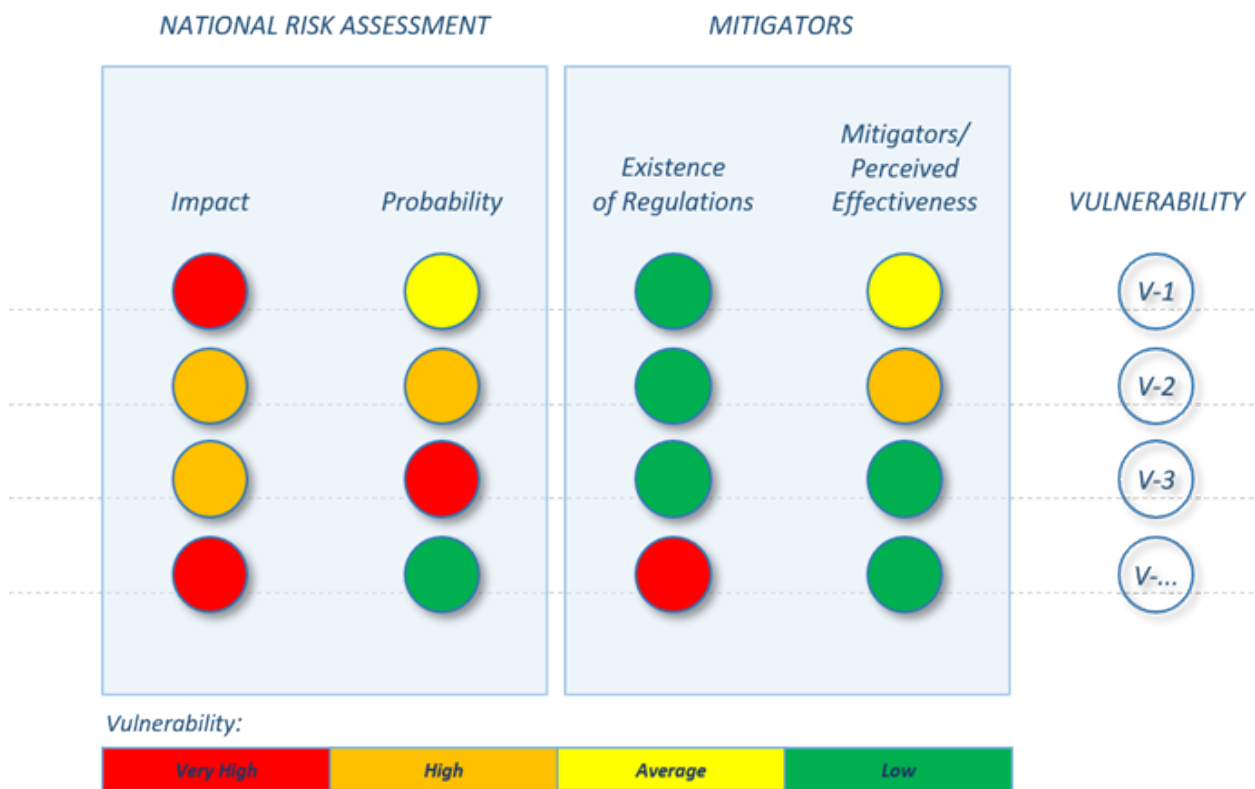


Figure 24: Risk assessment and vulnerability identification.

Below, each of the stages, criteria and evaluation parameters that must be carried out by supervisory or regulatory bodies in relation to their sector, activity or product will be presented in greater detail:

2.4.2.1. Sectoral Risk Assessment - SRA

Based on a study of the sector, product or regulated activity, the supervisory body should start from its ML/TF risk analysis. In this exercise, it is necessary to list the possible peculiarities of the sector, activity or product, which represent difficulties or limit the proper functioning of the prevention system in the sector analyzed.

Thus, according to figure 28, each regulator must evaluate the variables listed below, always assigning scores from 1 to 4. Two level of analysis are performed: a) sector risk assessment and 2) risk mitigation measures raised. This analysis results in sectoral vulnerabilities.

The main input to this process is the risk assessment that the regulator may have. However, for a national assessment to take place, it is necessary for the scores to be standardized from 1 to 4.

- **Impact**

The sectoral analysis must assess the impact of realizing its PML/TF risks considering the possible damage that it can bring to the system, or to what extent these risks may limit the appropriate performance of the supervisor or regulator. For this, a score, from 1 to 4, should be assigned, in which the impact is defined as:

4 - Very High
3 - High
2 - Average
1 - Low

- **Probability**

In view of each inherent risk or risk event, the probability of being used in operations with indications of ML/TF in the sector, activity or product evaluated must be evaluated. For this, a score must be established, from 1 to 4, where the **probability** will be defined as:

4 - Almost Certain
3 - Likely
2 - Possible
1 - Remote

2.4.2.2. Compliance - requirement of conduct and/or controls to regulated sectors

After the sectoral survey of regulators, the assessment of preventive and compliance actions and their impact on these sectoral results should be started. Therefore, it is necessary to verify the existence or not of standards, as well as the level of performance of the regulator in view of the powers of this regulation and the impact of regulation on the performance of the regulated sector.

- **Existence of Standards**

In view of the Sectoral Risk Assessment produced, the current rules that establish conducts and/or controls to mitigate them must be identified. In this exercise, all standards that directly or indirectly impact the sector, not just specific normative acts issued by the supervisor or regulator, must be considered. Both the existence and the absence of regulatory standards must be registered and classified with a score of 1 or 4, as follows:

4 - There is no specific normative act on the topic.
1 - There is a normative act, direct or indirect, establishing conducts and controls that seek to mitigate.

- **Mitigating action – perceived effectiveness**

Again, based on the sectoral risk assessment, each supervisory or regulatory body **must define a level of effectiveness in its mitigating action**, based on its own perception. At this point, the supervisor is encouraged to attach statistical data such as, for example, inspections carried out, number of registered persons required, number of events and training actions in PML/TF, number of open administrative procedures, among others, so that it is possible to demonstrate **how effective the mitigation of these vulnerabilities has been shown in the regulated sector through the actions taken by the supervisory or regulatory body, based on the rules and procedures in force**:

4 - LOW LEVEL OF EFFECTIVENESS - The supervisory body, when assessing its power of action, its issued normative acts and its supervised sector, understands that fundamental improvements are necessary.

3 - MODERATE LEVEL OF EFFECTIVENESS - The supervisory body, when assessing its power of action, its issued normative acts and its supervised sector, understands that important improvements are necessary.

2 - SUBSTANTIAL LEVEL OF EFFECTIVENESS - The supervisor, when evaluating his power of action, his issued normative acts and his supervised sector, understands that moderate improvements are necessary.

1 - HIGH LEVEL OF EFFECTIVENESS - The supervisor, when evaluating his power of action, his normative acts issued and his supervised sector, understands that small improvements are necessary.

2.4.2.3. Vulnerability Rating

The result of previous assessments, that is, the assessment of the vulnerabilities of the **sector, activity or product, before its mitigators** (assessment of the rules and the performance of the supervisor or regulator and its impact on the regulated sector), allows to classify, based on the sum of each of the scores assigned, the vulnerabilities, according to the following scale:

13-16 - Very High Vulnerability

10-12 - High Vulnerability

7-9 - Medium Vulnerability

4-6 - Low Vulnerability

From all this information, it is also possible to measure the vulnerability of the various categories pointed out by the supervisors, be they of different products, services, activities, region, etc.

2.4.3. Vulnerability Handling

Having received all the vulnerabilities raised by Organs supervisory or regulatory bodies, the Technical Group formalizes Working Paper consolidating the scores of the various sectoral vulnerabilities in two levels of aggregation: **Sectoral and National**.

Intermediate, Sectoral Consolidation will take place from the junction of the assessments of the products, segments or activities of each of the regulated sectors. The **final National Consolidation** will take place by joining the assessments of (i) the **Banking** sectors, (ii) the **Securities and Securities** sector, (iii) the **Insurance and Pension Plans** sector and (iv) the **Other Obligated Sectors**, as illustrated below:

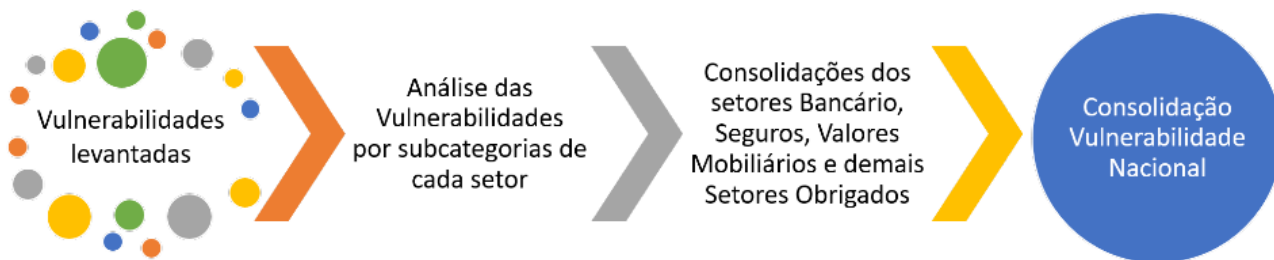


Figure 25: Process of surveying the vulnerabilities of the Obligated Sectors.

It should be noted that, at both levels of consolidation – sectoral and national – the tool developed by the Special Team includes **two considerations, in a scale of 1 to 4**, in order to better reflect the materiality of those vulnerabilities.

a. In the first, at the **sectoral level**, weights are assigned by category (product or segment), taking into account the **representativeness** within the sector - for example, the relative importance of the different types of products in the financial sector. The weighting criterion will be established by the supervisor or regulator, or, in its impossibility, by the NRAWG based on the assessment of data obtained from specialists, taking into account the importance of the product, volume transacted, types of ML/TF, etc. ;

b. For the second consideration, **Materiality²**, this time with the objective of achieving the classification of vulnerabilities at the **national level**, it will be considered, mainly, the relative importance of each sector in the economy. When this information is not available, the NRAWG can draw on the experts' opinion.

All consideration between products and sectors, when possible, should be carried out by supervisory bodies themselves, considering their numerous products. If not possible, this analysis must be carried out by the specialists who make up the **NRAWG**, based on their expertise and the information provided by the supervisory or regulatory body of each sector. All the criteria used, statistical, economic data, or any other data that support the decision of the **NRAWG** must be properly formalized in its Technical Note, being subject to review and future consultation.

It should be borne in mind that these **measurements are intended solely to give greater reliability to the final result of the National Assessment of Sectoral Vulnerabilities**, since it is not possible to give the same weight to very different segments, products, activities or sectors in terms of representativeness in the economy of the sector. country and inherent ML/TF vulnerabilities.

Below is an example image of how consolidations will be carried out at the **sectoral, intermediate level**. The scores and mentions inserted in the image are merely an illustration of the operation of the tool developed by the Special Team and do not represent value judgment about the regulated products, activities or segments.

It should be noted that the representativeness of each product/service must be determined by the regulator itself (BCB, CVM, Previc and Susep). Exception made to the other sectors (DNFBP), since they are different products, in which case the representation must be made by NRAWG under criteria established by it.

² Materiality is the relative importance of different parts of the financial sector and different designated non-financial activities and professions; such as the size, integration and composition of the financial sector; the relative importance of different types of products or financial institutions; the amount of business that is local or cross-border, etc.

