



PAKISTAN STOCK BROKERS ASSOCIATION

(A company setup under section 42 of the Companies Act 2017)

Regd Office: Mezzanine Floor, Trading Hall, Stock Exchange Building, Stock Exchange Road,
Off I.I Chundrigar Road, Karachi.

Tel: 021-32401278, E-mail: secretariat@psba.pk, Web: www.psba.pk, Fax: 021-32401279

PSBA/Notice-187

November 11, 2024

NOTICE FOR MEMBERS

PUBLIC CONSULTATION ON AML/CFT AND FINANCIAL INCLUSION-PROPOSED CHANGES TO FATF STANDARDS

Dear Members,

This is in reference to the consultation paper dated November 11, 2024 (attached), whereby the SECP has invited the comments:

In this regard, the members are hereby requested to kindly submit your comments, if any, at psamail024@gmail.com latest by **November 22, 2024**, so that a consolidated response can be forwarded to the authorities for their consideration.

_____sd_____
AKBER ALI
Officer - Secretariat

Copy to:

1. PSBA Website

Public Consultation on AML/CFT and Financial Inclusion – proposed changes to FATF Standards

The Financial Action Task Force (FATF) is considering revisions to the FATF Recommendations in order to better align them with measures to promote financial inclusion. This is part of FATF's programme of work to address the unintended consequences of AML/CFT measures. FATF is inviting views and comments on the proposed changes from interested stakeholders.

The revisions focus on Recommendation 1 and its Interpretive Note, with corresponding changes to Recommendations 10 and 15 and related Glossary definitions. These proposed revisions aim to better promote financial inclusion through increased focus on proportionality and simplified measures in the risk-based approach, and to give countries, supervisors, and financial institutions greater confidence and assurance when implementing of simplified measures.

The FATF would particularly welcome views on the following issues:

- FATF is considering the replacement of the term “*commensurate*” with “*proportionate*” in Recommendation 1, in order to clarify how these concepts should be applied in the context of a risk-based approach; to set clearer expectations with regard to simplified measures; and to align the FATF's language more closely with that of financial inclusion stakeholders and frameworks. For these purposes, the term “*proportionate*” is defined as follows: “*In the context of the risk-based approach adopted by the FATF Recommendations, a proportionate or commensurate measure or action is one that appropriately corresponds to the level of identified risk and effectively mitigates the risks*”. FATF would welcome views on whether to proceed with this change and on the proposed definition.
- FATF is considering amendments to require supervisors to “*review and take into account the risk mitigation measures undertaken by financial institutions/DNFBPs*”, to avoid overcompliance resulting from an only partial understanding of the risks, and also to consider proportionality in the engagements with them. FATF would welcome views on the potential impact of this change.
- On adoption of simplified measures in lower risk situations, FATF proposes to replace “*countries may decide to allow simplified measures*” with “*countries should allow and encourage simplified measures*”. This would place an explicit requirement on countries to be more active in creating an enabling environment for implementation of simplified measures;
- On “*non-face-to-face customer-identification and transactions*” as an example of potentially higher-risk situations, addition of qualification (“*unless appropriate risk mitigation measures have been implemented*”) to reflect technological advancements in digital identity systems that may reduce the risks associated with non-face-to-face interactions, and recognise that in many countries this has become the normal mode of interaction with financial institutions.

Please provide your response, including any drafting proposals to FATF.Publicconsultation@fatf-gafi.org with the subject-line “Comments of [author] on the proposed revisions to R.1/INR.1/INR.10/INR.15”, by **6 December 2024 (18h00 CET)**.

While submitting your response, please indicate the name of your organisation, the nature of your activity, and your contact details. Please note that all submissions received during public consultation will be shared with FATF delegations. At this stage, the FATF has not approved the draft revisions to R.1/INR.1/INR.10/INR.15 and will consider the feedback received in public consultation for finalising the revisions.

You may insert any specific drafting proposals directly in the attached text of the draft **in tracked changes**. We will use your contact information only for the purpose of this public consultation and for further engagement with you on this issue.

The draft text is available [here](#).

We thank you for your input in advance.

Annex A. Proposed Revisions to R.1/INR.1 and Consequential Amendments to INR. 10 and INR. 15

Amendments to existing standards are highlighted in red and deletions in ~~strikethrough~~.