Análises Setoriais de LD/FT - Vulnerabilidades

Pontuação Média
8,38

Vulnerabilidade Setor
7-9 - Vulnerabilidade Média

2.1.1 SETOR 1

SEGMENTO/PRODUTO	Pontuação Média	Vulnerabilidade Segmentos	Representatividade 1 A 4	Pontuação após Representatividade	Percentual de participação na nota de vulnerabilidade do Setor Bancário (2.1.1)	Percentual de participação na nota de Vulnerabilidade Nacional (2.1)
2.1.1.1 SEGMENTO/PRODUTO 1	8,4	7-9 - Vulnerabilidade Média	4	33,7	21,17%	10,12%
2.1.1.2 SEGMENTO/PRODUTO 2	8,9	7-9 - Vulnerabilidade Média	3	26,8	16,83%	8,06%
2.1.1.3 SEGMENTO/PRODUTO 3	8,3	7-9 - Vulnerabilidade Média	2	16,7	10,47%	5,01%
2.1.1.4 SEGMENTO/PRODUTO 4	7,0	7-9 - Vulnerabilidade Média	2	14,0	8,80%	4,21%
2.1.1.5 SEGMENTO/PRODUTO 5	6,0	4-6 - Vulnerabilidade Baixa	2	12,0	7,54%	3,61%
2.1.1.6 SEGMENTO/PRODUTO 6	10,0	10-12 - Vulnerabilidade Alta	3	30,0	18,85%	9,03%
2.1.1.7 SEGMENTO/PRODUTO 7	10,0	10-12 - Vulnerabilidade Alta	2	20,0	12,57%	6,02%
2.1.1.8 SEGMENTO/PRODUTO 8	6,0	4-6 - Vulnerabilidade Baixa	1	6,0	3,77%	1,81%

Análises Setoriais de LD/FT - Vulnerabilidades

Pontuação Média
7,3

Vulnerabilidade Setor
7-9 - Vulnerabilidade Média

2.1.2 SETOR 2

SEGMENTO/PRODUTO	Pontuação Média	Vulnerabilidade Segmentos	Representatividade 1 A 4	Pontuação após Representatividade	Percentual de participação na nota de vulnerabilidade do Setor de Títulos e Valores Mobiliários (2.1.2)	Percentual de participação na nota de Vulnerabilidade Nacional (2.1)
2.1.2.1 SEGMENTO/PRODUTO 1	8,0	7-9 - Vulnerabilidade Média	3	24,0	41,38%	8,57%
2.1.2.2 SEGMENTO/PRODUTO 2	6,0	4-6 - Vulnerabilidade Baixa	2	12,0	20,69%	4,29%
2.1.2.3 SEGMENTO/PRODUTO 3	6,0	4-6 - Vulnerabilidade Baixa	1	6,0	10,34%	2,14%
2.1.2.4 SEGMENTO/PRODUTO 4	8,0	7-9 - Vulnerabilidade Média	2	16,0	27,69%	5,72%

Análises Setoriais de LD/FT - Vulnerabilidades

Pontuação Média
5,9

Vulnerabilidade Setor
4-6 - Vulnerabilidade Baixa

2.1.3 SETOR 3

SEGMENTO/PRODUTO	Pontuação Média	Vulnerabilidade Segmentos	Representatividade 1 A 4	Pontuação após Representatividade	Percentual de participação na nota de vulnerabilidade do Setor de Seguro e Previdência (2.1.3)	Percentual de participação na nota de Vulnerabilidade Nacional (2.1)
2.1.3.1 SEGMENTO/PRODUTO 1	6,8	4-6 - Vulnerabilidade Baixa	2	13,5	20,68%	3,51%
2.1.3.2 SEGMENTO/PRODUTO 2	5,9	4-6 - Vulnerabilidade Baixa	1	5,9	9,01%	1,53%
2.1.3.3 SEGMENTO/PRODUTO 3	6,6	4-6 - Vulnerabilidade Baixa	2	13,1	20,09%	3,41%
2.1.3.4 SEGMENTO/PRODUTO 4	6,9	4-6 - Vulnerabilidade Baixa	3	20,8	31,85%	5,41%
2.1.3.5 SEGMENTO/PRODUTO 5	4,0	4-6 - Vulnerabilidade Baixa	3	12,0	18,36%	3,12%

Análises Setoriais de LD/FT - Vulnerabilidades

Pontuação Média Vulnerabilidade Setor
10-12 - Vulnerabilidade Alta

2.1.4 SETOR 4

SETOR/SEGMENTO/PRODUTO	Pontuação Média	Vulnerabilidade Segmentos	Representatividade 1 a 4	Pontuação após Representatividade	Percentual de participação na nota de vulnerabilidade dos Demais Setores Regulados(2.1.4)	Percentual de participação na nota de Vulnerabilidade Nacional (2.1)
SETOR/SEGMENTO/PRODUTO 1	3,6	7-9 - Vulnerabilidade Média	4	38,4	6,92%	1,00%
2.1.4.1 SETOR/SEGMENTO/PRODUTO 2	10,1	10-12 - Vulnerabilidade Alta	4	40,3	7,26%	1,05%
SETOR/SEGMENTO/PRODUTO 3	8,8	7-9 - Vulnerabilidade Média	4	36,2	6,34%	0,91%
SETOR/SEGMENTO/PRODUTO 4	7,7	7-9 - Vulnerabilidade Média	2	15,3	2,76%	0,40%
2.1.4.2 SETOR/SEGMENTO/PRODUTO 5	10,1	10-12 - Vulnerabilidade Alta	2	20,1	3,62%	0,52%
2.1.4.3 SETOR/SEGMENTO/PRODUTO 6	12,0	10-12 - Vulnerabilidade Alta	4	48,0	8,65%	1,25%
2.1.4.4 SETOR/SEGMENTO/PRODUTO 7	10,3	10-12 - Vulnerabilidade Alta	4	41,2	7,42%	1,07%
2.1.4.5 SETOR/SEGMENTO/PRODUTO 8	12,0	10-12 - Vulnerabilidade Alta	2	24,0	4,32%	0,62%
2.1.4.6 SETOR/SEGMENTO/PRODUTO 9	12,0	10-12 - Vulnerabilidade Alta	4	48,0	8,65%	1,25%
2.1.4.7 SETOR/SEGMENTO/PRODUTO 10	7,4	7-9 - Vulnerabilidade Média	2	14,8	2,66%	0,38%
2.1.4.8 SETOR/SEGMENTO/PRODUTO 11	5,8	4-6 - Vulnerabilidade Baixa	1	5,8	1,04%	0,15%
2.1.4.9 SETOR/SEGMENTO/PRODUTO 12	10,9	10-12 - Vulnerabilidade Alta	4	43,7	7,87%	1,13%
2.1.4.10 SETOR/SEGMENTO/PRODUTO 13	9,7	7-9 - Vulnerabilidade Média	4	38,7	6,96%	1,00%
2.1.4.11 SETOR/SEGMENTO/PRODUTO 14	7,1	7-9 - Vulnerabilidade Média	4	28,3	5,09%	0,73%
2.1.4.12 SETOR/SEGMENTO/PRODUTO 15	12,0	10-12 - Vulnerabilidade Alta	1	12,0	2,16%	0,31%
2.1.4.13 SETOR/SEGMENTO/PRODUTO 16	6,4	4-6 - Vulnerabilidade Baixa	4	25,5	4,69%	0,66%
2.1.4.14 SETOR/SEGMENTO/PRODUTO 17	12,0	10-12 - Vulnerabilidade Alta	1	12,0	2,16%	0,31%
2.1.4.15 SETOR/SEGMENTO/PRODUTO 18	16,0	13-16 - Vulnerabilidade Muito Alta	4	64,0	11,52%	1,66%

VULNERABILIDADE GERAL DOS REGULADORES (SISTEMA DE PREVENÇÃO) - ÂMBITO NACIONAL

Pontuação Média Vulnerabilidade Nacional
7-9 - Vulnerabilidade Média

2.1 VULNERABILIDADE REGULATÓRIA NACIONAL

SETORES	Pontuação Média	Vulnerabilidade Setor	Materialidade - 1 a 4	Pontuação após Materialidade	Percentual de participação do setor na nota de Vulnerabilidade Nacional (2.1)
2.1.1 SETOR 1	8,4	7-9 - Vulnerabilidade Média	4	33,5	47,87%
2.1.2 SETOR 2	7,3	7-9 - Vulnerabilidade Média	2	14,5	20,72%
2.1.3 SETOR 3	5,9	4-6 - Vulnerabilidade Baixa	2	11,9	16,98%
2.1.4 SETOR 4	10,1	10-12 - Vulnerabilidade Alta	1	10,1	14,43%

Figure 26: Consolidation of sectorial vulnerabilities (example images).

The following image exemplifies how consolidations will take place at the **national level**. Again, the scores and mentions inserted in the image are merely an illustration of how the tool works and do not represent value judgment about the sectors.

The materiality of each sector must be determined by the NRAWG based on criteria established by it.

Figure 27: General vulnerability of regulated sectors.

All calculations performed to be carried out in the consolidation work correspond to a weighted average between the values of each product, activity or sector and its materiality score. In this way, it becomes possible and more reliable to **build a single, national note**.

After this priority **quantitative** consolidation step, which consists of collecting numerical scores and assigning mentions of vulnerability, the members of the Technical Group **qualitatively** consolidate all sectoral assessments of ML/TF risks in order to identify, in priority, (i) **the sectors with higher vulnerabilities** (macro analysis), and (ii) **the most recurrent inherent vulnerabilities** (micro analysis), across all products and sectors.

After the assessment is completed, having identified the vulnerabilities that can be addressed by a specific entity or by a joint public action, it is up to the Technical Group to propose measures to be taken to address the vulnerabilities found. Such notes must be submitted for approval by the NRAWG and, when duly approved, be grouped in an Action Plan together with the National Strategy to Combat Corruption and Money Laundering - Enccla.

All the results obtained in this stage support the construction of the final document, National Risk Assessment of ML/TF, containing a clear mention (i) **of the most vulnerable sectors** and (ii) **of the greatest vulnerabilities** that should be the object of priority treatment by the entities responsible for the adequate improvement of the country's PML/TF System.

2.4.4. Product of the analysis of the vulnerabilities of the regulated sectors

The conclusion of the assessment exercise, according to the criteria defined in topic 2.4.2, generates as a product a statement of the vulnerabilities raised for each supervisory or regulatory body, confronted with their respective controls and mitigating actions. **This result, especially the highest ratings**, should be understood as the mapping of the main vulnerabilities in each sector.

In these terms, the following is an example image of a hypothetical Sectoral Assessment carried out on the tool developed by the Special Team in the present methodology:

It should be noted that for the best exercise of this assessment of sectorial vulnerabilities, it is necessary that this work be carried out by specialists from the supervisory body, and, whenever possible, be built together with the private sector since, as it is directly in the performance tip, its perception can provide important inputs for the assessment.

In order to provide greater clarity in the analyzes, it is advisable to suggest to supervisory or regulatory public bodies that have more than one segment, product or activity under their regulation that they perform them separately in their ML/TF Risk Sector Analysis, considering their respective peculiarities. The tool developed in the present methodology for this exercise will allow this form of assessment.

The following table presents an excerpt from a hypothetical sectorial assessment that has segregation into regulated segments:

Segmento	Vulnerabilidade do Setor (Média)	Pontuação Média do Segmento
Segmento 1	7-9 - Vulnerabilidade Média	9,60
Segmento 2	10-12 - Vulnerabilidade Alta	10,08
Segmento 3	7-9 - Vulnerabilidade Média	8,80
Segmento 4	4-6 - Vulnerabilidade Baixa	6,71

Figure 30: Excerpt from a hypothetical sectorial assessment (segregation into regulated segments).

In order to obtain this product, the collaboration of all supervisory or regulatory bodies listed in art. 9, of Law 9,613, of 1998, (which must carry out their sectorial analyzes of ML/TF risks, identifying, evaluating and establishing mitigators for their possible vulnerabilities), and it is up to the Technical Group to consolidate the information received.

2.4.5. Information request form

By means of a **letter**, the **Technical Group invites (through focal points) the institutions indicated in item 2.4.4 to carry out** their sectorial risk analysis of ML/TF, having as reference the steps, criteria and parameters listed above. Attached to the letter, the **Sector Vulnerability Analysis Worksheet** that was developed by the Special Team must be sent.

2.4.6. Institutions that will be invited to express their opinion

With reference to the activities listed in art. 9 of Law 9,613, of 1998, for the **survey of the vulnerabilities of the regulated sectors**, we understand that the institutions listed below should **preferably** be invited to manifest themselves bringing their sectorial analyzes of risk of ML/TF:

- National Mining Agency – ANM – **Mining, Extraction and Processing of precious metals**
- Central Bank of Brazil – BCB – **Banks and Cooperatives**
- Securities and Exchange Commission – CVM – **Securities**
- Financial Activities Control Council – Coaf – **Luxury Goods, Factoring and Securitization, Jewelry and Rights Trade and Promotion of Athletes**
- Federal Accounting Council – CFC – **Accountants**

- Federal Council of Real Estate Brokers – Cofeci – **Realtors**
- Federal Council of Economists – Cofecon – **Economists**
- National Justice Council – CNJ – **Notaries**
- National Department of Business Registration and Integration – Drei – **Commercial Boards**
- Institute of Historical and Artistic Heritage – Iphan – **Antiques and Art Trade**
- Ministry of Tourism – **Fairs and Events**
- Ministry of Agriculture, Livestock and Food Supply – Mapa – **Animal Trade**
- Brazilian Bar Association – OAB – **Lawyers**
- Department of Federal Police – DPF – **Transportation of Values**
- Secretariat for Fiscal Monitoring, Energy and Lottery – Ministry of Economy – Secap – **Lotteries**
- Supplementary Pension Superintendence – Previc – **Closed pension**
- Superintendence of Private Insurance– Susep – **Insurance and open pension**

2.4.7. Absence of data for treatment

If supervisors or regulators do not respond to letters and their reiterations and in view of the need to carry out and complete the sectoral risk assessment of that sector, activity or product, the Technical Group reports this to the **NRAWG** so that it is possible to search for alternatives that make it possible to carry out a survey of the sector’s vulnerabilities, including its own data and the expertise of its members to do so.

2.4.8. Formalization of the assessment process

In line with what was exposed in topic 1.3 and given the need to understand the National Risk Assessment of ML/TF as a process with several steps and contributions from numerous institutions, specifically regarding the **Survey of Vulnerabilities of ML/TF in the scope of the Regulated Sectors**, it is suggested that its formalization contain the following documents:

- Opening document showing the reason why the process is being opened, that is, survey of vulnerabilities for the practice of ML/TF within the scope of the regulated sectors;
- Letters to supervisory or regulatory public bodies requesting their sectoral analyzes of ML/TF risk, containing the Sectoral Assessment Worksheet developed by the Special Team, with corresponding proof of sending and receiving;
- Letter responses with the requested information;
- Minutes of possible meetings held to explain the entire analysis methodology;
- Reiterations of letters in the absence of answers, if necessary;
- Complementary letters in view of the lack of certain information, if necessary;

- Working Paper, formulated by the Technical Group, with the consolidation of the survey of vulnerabilities for the practice of ML/TF within the scope of the regulated sectors;
- Submission of the consolidated report of the work, the survey of vulnerabilities for the practice of ML/TF within the scope of the regulated sectors, for approval of the NRAWG, making its results a National Survey;
- Submission of the survey of vulnerabilities for the practice of ML/TF within the scope of regulated sectors;
- Conclusion of the Process informing that its results will be input for the drafting of the final document of the National Risk Assessment of ML/TF.

2.5. Survey of Vulnerabilities in the Ability to Prevent and Combat ML/TF

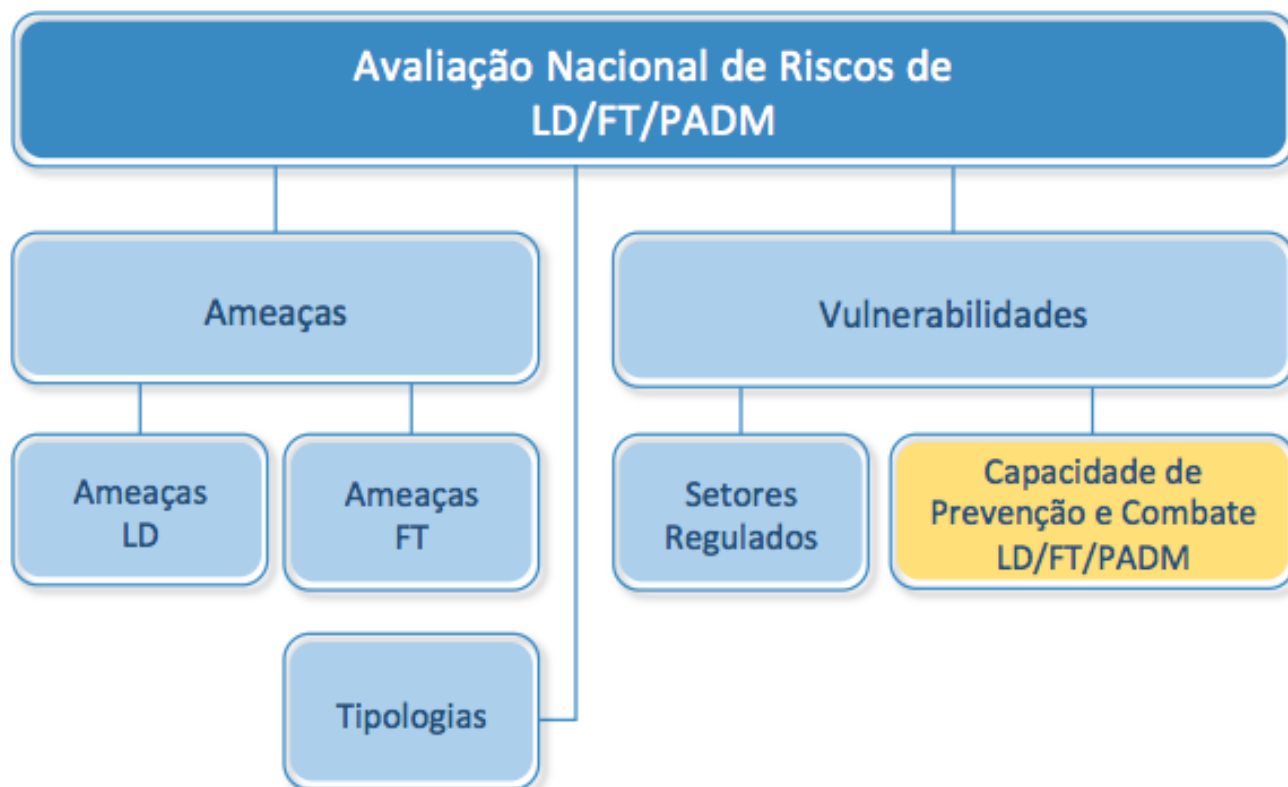


Figure 32: NRA structure - highlight in the Ability to Prevent and Combat ML/TF/PADM.

2.5.1. Purpose

The survey of vulnerabilities concerning the country's ML/TF Prevention and Combat Capacity must follow its own system, that is, the analyzes should not start from a specific threat, and should assume a broader focus, a look at the entire structure of the system preventive and coercive measures that exist in the country to combat the threats that already exist and those that may arise. For that, **having as reference the 40 Recommendations of FATF and its 11 Immediate Results**, a structure of Pillars was created that allow the assessment of a system of Prevention and Combat to ML/TF, taking into account the need and importance of the aspects related to the solidity, integrity, quality of the legal and normative framework, institutional powers and procedures implemented and the effectiveness of the system in relation to the expected results.

It should be noted that, although the Recommendations and all Guides issued by FATF are the references used in the assessments, this methodology created by the Special Team is not limited to these premises, and also includes specific situations in the country.

The vulnerabilities of a country related to its Ability to Prevent and Combat ML/TF may result from deficiencies in the legal framework, the absence of a strategy or public policy or inefficient performance by the agencies and entities. Thus, considering the countless areas that must be evaluated, it was decided to segregate the assessments in the following pillars:

- Laws and typifications;
- National Strategy and Policy for the Prevention and Combat of ML/TF;

- Domestic and international cooperation;
- Financial intelligence;
- Power of Investigation and Prosecution;
- Power of Judgment;
- Power of Confiscation and Asset Recovery;
- Tax Administration and Customs Control;
- Supervision - Financial System;
- Supervision - DNFBP;
- Correction and Integrity;
- Financing of Terrorism;
- Financing for the Proliferation of Weapons of Mass Destruction;

The following is a representative image of the PML/TF structure described in this methodology:



Figure 33: Structure of the methodology developed by Coaf to carry out the National Risk Assessment.

The present methodology seeks to assess not only technical compliance, that is, the specific requirements of each pillar, from its legal structure to the linked institutional performance, but mainly, to measure to what extent the implemented structure is being effective in preventing and combating ML/TF. Thus, this methodology must be understood from an integrative perspective, as a tool that seeks to assess the **adequacy of the entire PML/TF system in the country in view of the international standards established by FATF**, capable of identifying vulnerabilities and deficiencies that must be addressed by the institution, competent authority, or, in the absence of identification of a specific entity, be treated as a joint public action, based on a specific form.

Aiming at the continuity of the methodology, the Special Team developed this tool so that it can be easily updated in the face of any new standard established by FATF. In this way, any changes in its recommendations can be timely absorbed by the methodology, guaranteeing its continuity. In this case, the competent entities, linked to the subject matter of the update, should be invited to manifest themselves in order to evaluate and inform the measures that the country is taking for its proper implementation.

2.5.2. Assessment Form

The way of assessing the Country’s Prevention and Combatting ML/TF Capability follows the system developed by the Special Team. In this regard, it was based on the FATF’s 40 Recommendations, its 11 immediate results, and the specific situations of the country’s PML/TF system.

In this context, more than **three hundred (300)** evaluating items, called criteria, were created by the Special Team, distributed according to the themes to be treated in each of the 13 (thirteen) pillars previously presented. The criteria were carefully analyzed, adjusted and approved in their final version by NRAWG.

Thus, the Technical Group must forward **(through focal points)** to the institutions listed in item 2.5.4, Electronic Questionnaire containing the requirements of each pillar to which their legal competences, directly or indirectly, are most related. It should be noted that this form of referral is a priority but not exclusive, and the recipient institutions may be invited to manifest themselves even if their main activity is not the one evaluated, but only related to it.

After receiving the criteria, it is up to the institution to use all its experience on the subject to evaluate the statements or answer the questions by assigning a score between 0.0 and 1.0, where 0.0 corresponds to non-compliance and 1.0 means compliance done with excellence. The following is an example:

0	0,1	0,2	0,3	0,4	0,5	0,6	0,7	0,8	0,9	1
Inexistente	Praticamente Inexistente	Muito Baixa	Baixa	Média Baixa	Média	Média Alta	Alta	Muito Alta	Próximo a excelência	Excelente

Figure 34: Values for evaluating the Criteria.

PODERES INSTITUÍDOS

1.	De acordo com a Recomendação 29, a UIF é parte da rede operativa de PLD/FTP de um país e desempenha um papel central nela, além de oferecer apoio ao trabalho de outras autoridades competentes. Os países devem estabelecer uma UIF com responsabilidade para atuar como centro para o recebimento e a análise de comunicações de transações suspeitas e outras informações relevantes sobre lavagem de dinheiro, crimes antecedentes associados e financiamento do terrorismo e para a disseminação dos resultados dessa análise. Utilizando o critério de 0,0 (não cumprimento) a 1,0 (cumprimento com excelência), avalie em que medida o Brasil cumpre de maneira efetiva essa parte da recomendação.									
0,0	0,1	0,2	0,3	0,4	0,5	0,6	0,7	0,8	0,9	1,0
Em caso de cumprimento (0,5 a 1,0), favor descrever os aspectos legais e de funcionamento relativo ao cumprimento desse aspecto da Recomendação 29. Se possível, favor incluir dados estatísticos ou algum caso que exemplifique essa possibilidade de atuação. Em caso de não cumprimento (0,0 a 0,4), descrever as medidas que estão previstas ou programadas para atender a recomendação.										

Figure 35: Example of a criterion formulated.

After this quantitative assessment, the evaluating institution will justify the score given with additional information about the evaluated criterion. Statistical data, laws and normative acts, procedures and internal manuals, forms, in short, all data and/or documents that may justify the note should be considered, mentioned and, if possible, forwarded together with the institution's response at this stage.

It should be noted that the preservation of the confidential nature of the National Risk Assessment process is guaranteed by secure tools for transmitting data and information developed by the Special Team, through which all classified or confidential information may circulate among the institutions that are part of this effort.

In order to facilitate the treatment of information and its results, in addition to referral according to the competencies of each evaluating institution, the items can also be classified into subjects. Thus, at the end of the work, the criteria evaluated must have specific scores (which can be grouped by subject) and are then grouped into notes **by pillars**, as shown below.



Figure 36: Pillar assessment structure.

In view of the numerous questions asked for an adequate assessment, it is necessary to consider the existence of questions that, of course, have greater relevance in relation to others. In this regard, the tool developed by the Special Team contemplates the possibility of establishing representativeness notes for questions, within the scope of the assessment of the subjects, and for subjects, within the scope of the assessment of the Pillar. In topic 2.5.6, this weighting will be approached in greater detail.

2.5.2.1. Pillar – Laws and Types

Within this pillar, the aim is to **evaluate the Brazilian legal framework** established to enable adequate prevention and adequate combating of money laundering (ML), Financing of Terrorism (TF) and weapons of mass destruction proliferation financing (PF).

For its proper assessment, it is suggested that the following issues be addressed: criminalization or classification of ML, TF and PF, adoption of International Conventions and UN Resolutions on the topics of ML, TF and PF, in addition to other related topics such as definitions of the obliged subjects, politically exposed persons, due diligence on the client, record keeping, reports of suspicious operations, disclosure and confidentiality, sanctioning power, for instance.

FATF³ recommendations and Immediate Results⁴ suggested in the analysis: R3, R5, R9, R10, R11, R20, R21, R26, R27, R28, R29, R36, among others.

2.5.2.2. Pillar – National Strategy and Policy for Preventing and Combating ML/TF

Within this pillar, **national strategies and policies** for preventing and combating PML/TF should be evaluated, especially those conducted through the National Strategy to Combat Corruption and Money Laundering (ENCCLA).

In its approach, it is suggested that policies and **strategies aimed at improving** the powers of investigation, prosecution and condemnation, technological tools to combat ML/TF (including, for example, REDE-LAB), domestic cooperation, be evaluated. and internationally, the power of confiscation and the recovery of assets, the production of intelligence, the availability of information, training programs in prevention of ML/TF, among others.

Policies and strategies aimed at specific topics (such as Virtual Asset Services Provider - VASP) and those linked to previously identified threats and vulnerabilities, such as: actions linked to transactions in kind, measures to strengthen the fight against corruption, drug trafficking, tax evasion and criminal organizations, among others.

FATF Recommendations and Immediate Results suggested in the analysis: R2, R.I.1, R.I.2, R.I.3, R.I.4, R.I.5, R.I.6, R.I.7, R.I.8, R.I.9, R.I.10, R.I.11.

³ <https://www.novo.justica.gov.br/videos/conheca-a-rede-lab-a-rede-de-combate-a-corrupcao-e-a-lavagem-de-dinheiro>

⁴ 40 Recomendações do GAFI - <https://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf>

⁵ 11 Resultados Imediatos do GAFI - <https://www.fatf-gafi.org/media/fatf/documents/methodology/FATF%20Methodology%2022%20Feb%202013.pdf>

⁶ <https://www.novo.justica.gov.br/videos/conheca-a-rede-lab-a-rede-de-combate-a-corrupcao-e-a-lavagem-de-dinheiro>

2.5.2.3. Pillar – International Cooperation

The Cooperation pillar seeks to assess **how the country has used the international** as an effective tool to prevent and combat ML/TF.

For this assessment, it is suggested that consideration be given to the powers that be that allow for adequate mutual legal assistance, the prohibition of imposition and undue conditions for the provision of assistance, confidentiality, the availability of investigative techniques in responding to requests for assistance, the forms request and the treatment structure, in addition to other relevant situations such as mutual legal assistance aimed at freezing and confiscation, extradition and other specific forms.