INTRODUCTION

Paragraphs 1 to 4 (No change proposed)

The FATF Standards have also been revised to strengthen the requirements for higher risk situations, and to allow countries to take a more focused approach in areas where high risks remain or implementation could be enhanced. Countries should first identify, assess and understand the risks of money laundering and terrorist finance that they face, and then adopt appropriate measures to mitigate the risk. The risk-based approach allows countries, within the framework of the FATF requirements, to adopt a more flexible set of measures, in order to target their resources more effectively and apply preventive measures that are **proportionate** ~~eommensurate~~ to the nature of risks, in order to focus their efforts in the most effective way.

Paragraphs 6 to 10 (No change proposed)

THE FATF RECOMMENDATIONS

A. AML/CFT POLICIES AND COORDINATION

1. Assessing risks and applying a risk-based approach *

Countries should identify, assess, and understand the money laundering and terrorist financing risks for the country, and should take action, including designating an authority or mechanism to coordinate actions to assess risks, and apply resources, aimed at ensuring the risks are mitigated effectively. Based on that assessment, countries should apply a risk-based approach (RBA) to ensure that measures to prevent or mitigate money laundering and terrorist financing are **proportionate to** ~~eommensurate with~~ the risks identified. This approach should be an essential foundation to efficient allocation of resources across the anti-money laundering and countering the financing of terrorism (AML/CFT) regime and the implementation of risk-based measures throughout the FATF Recommendations. Where countries identify higher risks, they should ensure that their AML/CFT regime adequately addresses such risks. Where countries identify lower risks, they ~~should allow and encourage may decide to allow~~ simplified measures **as appropriate for some of the FATF Recommendations under certain conditions**.

Countries should also identify, assess, and understand the proliferation financing risks for the country. In the context of Recommendation 1, “proliferation financing risk” refers strictly and only to the potential breach, non-implementation or evasion of the targeted financial sanctions obligations referred to in Recommendation 7. Countries should take **proportionate** ~~eommensurate~~ action aimed at ensuring that these risks are

mitigated effectively, including designating an authority or mechanism to coordinate actions to assess risks, and allocate resources efficiently for this purpose. Where countries identify higher risks, they should ensure that they adequately address such risks. Where countries identify lower risks, they should ensure that the measures applied are **proportionate to ~~commensurate with~~** the level of proliferation financing risk, while still ensuring full implementation of the targeted financial sanctions as required in Recommendation 7.

Countries should require financial institutions and designated non-financial businesses and professions (DNFBPs) to identify, assess and take effective **and risk-based** action to mitigate their money laundering, terrorist financing and proliferation financing risks.

INTERPRETIVE NOTES TO THE FATF RECOMMENDATIONS

INTERPRETIVE NOTE TO RECOMMENDATION 1 (ASSESSING ML/TF RISKS AND APPLYING A RISK-BASED APPROACH)

1. The risk-based approach (RBA) is an effective way to combat money laundering and terrorist financing. In determining how the RBA should be implemented in a sector, countries should consider the capacity and anti-money laundering/countering the financing of terrorism (AML/CFT) experience of the relevant sector. Countries should understand that the discretion afforded, and responsibility imposed on, financial institutions and designated non-financial businesses and professions (DNFBPs) by the RBA is more appropriate in sectors with greater AML/CFT capacity and experience. This should not exempt financial institutions and DNFBPs from the requirement to apply enhanced measures when they identify higher risk scenarios. By adopting a risk-based approach, competent authorities, financial institutions and DNFBPs should be able to ensure that measures to prevent or mitigate money laundering and terrorist financing are **proportionate to commensurate with** the risks identified, and would enable them to make decisions on how to allocate their own resources in the most effective way.

2. In implementing a RBA, financial institutions and DNFBPs should have in place processes to identify, assess, monitor, manage and mitigate money laundering and terrorist financing risks. The general principle of a RBA is that, where there are higher risks, countries should require financial institutions and DNFBPs to take enhanced measures to manage and mitigate those risks; and that, correspondingly, where the risks are lower, **countries should allow and encourage¹ financial institutions and DNFBPs to take simplified measures—may be permitted. Countries should identify areas of lower risk, for example, through their national or sub-national risk assessments, to support financial institutions and DNFBPs to apply measures proportionate to those risks. Countries should provide guidance or information to financial institutions and DNFBPs on the possible approaches for the implementation of simplified measures where the risks are lower. However, sSimplified measures should not be permitted whenever there is a suspicion of money laundering or terrorist financing. Specific Recommendations set out more precisely how this general principle applies to particular requirements. Countries may also, in ~~strictly~~ limited circumstances and where there is **an assessed proven** low risk of money laundering and terrorist financing, decide not to apply certain Recommendations to a particular type of financial institution or activity, or DNFBP (see below). Equally, if countries determine through their risk assessments that there are types of institutions, activities, businesses or professions that are at risk of abuse from money laundering and terrorist financing, and which do not fall under the definition of financial institution or DNFBP, they should consider applying AML/CFT requirements to such sectors.**

ASSESSING PROLIFERATION FINANCING RISKS AND APPLYING RISK-BASED MEASURES

3. In the context of Recommendation 1, “proliferation financing risk” refers strictly and only to the potential breach, non-implementation or evasion of the targeted financial sanctions obligations referred to in Recommendation 7.² These obligations set out in

¹ For example, encouragement can take the form of guidance issued by the government, supervisor or other competent authority to improve understanding of the circumstances when simplified measures may be appropriate and what form they may take, or outreach or other forms of engagement with financial institutions and DNFBPs.

² Paragraphs 1 and 2 of the Interpretive Note to Recommendation 7, and the related footnotes, set out the scope of Recommendation 7 obligations; including that it is limited to targeted financial sanctions and does not cover other requirements of the UNSCRs. The requirements of the FATF

Recommendation 7 place strict requirements on all natural and legal persons, which are not risk-based. In the context of proliferation financing risk, risk-based measures by financial institutions and DNFBBs seek to reinforce and complement the full implementation of the strict requirements of Recommendation 7, by detecting and preventing the non-implementation, potential breach, or evasion of targeted financial sanctions. In determining the measures to mitigate proliferation financing risks in a sector, countries should consider the proliferation financing risks associated with the relevant sector. By adopting risk-based measures, competent authorities, financial institutions and DNFBBs should be able to ensure that these measures are **proportionate to ~~eommensurate with~~** the risks identified, and that would enable them to make decisions on how to allocate their own resources in the most effective way.

4. Financial institutions and DNFBBs should have in place processes to identify, assess, monitor, manage and mitigate proliferation financing risks.³ This may be done within the framework of their existing targeted financial sanctions and/or compliance programmes. Countries should ensure full implementation of Recommendation 7 in any risk scenario. Where there are higher risks, countries should require financial institutions and DNFBBs to take **proportionate ~~eommensurate~~** measures to manage and mitigate the risks. Where the risks are lower, they should ensure that the measures applied are **proportionate to ~~eommensurate with~~** the level of risk, while still ensuring full implementation of the targeted financial sanctions as required by Recommendation 7.

A. Obligations and decisions for countries

ML/TF risks

5. **Assessing ML/TF risks** - Countries⁴ should take appropriate steps to identify and assess the money laundering and terrorist financing risks for the country, on an ongoing basis and in order to: (i) inform potential changes to the country's AML/CFT regime, including changes to laws, regulations and other measures; (ii) assist in the allocation and prioritisation of AML/CFT resources **proportionate to the ML/TF risks** by competent authorities; and (iii) make information available for AML/CFT risk assessments conducted by financial institutions and DNFBBs. Countries should keep the assessments up-to-date, and should have mechanisms to provide appropriate information on the results to all relevant competent authorities and self-regulatory bodies (SRBs), financial institutions and DNFBBs.

6. **Higher risk** – Where countries identify higher risks, they should ensure that their AML/CFT regime addresses these higher risks, and, without prejudice to any other measures taken by countries to mitigate these higher risks, either prescribe that financial institutions and DNFBBs take enhanced measures to manage and mitigate the risks, or ensure that this information is incorporated into risk assessments carried out by financial institutions and DNFBBs, in order to manage and mitigate risks appropriately. Where the FATF Recommendations identify higher risk activities for which enhanced or specific measures are required, all such measures must be applied, although the extent of such measures may vary according to the specific level of risk.

Standards relating to proliferation financing are limited to Recommendations 1, 2, 7 and 15 only. The requirements under Recommendation 1 for PF risk assessment and mitigation, therefore, do not expand the scope of other requirements under other Recommendations.

3 Countries may decide to exempt a particular type of financial institution or DNFBB from the requirements to identify, assess, monitor, manage and mitigate proliferation financing risks, provided there is a **assessed ~~proven~~** low risk of proliferation financing relating to such financial institutions or DNFBBs. However, full implementation of the targeted financial sanctions as required by Recommendation 7 is mandatory in all cases.