FATF Recommendations and Immediate Results⁴ suggested in the analysis: R2, R37, R38, R39, R40, R.I.2, R.I.7.

2.5.2.4. Financial Intelligence

Within this pillar, the aim is to **assess the power of action, activities, skills and effectiveness of the work of the Financial Intelligence Unit in Brazil**, the Financial Activities Control Council - Coaf, as the body responsible for the production of financial intelligence in Brazil. .

For its proper assessment, it is suggested that the following issues be addressed: powers instituted, receipt of reports of suspicious transactions, production of financial intelligence, dissemination, responses to requests for information, requests for additional information, available information and databases, security information, operational independence, autonomy and integrity, cooperation and effectiveness.

FATF Recommendations and Immediate Results⁴ suggested in the analysis: R.29, R40, R.I.6, R.I.7, R.I.9.

2.5.2.5. Pillar - Power of Investigation and Prosecution

Within this pillar, **an analysis must be made of the power of activity, activities, skills and effectiveness of the work of both the Federal and State Police as entities responsible for exercising exclusively the functions of the judicial police and the Federal and State Public Ministries, while body with investigative and criminal prosecution tasks.**

For its proper assessment, it is suggested that the following issues be addressed: powers instituted, blocking and confiscation of assets, investigative techniques, domestic and international cooperation, structure and integrity, technological tools, power of access to information, in addition to specific analyzes of effectiveness in the fight against corruption, drug trafficking, tax evasion, financial crimes and terrorist financing.

FATF Recommendations and Immediate Results⁴ suggested in the analysis: R30, R31, R40, R.I.7, R.I.9.

2.5.2.6. Pillar - Power of Judgment and Condemnation

Within this pillar, an analysis must be carried out on the **power of action, activities, skills and effectiveness of the organs of the Brazilian Judiciary, which hold the constitutional attribution**

of exercising the jurisdictional function of the State, i.e., of applying the right to the specific case, with the objective of resolving conflicts of interest and, with that, safeguarding the legal order and the authority of the law.

For its proper assessment, it is suggested that, at a minimum, the issues be addressed: application of the money laundering and terrorism financing law, criminal sanctions applied, its effectiveness, proportionality and deterrence in the face of the fight against money laundering, financing from terrorism, to corruption, to drug trafficking, to tax evasion, to financial crimes and other crimes that may be prioritized in the threat and vulnerability stages of work.

FATF Recommendations and Immediate Results⁴ suggested in the analysis: R30, R31, R40, R.I.7, R.I.9.

2.5.2.7. Pillar - Power of Confiscation and Recovery of Assets

In this pillar, an analysis of the country's capabilities (with demonstration of its skills and vulnerabilities) in the confiscation and recovery of assets should be carried out as a measure to prevent and combat ML/TF.

For its proper assessment, it is suggested that, at a minimum, the issues be addressed: international conventions, mutual legal assistance, confiscation and repatriation of foreign assets, management of confiscated assets, effectiveness in the face of the blocking and recovery of assets arising from corruption, trafficking in drugs, tax evasion, financial crimes and other crimes that may be prioritized in the threat and vulnerability stages of work.

FATF Recommendations and Immediate Results⁴ suggested in the analysis: R4, R38, R.I.8.

2.5.2.8. Pillar - Tax Administration and Customs Control

Within this pillar, an analysis of the capacities, skills and effectiveness of the bodies responsible for customs control and tax administration in preventing and combating ML/TF must be carried out.

For its proper assessment, it is suggested that the following issues be addressed: transparency and ownership of legal entities, risk assessment before the various types of legal entities, registration information, availability of information, responsibilities and sanctions, cooperation, control of entry of resources in the country and its deterrent measures, declaration of transportation of values, communications to the FIU, coordination and cooperation in customs control, structure, entry into the country of other resources of value, structure and perception of effectiveness in the transparency of legal entities.

FATF Recommendations and Immediate Results⁴ suggested in the analysis: R24, R25, R32, R.I.5.

2.5.2.9. Pillar - Supervision - National Financial System

Within this pillar, an analysis should be made about the **performance, skills and effectiveness of Organs supervisory and regulatory bodies of the National Financial System (SFN)** in preventing and combating ML/TF.

For its proper assessment, it is suggested that the following issues be addressed: powers of supervisors and regulators, risk-based approach by supervisors, regulators and financial institutions, entry into the market, due diligence about the client, communication of operations, maintenance of records, politically exposed people, information exchange between financial supervisors, structure, bank correspondence, wire transfers, resources to third parties, foreign affiliates and subsidiaries, high-risk countries, disclosure and confidentiality, guidance and feedback, sanctions, new technologies, Virtual Asset Services Provider - VASP, trusts and bearer shares, among others.

FATF Recommendations and Immediate Results⁴ suggested in the analysis: R1, R10, R11, R12, R13, R15, R16, R17, R18, R19, R20, R21, R24, R25, R26, R27, R34, R35, R40, R.I.3, R.I.4.

2.5.2.10. Pillar – Supervision - DNFBP

Within this pillar, the aim is to evaluate the **performance of Organs supervisory or regulatory bodies of Designated Non-Financial Activities and Professions in preventing** and combating money laundering, financing of terrorism and the financing of proliferation of weapons of mass destruction.

For its proper assessment, it is suggested that the following issues be addressed: risk-based approach, due diligence about the client, record keeping, politically exposed people, communications to the FIU, disclosure and confidentiality, structure, integrity, guidance and feedback and sanctions.

FATF Recommendations and Immediate Results⁴ suggested in the analysis: R1, R10, R11, R12, R20, R21, R22, R23, R34, R35, R.I.3, R.I.4.

2.5.2.11. Pillar - Correction and Integrity

Within this pillar, the **integrity of the public power must be evidenced through an analysis of the performance of its internal control and correction systems** in the strategic context of preventing and combating corruption and improving public management. Topics such as internal control system, correction, preventive and coercive actions in the face of corruption should be addressed.

FATF Recommendations and Immediate Results⁴ suggested in the analysis: R.I.1, R.I.7.

2.5.2.12. Pillar – Ability to Prevent and Combat Financing of Terrorism

Within this pillar, an **analysis should be carried out on the country's ability to prevent and combat Financing of Terrorism.**

For its proper assessment, it is suggested that the following issues be addressed: typification of Financing of Terrorism, its definitions, specific sanctions related to terrorism and its financing, compliance with the sanctions imposed by United Nations Security Council resolutions, communication mechanisms of designation, control measures for Nonprofit Organizations -NPOs, transparency, application of resources, due diligence, cooperation, record keeping, in addition to the perceived effectiveness in monitoring, investigating and applying sanctions related to Financing of Terrorism.

FATF Recommendations and Immediate Results⁴ suggested in the analysis: R6, R8, R10, R11, R12, R20, R38, R39, R40, R.I.9, R.I.10.

2.5.2.13. Pillar - Ability to Prevent and Combat the Financing of Proliferation of Weapons of Mass Destruction

Within this pillar, an attempt is made to carry out an **analysis of the ability to prevent and combat the financing** of proliferation of weapons of mass destruction in the country.

For its proper assessment, it is suggested that the following issues be addressed: international treaties and agreements in the nuclear, chemical, biological and missile areas, export control, monitoring and control of dual technology products, in addition to issues related to sanctions directed at the financing and proliferation such as blocking assets, mechanisms for communicating assignments, processing inclusions and exclusions from lists, conduct of Financial Institutions and APNFD and the perception of their effectiveness.

FATF Recommendations and Immediate Results⁴ suggested in the analysis: R7, R.I.11.

2.5.3. Information request form

The Special Team, through the use of the research tool, developed an Electronic Questionnaire to be sent by the Technical Group to each institution listed in item 2.5.4 containing, specifically, all the questions that will require its manifestation.

Pilar Inteligência Financeira - Questão 1

*De acordo com a Recomendação 29, a UIF é parte da rede operativa de PLD/FTP de um país e desempenha um papel central nela, além de oferecer apoio ao trabalho de outras autoridades competentes. Os países devem estabelecer uma UIF com responsabilidade para atuar como centro para o recebimento e a análise de comunicações de transações suspeitas e outras informações relevantes sobre lavagem de dinheiro, crimes antecedentes associados e financiamento do terrorismo e para a disseminação dos resultados dessa análise.

Utilizando o critério de 0,0 (não cumprimento) a 1,0 (cumprimento com excelência), avalie **em que medida** o Brasil **cumpre de maneira efetiva** essa parte da recomendação.

❶ Escolha uma das seguintes respostas:

Por favor, selecione...

❷ Em caso de cumprimento (0,5 a 1,0), favor descrever os aspectos legais e de funcionamento relativo ao cumprimento desse aspecto da Recomendação 29. Se possível, favor incluir dados estatísticos ou algum caso que exemplifique essa possibilidade de atuação. Em caso de não cumprimento (0,0 a 0,4), descrever as medidas que estão previstas ou programadas para atender a recomendação.

*Insira abaixo a sua justificativa

Anexos

Buscando melhor evidenciar a justificativa dada na questão, solicitamos, enfaticamente, que nos sejam remetidos os documentos que melhor corroboram todas as informações prestadas.

O tamanho máximo de arquivo suportado pelo servidor é de 2048 KB. Arquivos que excedam esse tamanho podem ser encaminhados diretamente para anr@coaf.gov.br. Favor utilizar como assunto "Materiais Diversos - Pilar Inteligência Financeira - [Questão N° X] - [Nome do seu órgão]."

❶ Por favor, envie no máximo 5 arquivos

Upload files

Figure 37: Exemplary Electronic Questionnaire – Ability to Prevent and Combat (Financial Intelligence Pillar).

In order to facilitate the filling out by the evaluating bodies, the Official Letter must be sent to the directors and focal points of the evaluating Institutions, and have as an attachment the mentioned questionnaire in Word format, which can be used as a draft in the formulation of official responses.

Regarding the security and relevance of the information, it is worth informing that each questionnaire will be linked to a user, with a specific login, usually that of the focal point, who will be responsible for sending the information produced by the Institution. It is noteworthy, in this aspect, **that the manifestation linked to the login of the Focal Point is considered a formal manifestation of the represented institution.**

The following is an example image of a question in the questionnaire and an indication of its attachment, in Word, to be used as a draft when filling out.

PODERES INSTITUÍDOS

1.	<p>De acordo com a Recomendação 29, a UIF é parte da rede operativa de PLD/FTP de um país e desempenha um papel central nela, além de oferecer apoio ao trabalho de outras autoridades competentes. Os países devem estabelecer uma UIF com responsabilidade para atuar como centro para o recebimento e a análise de comunicações de transações suspeitas e outras informações relevantes sobre lavagem de dinheiro, crimes antecedentes associados e financiamento do terrorismo e para a disseminação dos resultados dessa análise.</p> <p>Utilizando o critério de 0,0 (não cumprimento) a 1,0 (cumprimento com excelência), avalie em que medida o Brasil cumpe de maneira efetiva essa parte da recomendação.</p>											
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">0,0</td> <td style="width: 10%;">0,1</td> <td style="width: 10%;">0,2</td> <td style="width: 10%;">0,3</td> <td style="width: 10%;">0,4</td> <td style="width: 10%;">0,5</td> <td style="width: 10%;">0,6</td> <td style="width: 10%;">0,7</td> <td style="width: 10%;">0,8</td> <td style="width: 10%;">0,9</td> <td style="width: 10%;">1,0</td> </tr> </table>		0,0	0,1	0,2	0,3	0,4	0,5	0,6	0,7	0,8	0,9	1,0
0,0	0,1	0,2	0,3	0,4	0,5	0,6	0,7	0,8	0,9	1,0		
<p>Em caso de cumprimento (0,5 a 1,0), favor descrever os aspectos legais e de funcionamento relativo ao cumprimento desse aspecto da Recomendação 29. Se possível, favor incluir dados estatísticos ou algum caso que exemplifique essa possibilidade de atuação. Em caso de não cumprimento (0,0 a 0,4), descrever as medidas que estão previstas ou programadas para atender a recomendação.</p>												

Figure: Questionnaire in Word version.

2.5.4. Institutions that should be invited to express their opinion

Taking as a reference the entities that have competences directly linked to the pillars that must be evaluated, we understand that as a priority, not exclusively, the institutions listed below should be invited to express themselves and provide their contributions to the survey of Vulnerabilities in the ability to prevent and combat ML/TF:

- Laws and Types:
 - o Financial Activities Control Council – COAF
- National Strategy and Policy for Preventing and Combating ML/TF:
 - o National Strategy to Combat Corruption and Money Laundering - Enccla
 - o Ministry of Justice and Public Security - MJSP
 - o Money Laundering Technology Labs Network - REDE-Lab
 - o National Secretariat of Public Security - Senasp - Ministry of Justice and Public Security

- Domestic and International Cooperation:
 - o DCJ PF
 - o DCJI MRE
 - o Ministry of Justice Department of Assets Recovery and International Legal Co-operation - DRCI-SENAJUS-MJSP Ministry of Justice and Public Security
 - o Ministry of Justice and Public Security - MJSP
- Secretariat for International Legal Cooperation of the Federal Prosecution Service Financial Intelligence:
 - o Financial Activities Control Council – Coaf
- Power of Investigation and Prosecution:
 - o National Council of the Federal Prosecution Service – CNMP
 - o Federal Prosecution Service – MPF
 - o State Prosecutors
 - o State Civil Police – CONCPC
 - o Department of Federal Police – DPF
 - o National Secretariat of Public Security - Senasp - Ministry of Justice and Public Security
- Judging Power:
 - o Federal Council of Justice – CJF
 - o National Justice Council – CNJ
- Power of Asset Confiscation and Recovery:
 - o National Justice Council – CNJ
 - o Ministry of Justice and Public Security - MJSP
 - o Department of Federal Police – DPF
- Tax Administration and Customs Control:
 - o Secretariat of the Federal Revenue of Brazil – RFB
- Supervision - National Financial System:
 - o Central Bank of Brazil – BCB
 - o Securities and Exchange Commission – CVM
 - o Superintendence of Private Insurance – Susep
 - o Supplementary Pension Superintendence – Previc
- Supervision – APNFD:
 - o National Mining Agency – ANM
 - o Financial Activities Control Council – COAF
 - o Federal Accounting Council – CFC

- o Federal Council of Real Estate Brokers– Cofeci
- o Federal Council of Economists – Cofecon
- o National Justice Council – CNJ
- o National Department of Business Registration and Integration – DREI
- o National Historical and Artistic Heritage Institute - Iphan
- o Ministry of Agriculture, Livestock and Supply – MAPA
- o Ministry of Tourism – MTUR
- o Brazilian Bar Association – OAB
- o Department of Federal Police – Transportation of Values – DPF
- o Secretariat for Assessment, Planning, Energy and Lottery – SECAP
- Correction and Integrity:
 - o National Justice Council – CNJ
 - o Office of the Comptroller General– CGU
 - o Federal Court of Accounts – TCU
- Financing of Terrorism:
 - o Federal Attorney General – AGU
 - o Brazilian Agency of Intelligence - Abin
 - o Department of Federal Police– Antiterrorism Department – DPF
- Proliferation of Weapons of Mass Destruction:
 - o Federal Attorney General – AGU
 - o Brazilian Agency of Intelligence - Abin
 - o Ministry of Defense - Control of dual technology assets - MD
 - o Ministry of Economy – Foreign Trade – ME
 - o Department of Federal Police – Antiterrorism Department – DPF

It is noteworthy that, even though the indication of these competent institutions in each Pillar is stated, the methodology produced by this Special Team is parameterized to collect statements from these institutions in specific matters of other Pillars, if necessary. Thus, the above indication should be understood as an exemplary, priority, but not exhaustive list, as other institutions may be invited to contribute, if necessary.

2.5.5. Absence of data for treatment

If the institutions invited to speak do not answer the letters or the Electronic Questionnaire, the Technical Group, in view of the need to carry out the assessment of a certain item and, consequently, of a certain pillar, informs the NRAWG requesting authorization to seek information to allow the assessment of the said threat to be carried out, also relying on its own data and the expertise of its members.

2.5.6. Treatment and consolidation of information

Having received all the responses from the institutions participating in the assessment, the Technical Group must formalize the Working Paper consolidating the scores of the items evaluated in three levels of aggregation: **per criterion**, with more than one appraiser, **per subject**, within each pillar; and **per pillar**, in the scope of the national assessment of Ability to Prevent and Combat ML/TF.

When consolidating the items evaluated by more than one institution, the Technical Group **must establish a single score** that represents the considerations made by all institutions. This exercise should not be restricted to a purely mathematical account and should also consider complementary information provided by each institution in the justification of the informed note. All manifestations of each institution are kept in their original format, being subject to future consultations.

The following is an example image of how **the criteria** will be consolidated, and it should be noted that the scores and mentions transcribed in the image are merely an illustration of how the tool works and do not represent any value judgment:

QUESITO 2.2.4.1:

A UIF é parte da rede operativa ALD/CFT de um país e desempenha um papel central nela, além de oferecer apoio ao trabalho de outras autoridades competentes. Os países devem estabelecer uma UIF com responsabilidade para atuar como centro para o recebimento e a análise de comunicações de transações suspeitas e outras informações relevantes sobre lavagem de dinheiro, crimes antecedentes associados e financiamento do terrorismo e para a disseminação dos resultados dessa análise.

Utilizando o critério de 0,0 (não cumprimento) a 1,0 (cumprimento com excelência), avalie em que medida o Brasil adotou as medidas necessárias para o cumprimento dessa parte da recomendação.

0	0,1	0,2	0,3	0,4	0,5	0,6	0,7	0,8	0,9	1
Inexistente	Praticamente Inexistente	Muito Baixa	Baixa	Média Baixa	Média	Média Alta	Alta	Muito Alta	Próximo a excelência	Excelente

Valor definido pelo Grupo Técnico **Muito Alta** Representatividade Quesito (1 a 4)

Resposta Órgão Manifestante:

Texto

Considerações do Grupo Técnico:

Texto

Figura 39: Consolidação por quesito - valores exemplificativos.

Having done this exercise for all questions, the tool developed by the Special Team automatically calculates a weighted average establishing, first, (i) **a final mention for the related subject**, and, subsequently, from the notes of the consolidated subjects, (ii) **a final mention for the pillar**:

ASSUNTO 1

Referência Quesito	Avaliação	Descrição	Nota Repres.	Nota Final (Avaliação X Representatividade)
QUESITO 2.2.4.1:	0,8	Muito Alta	2	1,6
QUESITO 2.2.4.2:	0,9	Próximo a excelência	2	1,8
QUESITO 2.2.4.3:	0,9	Próximo a excelência	2	1,8
Avaliação por Assunto Final		0,87		Muito Alta

CONSOLIDAÇÃO DA AVALIAÇÃO DO PILAR

A partir da menção de cada quesito, considerando a representatividade de cada questionamento para o Sistema de PLD/CFT do País, consolidamos sua avaliação FINAL:

0	0,1	0,2	0,3	0,4	0,5	0,6	0,7	0,8	0,9	1
Inexistente	Praticamente Inexistente	Muito Baixa	Baixa	Média Baixa	Média	Média Alta	Alta	Muito Alta	Próximo a excelência	Excelente

Assunto	Avaliação Média	Descrição	Nota Repres. por assunto	Nota Final (Avaliação X Representatividade)
ASSUNTO AVALIADO 1	0,87	Muito Alta	4	3,48
ASSUNTO AVALIADO 2	1,00	Excelente	2	2,00
ASSUNTO AVALIADO 3	0,73	Alta	2	1,45
ASSUNTO AVALIADO 4	0,45	Média Baixa	2	0,90
ASSUNTO AVALIADO 5	0,20	Muito Baixa	2	0,40
ASSUNTO AVALIADO 6	0,30	Baixa	2	0,60
ASSUNTO AVALIADO 7	1,00	Excelente	2	2,00
ASSUNTO AVALIADO 8	0,57	Média	2	1,13
ASSUNTO AVALIADO 9	0,60	Média Alta	2	1,20
ASSUNTO AVALIADO 10	0,74	Alta	2	1,48
ASSUNTO AVALIADO 11	0,50	Média	4	2,00

Figure 40: Consolidations by subject – including the representativeness of the Criteria.

NOTA AVALIAÇÃO FINAL PILAR	
0,64	
Média Alta	

ASSUNTO AVALIADO 1	ASSUNTO AVALIADO 2	ASSUNTO AVALIADO 3	ASSUNTO AVALIADO 4	ASSUNTO AVALIADO 5	ASSUNTO AVALIADO 6	ASSUNTO AVALIADO 7	ASSUNTO AVALIADO 8	ASSUNTO AVALIADO 9	ASSUNTO AVALIADO 10	ASSUNTO AVALIADO 11
0,87	1,00	0,73	0,45	0,20	0,30	1,00	0,57	0,60	0,74	0,50
Muito Alta	Excelente	Alta	Média Baixa	Muito Baixa	Baixa	Excelente	Média	Média Alta	Alta	Média

Figure 41: Consolidation of matters with representativeness notes - example.

Figure 42: Pillar's final score - consolidated by subject

It should be noted that, at both levels of consolidation (subject and pillar), the tool provides **space to establish weightings, scores 1 to 4**. The first, at the subject level, can be used to highlight questions with a greater degree of specificity in the analysis of the subject, and the second, at the pillar level, can be used to highlight greater representativeness of a given subject in the development of the assessed function or activity.

Thus, weightings can be established:

- between the criteria (within the subjects);
- between the subjects (within the pillar); and
- between the pillars, in the assessment of the final score of Ability to Prevent and Combat ML/TF.

Each weighting will be carried out by the members of the Technical Group and its results must be submitted to the approval of the **NRAWG**.

It should be borne in mind that these possible measurements, when carried out, **aim only to give greater reliability to the final result of the assessment**, since it would not be prudent to give equal value to questions, subjects and pillars with different relevance in the Prevention and Combat against ML/TF of the country.

Below is an example image of how the **final consolidation, at the national level, of the Ability to Prevent and Combat ML/TF will be represented.**

Papel de Trabalho	Pilar Avaliado	Avaliação Média	Descrição	Nota Representatividade	Nota Final (Avaliação X Representatividade)
2.2.1	Pilar Capacidade Combate 1	0,91	Próximo a excelência	4	3,6
2.2.2	Pilar Capacidade Combate 2	0,64	Média Alta	4	2,6
2.2.3	Pilar Capacidade Combate 3	0,64	Média Alta	3	1,9
2.2.4	Pilar Capacidade Combate 4	0,64	Média Alta	3	1,9
2.2.5	Pilar Capacidade Combate 5	0,67	Média Alta	3	2,0
2.2.6	Pilar Capacidade Combate 6	0,58	Média	2	1,2
2.2.7	Pilar Capacidade Combate 7	0,09	Inexistente	2	0,2
2.2.8	Pilar Capacidade Combate 8	0,12	Praticamente Inexistente	2	0,2
2.2.9	Pilar Capacidade Combate 9	0,28	Muito Baixa	2	0,6
2.2.10	Pilar Capacidade Combate 10	0,65	Média Alta	2	1,3
2.2.11	Pilar Capacidade Combate 11	0,89	Muito Alta	2	1,8
2.2.12	Pilar Capacidade Combate 12	0,33	Baixa	3	1,0
2.2.13	Pilar Capacidade Combate 13	0,57	Média	3	1,7

Figure 43: Consolidation of the Ability to Prevent and Combat ML/TF, consolidated mentions of each Pillar together with their representativeness notes (example values).

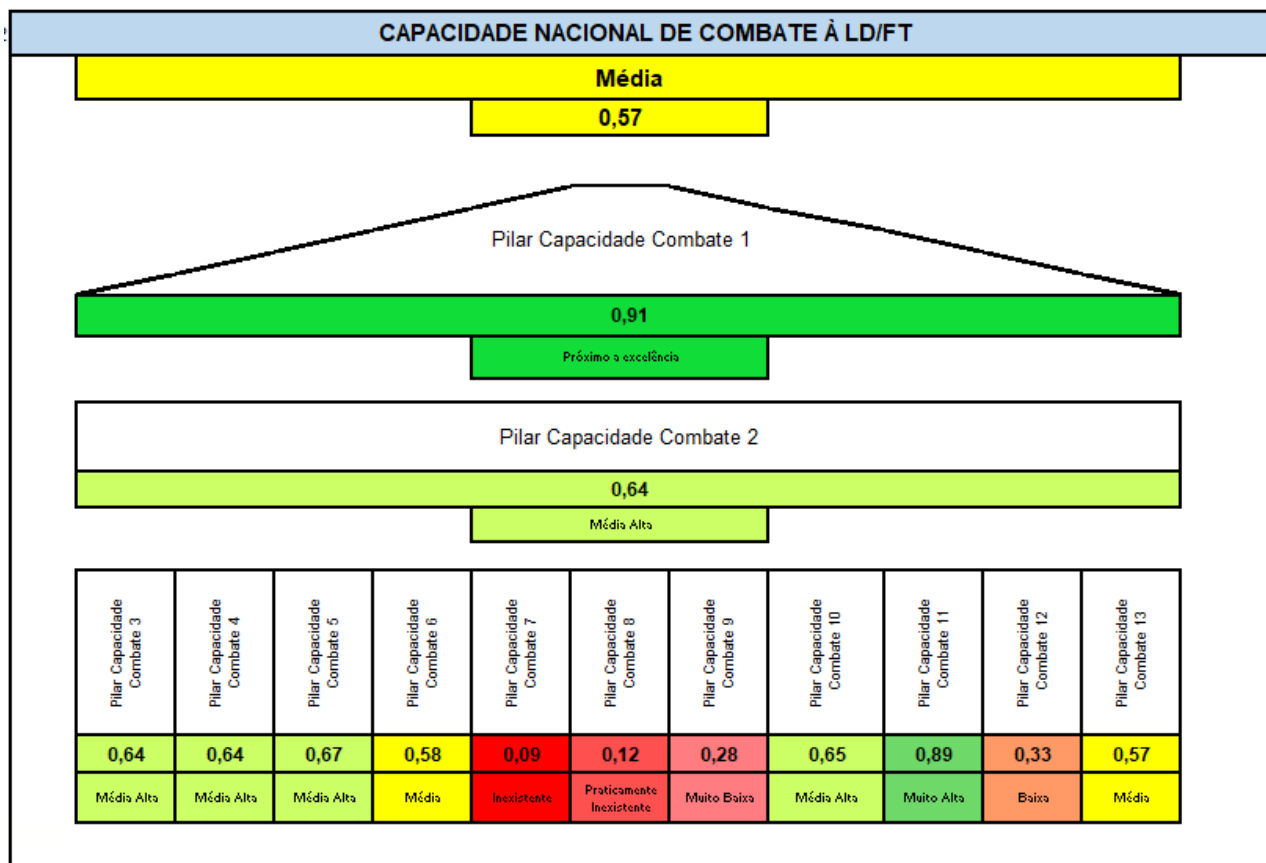


Figure 44: Consolidation at the national level of the pillars of the Ability to Prevent and Combat ML/TF.