4 Where appropriate, AML/CFT risk assessments at a supra-national level should be taken into account when considering whether this obligation is satisfied.

7. **Lower risk** – Countries ~~should allow and encourage the use of~~ ~~may decide to allow~~ simplified measures by financial institutions and DNFBPs for ~~some of the~~ FATF Recommendations requiring financial institutions or DNFBPs to take ~~risk-based~~ ~~certain~~ actions, provided that a lower risk has been identified, and this is consistent with the country’s assessment of its money laundering and terrorist financing risks, as referred to in paragraph 53.

Independent of any decision ~~by a country~~ to specify certain lower risk categories in line with the ~~previous paragraph~~ ~~first part of paragraph 7~~, countries ~~should allow and encourage~~ ~~may also allow~~ financial institutions and DNFBPs to apply simplified ~~customer due diligence (CDD)~~ measures, ~~subject to~~ ~~provided that~~ the requirements set out in section B below (“Obligations and decisions for financial institutions and DNFBPs”), and in paragraph 97 below; ~~are met~~.

8. **Exemptions** – Countries may decide not to apply some of the FATF Recommendations requiring financial institutions or DNFBPs to take certain actions, provided:

- a) there is an ~~assessed~~ ~~proven~~ low risk of money laundering and terrorist financing; ~~this the exemption~~ occurs in ~~strictly~~ limited and justified circumstances; and it relates to a particular type of financial institution or activity, or DNFBP; or
- b) a financial activity (other than the transferring of money or value) is carried out by a natural or legal person on an occasional or very limited basis (having regard to quantitative and absolute criteria), such that there is low risk of money laundering and terrorist financing.

While the information gathered may vary according to the level of risk, the requirements of Recommendation 11 to retain information should apply to whatever information is gathered.

9. **Supervision and monitoring of risk** – Supervisors (or SRBs for relevant DNFBPs sectors) should ensure that financial institutions and DNFBPs are effectively ~~and proportionately~~ implementing the obligations set out below. When carrying out this function, supervisors and SRBs should, as and when required in accordance with the Interpretive Notes to Recommendations 26 and 28, review the money laundering and terrorist financing risk profiles, ~~and~~ risk assessments ~~and risk mitigation measures undertaken~~ ~~prepared~~ by financial institutions and DNFBPs, and take the result of this review into consideration.

PF risk

10. **Assessing PF risk** – Countries⁵ should take appropriate steps to identify and assess the proliferation financing risks for the country, on an ongoing basis and in order to: (i) inform potential changes to the country’s CPF regime, including changes to laws, regulations and other measures; (ii) assist in the allocation and prioritisation of CPF resources by competent authorities; and (iii) make information available for PF risk assessments conducted by financial institutions and DNFBPs. Countries should keep the assessments up-to-date, and should have mechanisms to provide appropriate information on the results to all relevant competent authorities and SRBs, financial institutions and DNFBPs.

11. **Mitigating PF risk** – Countries should take appropriate steps to manage and mitigate the proliferation financing risks that they identify. Countries should develop an understanding of the means of potential breaches, evasion and non-implementation of targeted financial sanctions present in their countries that can be shared within and across competent authorities and with the private sector. Countries should ensure that

⁵ Where appropriate, PF risk assessments at a supra-national level should be taken into account when considering whether this obligation is satisfied.

financial institutions and DNFBPs take steps to identify circumstances, which may present higher risks and ensure that their CPF regime addresses these risks. Countries should ensure full implementation of Recommendation 7 in any risk scenario. Where there are higher risks, countries should require financial institutions and DNFBPs to take **proportionate** ~~commensurate~~ measures to manage and mitigate these risks. Correspondingly, where the risks are lower, they should ensure that the measures applied are **proportionate to** ~~commensurate with~~ the level of risk, while still ensuring full implementation of the targeted financial sanctions as required by Recommendation 7.