Once this priority **quantitative** consolidation stage has been completed (numerical scores of adequacy and effectiveness), the members of the Technical Group must focus their attention on the qualitative consolidation of the various items, subjects and pillars evaluated, in order to identify, as a priority, (i) **the pillars with greater deficiencies and vulnerabilities (macro analysis)**, (ii) **the subjects**, sometimes recurring, **which had the greatest weaknesses identified** (intermediate analysis) and (iii) **the criteria** with the lowest reported scores (micro analysis).

All the results obtained in this stage support the construction, by the Technical Group, of the consolidated report of the Survey of Vulnerabilities in the Ability to Prevent and Combat ML/TF of the country to be submitted to the NRAWG. If approved, its findings will contribute to the preparation of the National Risk Assessment of ML/TF, containing a clear mention of the vulnerabilities that should be the object of priority treatment by the Brazilian authorities in the adequate improvement of the PML/TF System in Brazil.

2.5.7. Product of the vulnerability assessment of the ability to prevent and combat ML/TF;

At the end of this exercise, the possible vulnerabilities and inefficiencies to which the country's ML/TF Prevention and Combat system may be susceptible must be demonstrated. Thus, in view of the weaknesses identified from certain items, issues or pillars, the Technical Group submits to NRAWG a proposal containing the identified points of improvement that can be addressed to specific authorities or, if a cross-cutting treatment is necessary, a suggestion of joint public action, to be worked together with Enclla.

2.5.8. Formalization of the assessment process

In line with what was exposed in topic 1.3 and given the need to understand the National Risk Assessment of ML/TF as a process with several steps and contributions from numerous institutions, specifically regarding the Survey of Vulnerabilities in the Ability to Prevent and Combat ML/TF of the country, it is suggested that its formalization contains the following documents:

- Opening document showing the reason why the process is being opened, that is, the survey of vulnerabilities in the ML/TF Prevention and Combat Ability;
- Letters to the participating institutions requesting that they answer the questions indicated in the questionnaires in Word format to assist in the production of the answers (with corresponding confirmation of sending and receiving);
 - Responses to Letters with the assessments carried out in the Electronic Questionnaire;
 - Minutes of possible meetings held to explain the entire analysis methodology;
 - Reiterations of letters in the absence of answers, if necessary;
 - Complementary letters in view of the lack of certain information, if necessary;
 - Working Paper, formulated by the Technical Group, with the consolidation of the Survey of Vulnerabilities in the Ability to Prevent and Combat ML/TF;
- Submission of the consolidated report of the work, the Survey of Vulnerabilities in the Ability to Prevent and Combat ML/TF, for approval by the NRAWG, making its results a National Survey;
- Formalization of the approval, by the NRAWG, of the Survey of Vulnerabilities in the Ability to Prevent and Combat ML/TF;
- Conclusion of the Process informing that its results will be input for the drafting of the final document of the National Risk Assessment of ML/TF.

3. National Consolidation - National ML/TF Risk Assessment

3.1. Consolidation of National Money Laundering Threats

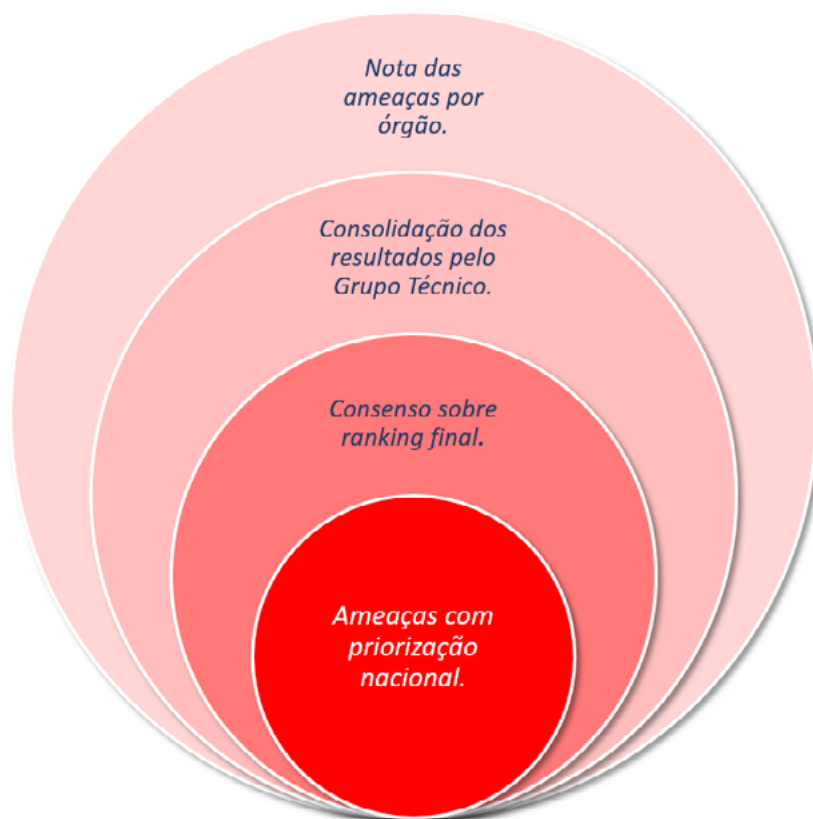


Figure 46: National Threat Survey.

As demonstrated in greater detail in topic 2.1, the ML threat survey model is comprised of the analysis of antecedent crimes and criminal factions. The following is a brief summary of each step that makes up the national threat survey, as illustrated above:

a) Score of threats by organ: simple gathering of scores from all institutions that participated in the threat assessment;

b) Consolidation of results: consolidation of the information received by the Technical Group from the countless participating institutions in a single national note, added with an overview of the main justifications and statistics that guided each assessment.

c) Consolidated ML Threats Report: consolidated result presented by the Technical Group from the consensus of all institutions participating in the survey of ML threats, so that the ranking and the final information can be understood as a national, synergistic assessment, derived from numerous assessments specific institutional arrangements.

d) Threats with national prioritization: indication of which threats of ML will have priority treatment addressed throughout the country's PML/TF System, carried out by NRAWG in view of the final ranking of ML threats contained in the Consolidated Report.

Thus, the final result of this survey can be presented as follows:

Ameaças	Avaliação Ameaça	Pontuação
AMEAÇA LD 1	26-32 - Ameaça Muito Alta	32
AMEAÇA LD 2	26-32 - Ameaça Muito Alta	28
AMEAÇA LD 3	26-32 - Ameaça Muito Alta	28
AMEAÇA LD 4	19-25 - Ameaça Alta	25
AMEAÇA LD 5	19-25 - Ameaça Alta	25
AMEAÇA LD 6	19-25 - Ameaça Alta	21
AMEAÇA LD 7	19-25 - Ameaça Alta	20
AMEAÇA LD 8	12-18 - Ameaça Média	18
AMEAÇA LD 9	12-18 - Ameaça Média	18
AMEAÇA LD 10	12-18 - Ameaça Média	16
AMEAÇA LD 11	12-18 - Ameaça Média	16
AMEAÇA LD 12	12-18 - Ameaça Média	16
AMEAÇA LD 13	12-18 - Ameaça Média	14
AMEAÇA LD 14	12-18 - Ameaça Média	14
AMEAÇA LD 15	12-18 - Ameaça Média	14
AMEAÇA LD 16	12-18 - Ameaça Média	14
AMEAÇA LD 17	12-18 - Ameaça Média	13
AMEAÇA LD 18	12-18 - Ameaça Média	12
AMEAÇA LD 19	5-11 - Ameaça Baixa	11
AMEAÇA LD 20	5-11 - Ameaça Baixa	10
AMEAÇA LD 21	5-11 - Ameaça Baixa	10
AMEAÇA LD 22	5-11 - Ameaça Baixa	9
AMEAÇA LD 23	5-11 - Ameaça Baixa	8

Figure 47: Ranking of ML Threats in the Consolidated Report (example).

Conservatively, if there is a need to consolidate all threats assessed under a single **National Threat from ML**, the scores for each threat can be multiplied by the weight that its assessment score indicated, as follows:

- ML threats assessed as **Very High** would have their scores multiplied by 4;
- ML threats assessed as **High** would have their scores multiplied by 3;
- ML threats assessed as **Average** would have their scores multiplied by 2;
- ML threats assessed as **Low** would have their scores multiplied by 1.

A **weighted average** should then be made considering the sum of all scores and the sum of all applied multipliers and, given this result, a single, national value is calculated, which would consolidate all National Threats from ML.

3.2. Consolidation of National Terrorism Financing Threats

As demonstrated in greater detail in topic 2.2, the TFthreat survey model should consist of the analysis of **jihadist, ethnic-nationalist or separatist** (TOs - Group 1 Threats) terrorist organizations, by **other actors engaged in terrorism** (Actors - Threats Group 2) and the survey of the **financing activities potentially most used in the country** (Activities - Threats Group 3), thus identifying all the characteristics of its possible actors and their possible financing activities that occur, or may occur, in the Brazil. Below, each step is briefly described:

a) Assessments carried out by each agency: simple gathering of assessments from all institutions that participated in the FT threat assessment;

b) Consolidation of the marks of the Assessment of TOs and of the other actors engaged in terrorism (Group 1 and Group 2): consolidation, by Coaf Technical Group, of the notes received from the participating institutions in a single national note due to the threat of FT, added by all descriptive study of the characteristics of each threat assessed.

c) Consolidation on financing activities (Group 3): consolidation, by Coaf Technical Group, of the information received from participating institutions regarding the terrorism financing activities potentially more likely to be used in Brazil.

d) Consolidated FT Threats Report: consolidated result presented by the Coaf Technical Group to NRAWG, resulting from the contribution of all institutions participating in the survey of TF threats, containing the ranking and the final information about each threat assessed (Group 1, Group 2 and Group 3).

e) Threats with national prioritization: indication of which TF threats should have priority treatment addressed by the entire PTFML/TF System in the country, carried out by NRAWG in view of the final ranking of TF threats contained in the Consolidated Report.

As in the consolidation of the threats of ML (topic 3.1), with the need to consolidate the evaluated TF threats, Group 1 and Group 2, in a **single National TF Threat, a weighted average** can be used considering the sum of all scores after applying their multipliers.

To this end, it applies to **TF threats** classified as **Very High**, multiplier equal to **4**; those classified as **High**, multiplier equal to **3**; those classified as **Average**, multiplier equal to **2**; and classified as **Low**, multiplier equal to **1**, as shown in the figure below:

Ameaças	Avaliação Ameaça	Pontuação	Peso em Virtude da Nota de Avaliação	Pontuação Ponderada (Pontuação x Peso)
AMEAÇA LD 1	26-32 - Ameaça Muito Alta	32	4	128
AMEAÇA LD 2	26-32 - Ameaça Muito Alta	28	4	112
AMEAÇA LD 3	26-32 - Ameaça Muito Alta	28	4	112
AMEAÇA LD 4	19-25 - Ameaça Alta	25	3	74
AMEAÇA LD 5	19-25 - Ameaça Alta	25	3	74
AMEAÇA LD 6	19-25 - Ameaça Alta	21	3	63
AMEAÇA LD 7	19-25 - Ameaça Alta	20	3	59
AMEAÇA LD 8	12-18 - Ameaça Média	18	2	36
AMEAÇA LD 9	12-18 - Ameaça Média	18	2	35
AMEAÇA LD 10	12-18 - Ameaça Média	16	2	33
AMEAÇA LD 11	12-18 - Ameaça Média	16	2	32
AMEAÇA LD 12	12-18 - Ameaça Média	16	2	32
AMEAÇA LD 13	12-18 - Ameaça Média	14	2	27
AMEAÇA LD 14	12-18 - Ameaça Média	14	2	27
AMEAÇA LD 15	12-18 - Ameaça Média	14	2	27
AMEAÇA LD 16	12-18 - Ameaça Média	14	2	27
AMEAÇA LD 17	12-18 - Ameaça Média	13	2	25
AMEAÇA LD 18	12-18 - Ameaça Média	12	2	24
AMEAÇA LD 19	5-11 - Ameaça Baixa	11	1	11
AMEAÇA LD 20	5-11 - Ameaça Baixa	10	1	10
AMEAÇA LD 21	5-11 - Ameaça Baixa	10	1	10
AMEAÇA LD 22	5-11 - Ameaça Baixa	9	1	9
AMEAÇA LD 23	5-11 - Ameaça Baixa	8	1	8
TOTAIS		51		991
MÉDIA PONDERADA		19,43		
MENÇÃO AMEAÇA NACIONAL LD CONSOLIDADA		19-25 - Ameaça Alta		

Figure 49: Consolidation of FT threats into a single national note (example).