B. Obligations and decisions for financial institutions and DNFBPs

ML/TF risks

12. **Assessing MF/TF risks** – Financial institutions and DNFBPs should be required to take appropriate steps to identify and assess their money laundering and terrorist financing risks (for customers, countries or geographic areas; and products, services, transactions or delivery channels). They should document those assessments in order to be able to demonstrate their basis, keep these assessments up to date, and have appropriate mechanisms to provide risk assessment information to competent authorities and SRBs. The nature and extent of any assessment of money laundering and terrorist financing risks should be appropriate **and proportionate** to the nature and size of the business. Financial institutions and DNFBPs should always understand their money laundering and terrorist financing risks, but competent authorities or SRBs may determine that individual documented risk assessments are not required, if the specific risks inherent to the sector are clearly identified and understood.

13. **Risk management and mitigation** – Financial institutions and DNFBPs should be required to have policies, controls and procedures that enable them to manage and mitigate effectively the risks that have been identified (either by the country or by the financial institution or DNFBP). They should be required to monitor the implementation of those **policies, controls and procedures, and apply enhanced or simplified measures in line with the risks to enhance them, if necessary**. The policies, controls and procedures should be approved by senior management, and the measures taken to manage and mitigate the risks (whether higher or lower) should be **proportionate to the risks as identified and** consistent with national requirements and with guidance from competent authorities and SRBs.

14. **Higher risk** – Where higher risks are identified, financial institutions and DNFBPs should be required to take enhanced measures to manage and mitigate the risks.

15. **Lower risk** – Where lower risks are identified, ~~countries may allow~~ financial institutions and DNFBPs **should be allowed and encouraged** to take simplified measures to manage and mitigate those risks.

16. When assessing risk, financial institutions and DNFBPs should consider all the relevant risk factors before determining what is the level of overall risk and the appropriate level of mitigation to be applied. Financial institutions and DNFBPs **may differentiate should consider differentiating** the extent of measures, depending on the type and level of risk for the various risk factors (e.g. in a particular situation, they could apply normal **customer due diligence (CDD)** for customer acceptance measures, but **simplified or enhanced CDD** for ongoing monitoring, or vice versa) **to effectively and proportionately mitigate the risk**.

PF risk

17. **Assessing PF risk** – Financial institutions and DNFBPs should be required to take appropriate steps, to identify and assess their proliferation financing risks. This may be done within the framework of their existing targeted financial sanctions and/or compliance programmes. They should document those assessments in order to be able to demonstrate their basis, keep these assessments up to date, and have appropriate mechanisms to provide risk assessment information to competent authorities and SRBs. The nature and extent of any assessment of proliferation financing risks should be appropriate to the nature and size of the business. Financial institutions and DNFBPs should always understand their proliferation financing risks, but competent authorities or SRBs may determine that individual documented risk assessments are not required, if the specific risks inherent to the sector are clearly identified and understood.

18. **Mitigating PF risk** – Financial institutions and DNFBPs should have policies, controls and procedures to manage and mitigate effectively the risks that have been identified. This may be done within the framework of their existing targeted financial sanctions and/or compliance programmes. They should be required to monitor the implementation of those controls and to enhance them, if necessary. The policies, controls and procedures should be approved by senior management, and the measures taken to manage and mitigate the risks (whether higher or lower) should be consistent with national requirements and with guidance from competent authorities and SRBs. Countries should ensure full implementation of Recommendation 7 in any risk scenario. Where there are higher risks, countries should require financial institutions and DNFBPs to take **proportionate** ~~eommensurate~~ measures to manage and mitigate the risks (i.e. introducing enhanced controls aimed at detecting possible breaches, non-implementation or evasion of targeted financial sanctions under Recommendation 7). Correspondingly, where the risks are lower, they should ensure that those measures are **proportionate to** ~~eommensurate-with~~ the level of risk, while still ensuring full implementation of the targeted financial sanctions as required by Recommendation 7.

Glossary of specific terms used in this Recommendation

Proportionate	In the context of the risk-based approach adopted by the FATF Recommendations, a proportionate or commensurate measure or action is one that appropriately corresponds to the level of identified risk and effectively mitigates the risks.
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INTERPRETIVE NOTE TO RECOMMENDATION 10 (CUSTOMER DUE DILIGENCE)

Paragraphs 1 to 13 (No change proposed)

H. RISK BASED APPROACH⁶

14. The examples below are not mandatory elements of the FATF Standards, and are included for guidance only. The examples are not intended to be comprehensive, and although they are considered to be helpful indicators, they may not be relevant in all circumstances.

Higher risks

15. There are circumstances where the risk of money laundering or terrorist financing is higher, and enhanced CDD measures have to be taken. When assessing the money laundering and terrorist financing risks relating to types of customers, countries or geographic areas, and particular products, services, transactions or delivery channels, examples of potentially higher-risk situations (in addition to those set out in Recommendations 12 to 16) include the following:

- a) Customer risk factors:
 - The business relationship is conducted in unusual circumstances (e.g. significant unexplained geographic distance between the financial institution and the customer).
 - Non-resident customers.
 - Legal persons or arrangements that are personal asset-holding vehicles.
 - Companies that have nominee shareholders or shares in bearer form.
 - Business that are cash-intensive.
 - The ownership structure of the company appears unusual or excessively complex given the nature of the company's business.
- b) Country or geographic risk factors:⁷
 - Countries identified by credible sources, such as mutual evaluation or detailed assessment reports or published follow-up reports, as not having adequate AML/CFT systems.
 - Countries subject to sanctions, embargos or similar measures issued by, for example, the United Nations.
 - Countries identified by credible sources as having significant levels of corruption or other criminal activity.
 - Countries or geographic areas identified by credible sources as providing funding or support for terrorist activities, or that have designated terrorist organisations operating within their country.
- c) Product, service, transaction or delivery channel risk factors:

⁶ The RBA does not apply to the circumstances when CDD should be required but may be used to determine the extent of such measures.

⁷ Under Recommendation 19 it is mandatory for countries to require financial institutions to apply enhanced due diligence when the FATF calls for such measures to be introduced.

- Private banking.
- Anonymous transactions (which may include cash).
- Non-face-to-face business relationships or transactions **unless appropriate risk mitigation measures have been implemented**
- Payment received from unknown or un-associated third parties

Lower risks

16. There are circumstances where the risk of money laundering or terrorist financing may be lower. In such circumstances, and provided there has been an adequate analysis of the risk by the country or by the financial institution, **the country should allow and encourage⁸ ~~it could be reasonable for a country to allow~~** its financial institutions to apply simplified CDD measures.

Paragraphs 17-20 (No change proposed)

Simplified CDD measures

21. Where the risks of money laundering or terrorist financing are lower, financial institutions **should be allowed and encouraged ~~could be allowed~~ to implement ~~conduct~~** simplified CDD measures, which should take into account the nature of the lower risk. The simplified measures should be **proportionate to ~~commensurate with~~** the lower risk factors (e.g. the simplified measures could relate **only** to customer acceptance measures, aspects of ongoing monitoring, **or both**). Examples of possible measures are:

- Verifying the identity of the customer and the beneficial owner after the establishment of the business relationship (e.g. if account transactions rise above a defined monetary threshold).
- Reducing the frequency of customer identification updates.
- Reducing the degree of on-going monitoring and scrutinising transactions, based on a reasonable monetary threshold.
- Not collecting specific information or carrying out specific measures to understand the purpose and intended nature of the business relationship, but inferring the purpose and nature from the type of transactions or business relationship established.

Simplified CDD measures are not acceptable whenever there is a suspicion of money laundering or terrorist financing, or where specific higher-risk scenarios apply.

Paragraphs 22-23 (No change proposed)

⁸ For example, encouragement can take the form of guidance issued by the government, supervisor or other competent authority to improve understanding of the circumstances when simplified measures may be appropriate and what form they may take, or outreach or other forms of engagement with financial institutions and DNFBPs.

Interpretive Note to Recommendation 15 (NEW TECHNOLOGIES)

Paragraph 1 (No change proposed)

2. In accordance with Recommendation 1, countries should identify, assess, and understand the money laundering, terrorist financing and proliferation financing risks⁹ emerging from virtual asset activities and the activities or operations of VASPs. Based on that assessment, countries should apply a risk-based approach to ensure that measures to prevent or mitigate money laundering and terrorist financing are **proportionate to ~~commensurate with~~** the risks identified. Countries should take appropriate steps to manage and mitigate the proliferation financing risks that they identify. Countries should require VASPs to identify, assess, and take effective action to mitigate their money laundering, terrorist financing and proliferation financing risks.

Paragraphs 3-8 (No change proposed)

GLOSSARY

Reasonable measures	The term Reasonable Measures means: appropriate measures which are proportionate to commensurate with the money laundering or terrorist financing risks.
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⁹ “Proliferation financing risk” refers strictly and only to the potential breach, non-implementation or evasion of the targeted financial sanctions obligations referred to in Recommendation 7.