26-32 - Very High Threat
19-25 - High Threat
12-18 - Average Threat
5-11 - Low Threat

In this hypothetical example, resulting in a weighted average score of **11.98**, given the classification levels indicated above, it would be understood that the National **Terrorism Financing Threat** would be classified, on a consolidated basis, as **LOW**.

Among the terrorism financing activities potentially most used in the country, there will be no mathematical calculation to be consolidated, but only a ranking with the most highlighted ones.

3.3. Consolidation of National Vulnerabilities

3.3.1. Quantitative approach – consolidated assessment score

The quantitative survey of the **Vulnerabilities for the practice of ML/TF within the scope of the Regulated Sectors**, detailed in item 2.4, is exemplified in the following image, **National Regulatory Vulnerability, note 7.8**, whose objective had been to identify (i) the sectors with the most vulnerabilities high (macro analysis) and (ii) the most recurring vulnerabilities, inherent risks (micro analysis), across all products and sectors:

Ameaças	Avaliação Ameaça	Pontuação	Peso em Virtude da Nota de Avaliação	Pontuação Ponderada (Pontuação x Peso)
Ameaça FT 1	19-25 - Ameaça Alta	19	3	58
Ameaça FT 2	12-18 - Ameaça Média	14	2	28
Ameaça FT 3	12-18 - Ameaça Média	14	2	27
Ameaça FT 4	12-18 - Ameaça Média	14	2	27
Ameaça FT 5	5-11 - Ameaça Baixa	11	1	11
Ameaça FT 6	5-11 - Ameaça Baixa	10	1	10
Ameaça FT 7	5-11 - Ameaça Baixa	9	1	9
Ameaça FT 8	5-11 - Ameaça Baixa	8	1	8
Ameaça FT 9	5-11 - Ameaça Baixa	5	1	5
Ameaça FT 10	5-11 - Ameaça Baixa	5	1	5
Ameaça FT 11	5-11 - Ameaça Baixa	5	1	5

TOTAIS	16	192
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MÉDIA PONDERADA	11,98
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MENÇÃO AMEAÇA NACIONAL FT CONSOLIDADA	5-11 - Ameaça Baixa
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POSSÍVEIS ATIVIDADES DE FINANCIAMENTO MAIS UTILIZADAS NO PAÍS:

Atividade FT 1	Nível de utilização Muito Alta
Atividade FT 2	Nível de utilização Alta
Atividade FT 3	Nível de utilização Média
Atividade FT 4	Nível de utilização Média
Atividade FT 5	Nível de utilização Baixa
Atividade FT 6	Nível de utilização Baixa

Figure 50: Vulnerabilities in the Regulated Sectors at the national level, note 7.8 (example).

The quantitative survey of the Vulnerabilities in the Ability to Prevent and Combat ML/TF, detailed in item 2.5, is exemplarily represented in the following image that illustrates the **National Ability to Prevent and Combat ML/TF**, note 0.57, whose objective was identify possible weaknesses in the pillars that make up a solid, complete system, with an adequate legal structure and with implemented and effective institutional powers.

VULNERABILIDADE GERAL DOS REGULADORES (SISTEMA DE PREVENÇÃO) - ÂMBITO NACIONAL				
2.1	VULNERABILIDADE REGULATÓRIA NACIONAL	Pontuação Média 7,8	Vulnerabilidade Nacional 7-9 - Vulnerabilidade Média	
	SETORES	Pontuação Média	Vulnerabilidade Setor	Materialidade - 1 a 4
2.1.1	SETOR 1	8,4	7-9 - Vulnerabilidade Média	4
2.1.2	SETOR 2	7,3	7-9 - Vulnerabilidade Média	2
2.1.3	SETOR 3	5,9	4-6 - Vulnerabilidade Baixa	2
2.1.4	SETOR 4	10,1	10-12 - Vulnerabilidade Alta	1
				Pontuação após Materialidade
				33,5
				14,5
				11,9
				10,1

Figure 51: National Ability to Prevent and combat ML/TF, note 0.57 (example).

Based on the previous quantitative surveys, the Technical Group demonstrates the **Consolidated ML/TF Vulnerability of the Country**, through an X-axis matrix - presents the Prevention and Combat Capacity (in the previous example, point **0.57** in the range of 0 , 0 to 1.0) and Y axis - shows the Vulnerability in the Regulated Sectors (in the example, score **7.8** in the range 4 to 16). This exercise will aim to explain, visually, where the country's PML/TF system is located.

Considering the preceding **example** data, given the location of the scores in the matrix, it would be noted below that the **Consolidated Vulnerability of the Country** should be understood as **Average**.

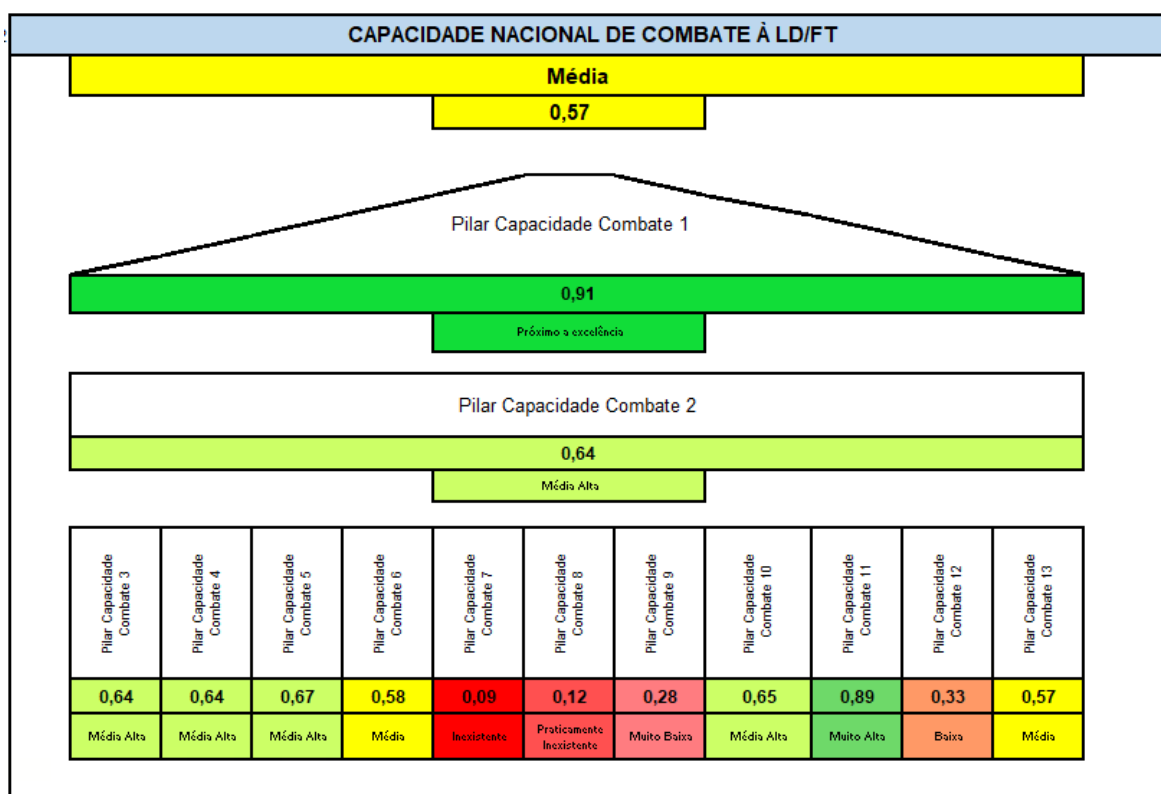


Figure 52: Consolidated National Vulnerability (example).

In terms of the tool's longevity, we understand that this consolidation is of great value for future comparability, that is, as evidence of the country's evolution in addressing the vulnerabilities that generate or may generate risks to its entire PML/TF system.

3.3.2. Quantitative approach – consolidated vulnerabilities

The Technical Group prepares a consolidated diagnosis of the results found containing all the proposed improvement recommendations, whether they are to the specific authority or to the proposal for joint public action that are the result of analysis, approval and prioritization by the NRAWG, considering two factors:

- The results found in the Survey of Vulnerabilities in the Required Sectors detailed in topic 2.4 of this report, that is, of the various vulnerabilities, critical activities, weaknesses of control or regulatory gaps in the sector, activity and/or product that make them, or can make them, attractive to be used as a means to practice ML/TF operations; and
- The results found in the Survey of Vulnerabilities in the Ability to Prevent and Combat ML/TF detailed in topic 2.5 of this report, that is, of the possible vulnerabilities found in the preventive and coercive system existing in the country to combat the threats that already exist and those that may to emerge.

To this end, the NRAWG, in order to give greater clarity to what was approved as a recommendation and should be prioritized, assigns an impact score from 1 to 10, with those with higher scores representing greater need for prioritization.

3.4. National Consolidation of NRA

The Technical Group having presented the Consolidated Reports for each of the macroprocesses detailed in chapter 2 of this report, that is, having identified the "WHAT" and the "WHO", through the Survey of Threats of ML and TF (topics 2.1 and 2.2) the "HOW", through the Survey of the ML/TF Typologies already identified in the country (topic 2.3) and the "WHERE", through the Survey of Vulnerabilities in the Regulated Sectors and in the Prevention and Combat Capacity (topic 2.5), **it remains for NRAWG to consolidate all these assessments carried out in a single document, which consists of the National Risk Assessment of ML/TF.**

Therefore, it is up to the NRAWG, in the light of item II of art. 3 of Decree 10.270, of March 6, 2020, to **define which Threats and Vulnerabilities identified** and valued during the entire assessment process **must have priority treatment throughout the country's PML/TF System.**

It should be noted that the prioritization exercise to be carried out by the NRAWG, has as its input the consolidated reports of each macro-process presented by the Technical Group, which necessarily include the full range of assessed threats and identified Vulnerabilities.

For the purpose of illustration only, in topic 3.5 of this report, a suggestion for the structure of a National Risk Assessment for ML/TF is presented with an indication of the macro processes that should serve as inputs for its preparation.

3.5. Structure of the Final Report of the National Risk Assessment of ML/TF

The work developed here is based on the idea of consensual construction of the various information and on its structuring by means of the instruments previously detailed. Thus, the result of such an undertaking will supplant the “simple” construction of a document, assuming that an important study is obtained as the final result, with the contribution of more than a dozen agencies and entities on the subject of PML/TF in the country. To this end, the Special Team, following examples from other countries, suggests a structure for the final document below:

1. Preamble: contextualization of the country as to its own characteristics and its PML/TF system;

1.1. National Risk: based on national consolidation - item 3.4, highlighting the main results raised in each macro-process and the main national priorities. It should be noted that these priorities can be better detailed in each macro-process;

1.2. National coordination policy and mechanisms in PML/TF: here, emphasis may be given to the national policies and strategies already implemented, ENCCLA, which will be evidenced in the National Strategy and Policy Pillar for Preventing and Combating ML/TF;

2. National Threats: based on the prioritized ranking and describing the analysis of the 5 (five) variables analyzed to demonstrate the main ML/TF threats in the country:

2.1. Most relevant threat: details of the threat, main impact on the country’s economy (if possible), better-known forms of action and possible exemplary types. In addition, there will be specific information by threat in the Survey of Prevention and Combat Capacities against ML/TF;

2.2. Most relevant threat 2: same analysis of the preceding topic for each of the threats prioritized as the most relevant;

2.3. Other non-prioritized threats: it is possible to briefly describe the non-prioritized threats with a focus on demonstrating the scope of the search process for the most relevant threats nationally, which main institutions worked on this search, the main information generated, etc.;

2.4. Typologies: Analysis of the main typologies. If possible, link with the vulnerabilities of the regulated sectors, that is, WHERE there are more risks of occurrence of ML/TF;

3. National Vulnerability: figure 46, consolidated national vulnerability, could be the image to start the chapter. At this point, it will be important to cross-check information on the general vulnerability of the regulated sectors (figure 44) and the vulnerability in the national Ability to Prevent and combat ML/TF (figure 45):

3.1. Ability to Prevent and Combat ML/TF: using figure 28 to explain the construction process of the vulnerability analysis, the logic inherent to the pillars (item 2.5.1) should be detailed here, as well as the assessment by questions and subjects (figure 31);

3.1.1. Pillars: like figure 39, sub-topics **per pillar** are suggested to explain the construction of the assessment in question, going through participating bodies, questions, main subjects evaluated and the results found (topic 2.5.3 and figures 36 and 37). The pillars: a) Supervision - National Financial System and APNFDs, b) Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction can be detailed in the structure

now proposed in topics 3.2 and 4, respectively;

3.2. Vulnerability of Regulated Sectors: details of the process and main results based on figure 24. Here, the main vulnerabilities found and prioritized can already be listed;

3.2.1. Bank Sector: Description of the sector in the country and impact on the economic sector (if possible);

3.2.1.1. Analysis of Sectorial Vulnerability: as described in item 2.4.7, the main risk events or the risk assessment by product or segment may be listed in this topic;

3.2.1.2. Control mechanisms: the pillar Supervision - National Financial System and main control mechanisms should be detailed here. It is important to emphasize that this will be the time to highlight not only vulnerabilities, but control instruments in ways that impact this market (for example, the National Strategy and Policy for the Prevention and Combat against ML/TF) pillar. The same should be done in items 3.2.2 (Securities), 3.2.3 (Insurance and Pension Plans) and 3.2.4 (APNFDs);

3.2.2. Securities sector: same structure as the banking sector

3.2.2.1. Sectorial Vulnerability Analysis: same structure as the banking sector;

3.2.2.2. Control mechanism: same structure as the banking sector

3.2.3. Insurance and Pension Plans: the same structure as the banking sector;

3.2.3.1. Sectorial Vulnerability Analysis: same structure as the banking sector;

3.2.3.2. Control mechanism: same structure as the banking sector

3.2.4. DNFBP Sector: in this chapter, NRAWG may follow the structure previously described or create a topic for each market regulated by risk ranking, as shown in figure 22. Adhering to this second option, a description of that market and its impact on the economy (if possible);

3.2.4.1. Sectorial Vulnerability Analysis: analysis of the vulnerability of the main products and activities that are part of the DNFBP Sector in question, already with some indication of recommendation;

3.2.4.2. Control mechanism: main controls implemented, focus on the assessment of the “APNFDs Supervision” Pillars and, when applicable, “National Strategy and Policy for Preventing and Combating ML/TF”;

4. Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction: delimitation of the problem from the national perspective and a brief report on the construction of the analyzes;

4.1. Threats: main threats, presented in a prioritized manner, their main forms of action and financing. Some public case may also be presented, if any;

4.2. Vulnerabilities: analysis of the pillars Financing of Terrorism and Financing of Proliferation of weapons of mass destruction, highlighting the main control mechanisms and referencing the other pillars that touch the subject;

5. Annexes: it is suggested to evaluate the inclusion of documents that can be advertised: Typologies, Complete Threat Ranking, Vulnerability Report, etc.

Annex – Relevant Legislation

ORDINANCE No. 1.258, OF JANUARY 15, 2020

THE CHAIRMAN OF THE FINANCIAL ACTIVITY CONTROL COUNCIL - COAF, in the use of the powers conferred on him by items II and V of article 9 of the Coaf Statute, approved by Decree No. 9.663, of January 1, 2019, and items IV and VIII of article 6 of its Internal Regulation, approved by Ordinance No. 330, of December 18, 1998, of the Minister of State for Finance, acting, both with validity maintained in the form of article 9 of Law No. 13.901, of November 11, 2019, and in view of the provisions of article 3 of Law No. 13.974, of January 7, 2020, in articles 2 and 6 of Law 13.260, of March 16 2016, in articles 11, items I and II, and 15 of Law No. 9.613, of March 3, 1998, in article 18 of the International Convention for the Suppression of the Financing of Terrorism, promulgated in Brazil by Decree No. 5.640, of December 26, 2005, and in the Recommendations of the Financial Action Group (FATF), combined with Resolutions 2462 (2019), of March 28 of 2019, 2129 (2013), of December 17, 2013, and 1617 (2005), of July 29, 2005, edited by the United Nations Security Council (UNSC) under the terms of Chapter VII of the United Nations Charter, as well with articles 6 to 8 of Law No. 13.810, of March 8, 2019, and articles 48 and 49 of the United Nations Charter, promulgated in Brazil by Decree nº 19.841, of October 22, 1945, resolves:

Article 1 A Special Team is hereby established with the purpose of concentrating efforts to complete the development of formal proposals for methodology and work plan to be employed by the Financial Activities Control Council - Coaf in the process of preparing a national money laundering risk assessment, Financing of Terrorism and financing of proliferation of weapons of mass destruction (ML/TF), as well as to continue the corresponding activities.

Article 2 The Special Team is responsible for:

I - completing the development of a formal methodology proposal for the preparation of a national ML/TF risk assessment, containing a model for surveying threats and corresponding vulnerabilities, including the preparation of documentary and technological instruments to be used in related works;

II - completing the development of a work plan for the mapping of ML / FT risks;

III - defining glossary for uniform application of the national ML/TF risk assessment methodology;

IV - continuing activities aimed at preparing the national risk assessment, including with regard to the related dialogue with national, foreign and international bodies and entities, in articulation, when relevant, with components of Coaf's organizational structure; and

V – submitting the final report of its work for the approval of the President of Coaf, contemplating formal proposals of the methodology and the work plan referred to in the article 1, as well as information on the stage reached in the performance of the competence provided for in item IV.

Article 3 The following servers are designated to integrate the Special Team:

I - of the General Coordination of Institutional Articulation - Coari:

a) Giovanne de Mattos Bicalho;

b) Júlio dos Santos Rodrigues;

II - of the General Coordination of Financial Intelligence - Coinf:

a) Henrique Lopes Eglem de Oliveira;

b) Leonardo Ribeiro da Silva Terra;

III - of the General Coordination for Monitoring and Risk - Comor:

a) Ricardo de Oliveira Nemetala; e

IV - of the General Coordination of Inspection and Regulation - Cofir:

a) André Francisco Umbelino de Souza Morbeck.

Sole paragraph. The supervision of the work of the Special Team will be exercised by the Executive Secretary of Coaf.

Article 4 The members of the Special Team will obey the regime of exclusive dedication, with face-to-face meetings, on working days, on the premises of Coaf, according to the schedule established by the Executive Secretary.

Paragraph 1 The meetings of the Special Team in which it is necessary to sign a resolution on the conduct of its own activities will be held with the presence of at least three members, whose decisions will be consensual, and the Executive Secretary will be responsible for resolving any divergences.

Paragraph 2 In order to ensure compliance with the exclusive dedication regime referred to in the caput, the General Coordinations listed in article 3 are authorized to reorganize their work routines, with the internal redistribution of the activities committed to the server designated to compose the Special Team.

Article 5 The components of the organizational structure of Coaf will provide the support and information necessary for the development of the activities provided for in article 2º.

Article 6 The Special Team may, in the performance of the competence provided for in item II of article 3 of Law 13.974, of January 7, 2020, request the cooperation of bodies and entities that have a connection with the matter under their responsibility.

Article 7 The Special Team must present a final report, with detailed formal proposals for the methodology and work plan referred to in article 1, within forty-five (45) days from the date of publication of this Ordinance.

Sole paragraph. The term referred to in the caput may be extended, by means of a specific act, in which it will be necessary to define the regime of dedication to be observed by the members of the Special Team to their activities during the extension period.

Article 8 The activities of the Special Team will be carried out without prejudice to the eventual hiring of consultancy or technical assistance from a public or private entity or from an international body in matters related to the national risk assessment of ML/TF, in which case the Special Team will be responsible for maintaining a dialogue with the contracted institution, including

for the purpose of adapting the proposed methodology and work plan under its responsibility.

Article 9 The Special Team will be automatically dissolved and extinguished with the approval, by the President of Coaf, of the final report referred to in article 7.

Article 10. Participation in the Special Team will be considered relevant, unpaid public service provision.

Article 11. This Ordinance takes effect on the date of its publication.

RICARDO LIÁO

DECREE No. 10.270, OF MARCH 6, 2020

Establishes the National Money Laundering, Financing of Terrorism and Weapons of Mass Destruction Proliferation Financing Risk Assessment.

THE PRESIDENT OF THE REPUBLIC, using the powers conferred on him by article 84, **caput**, item VI, item “a”, of the Constitution,

DECREES:

Article 1 The Working Group on the National Assessment of Risks of Money Laundering, Financing of Terrorism and Weapons of Mass Destruction Proliferation Financing is hereby established, with the objective of periodically diagnosing to identify, assess and understand these risks in the country, in order to subsidize the actions of competent bodies and entities for the adoption of prevention and combat measures related to the referred matters.

Single paragraph. The diagnosis referred to in the **caput** will be consolidated in a document called National Assessment of Risks of Money Laundering, Financing of Terrorism and Weapons of Mass Destruction Proliferation Financing.

Article 2 The Working Group will be composed of the following representatives:

I - two from the Financial Activities Control Council - Coaf, of which one will be the coordinator;

II - two from the Ministry of Justice and Public Security; and

III - two from the Central Bank of Brazil.

Paragraph 1 Each member of the Working Group will have an alternate, who will replace him in his absences and impediments.

Paragraph 2 The members of the Working Group and their alternates will be appointed by the members of the bodies they represent and appointed by the President of the Central Bank of Brazil.

Paragraph The coordinator of the Working Group will be appointed by the President of Coaf from among the representatives referred to in item I of the **caput**.

Paragraph 4 The Working Group may invite representatives of other public or private bodies and entities to contribute to the performance of its work and to participate in its meetings, without the right to vote.

Paragraph 5 The bodies and entities of the federal public administration directly or indirectly involved with the matters within the competence of the Working Group will provide the support and information necessary to carry out the activities of the Working Group.

Paragraph 6 The Executive Secretariat of the Working Group will be exercised by Coaf.

Article 3 The Working Group is responsible for:

I - defining the periodicity and methodology of the diagnosis referred to in art. 1st, plan and carry out the appropriate activities for the elaboration and updating of the diagnosis, including coordination and articulation with public or private bodies and entities;

II - preparing the National Risk Assessment of Money Laundering, Financing of Terrorism and Weapons of Mass Destruction Proliferation Financing for each diagnosis periodically carried out;

III - establishing criteria for the disclosure of information related to the diagnosis referred to in art. 1, according to the guidelines of the members of the bodies represented in the Working Group, observing the guidelines issued by the respective legal advisory bodies regarding the legal rules on confidentiality and access restriction;

IV - promoting the examination, discussion and adoption of measures for the treatment of risks verified in the diagnosis referred to in article 1 by the relevant authorities and by public or private bodies and entities;

V - developing mechanisms for assessing the effectiveness of the diagnosis referred to in article 1 and measures adopted to address the risks identified therein and to monitor the results obtained;

VI - articulating, nationally or internationally, with any public or private bodies and entities to request the provision of information or other types of collaboration useful for the performance of their competences and specify the forms and deadlines for assistance when applicable; and

VII - acting as an advisory body on interinstitutional matters related to matters within its competence.

Article 4 The Working Group will meet on an ordinary basis, at least, on a quarterly basis, and on an extraordinary basis whenever called by its coordinator or by a third of its members.

Paragraph 1 The working group meeting quorum is by an absolute majority of the members and the approval quorum is by a simple majority.

Paragraph 2 In addition to the ordinary vote, the coordinator of the Working Group will have the casting vote in the event of a tie.

Paragraph 3 The members of the Working Group will meet in person, with participation permitted through videoconference, teleconference or other electronic means deemed appropriate by the coordinator.

Paragraph 4 It is forbidden to disclose the discussions in progress at ordinary and

extraordinary meetings of the Working Group without the prior consent of its coordinator, subject to the provisions of item III of the caput of article 3.

Article 5 The participation in the Working Group will be considered relevant public service provision, unpaid.

Article 6 The Working Group may issue complementary rules to comply with the provisions of this Decree.

Article 7 The first National Assessment of Risks of Money Laundering, Financing of Terrorism and Weapons of Mass Destruction Proliferation Financing will be prepared within one year, counting from the date of the installation of the Working Group.

Article 8 This Decree enters into force on the date of its publication.

Brasilia, March 6, 2020; 199th of Independence and 132nd of the Republic.

JAIR MESSIAS BOLSONARO

Luiz Pontel de Souza

Roberto de Oliveira Campos Neto

ORDINANCE No. 107.560, OF MAY 20, 2020

Appoints the members of the National Money Laundering Risk, Financing of Terrorism and Weapons of Mass Destruction Proliferation Financing Working Group created by Decree No. 10,270, of March 6, 2020.

The President of the Central Bank of Brazil, in the exercise of the powers conferred on him by article 2, Paragraph 2, of Decree No. 10.270, of March 6, 2020, in view of the indications made by the holders of the Ministry of Justice and Public Security and of the Financial Activities Control Council (Coaf), **resolves**:

Article 1 The Working Group on the National Assessment of Risks of Money Laundering, Financing of Terrorism and Weapons of Mass Destruction Proliferation Financing will be composed of the following members and alternates, as indicated by the members of their original bodies:

I - representatives of the Financial Activities Control Council (Coaf):

- a) Bernardo Antonio Machado Mota, Principal, and Giovanne de Mattos Bicalho, Substitute;
- b) Júlio dos Santos Rodrigues, Principal, and André Francisco Umbelino de Souza Morbeck, Substitute;

II - representatives of the Ministry of Justice and Public Security:

- a) Marconi Costa Melo, Principal, and Juliana da Silva Nogueira, Substitute;
- b) Edson Fabio Garutti Moreira, Principal, and Maria Beatriz Pereira dos Santos Amaro, Substitute;

III - representatives of the Central Bank of Brazil:

- a) Juliana Petribú Gorenstein, Principal, and Úrsula Brandão Faria Valdetaro, Substitute;
- b) Antônio Juan Ferreiro Cunha, Principal, and Marcelo Hiramatsu Azevedo, Substitute.

Single paragraph. The coordinator of the Working Group will be appointed by the President of Coaf from among the representatives referred to in item I of the caput.

Article 2 This Ordinance takes effect on the date of its publication.