THE USE OF FINANCIAL INTELLIGENCE IN PREVENTING AND COMBATING MONEY LAUNDERING FROM DRUG TRAFFICKING

Financial Intelligence Unit
MEXICO

OCTOBER, 2021
INTERNATIONAL LEGAL FRAMEWORK
INTERNATIONAL CONVENTIONS

UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988 (Vienna Convention).


UN Convention against Corruption, 2003 (Merida Convention).
Recommendation 3. MONEY LAUNDERING OFFENCE

Recommendation 4. CONFISCATION AND PROVISIONAL MEASURES

Recommendation 29. FINANCIAL INTELLIGENCE UNITS

Recommendation 30. RESPONSIBILITIES OF LAW ENFORCEMENT AND INVESTIGATIVE AUTHORITIES
NATIONAL RISK ASSESSMENT OF ML / TF (NRA)
MEXICO

2016 – Mexico’s First NRA
2020 – Mexico’s Second NRA

RISKS

- MONEY LAUNDERING RISK
- ORGANIZED CRIME
- DRUG TRAFFICKING
- FIGHT AGAINST TERRORISM FINANCING AND THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION
- ML/TF PREVENTION REGIME
- EMERGING RISKS

Drugs and organized crime are emerging risks.
MECHANISMS TO PREVENT AND COMBAT ML
AML/CFT REGIME

Mexico has developed mechanisms and strategies to prevent and combat ML and its precedents crimes, such as drug trafficking.

1. Financial intelligence
2. Collaboration Agreements
3. Economic and Patrimonial Intelligence Units (UIPEs)
4. High Level Group on AML/CTF
5. Inter-agencies Working Groups
AML/CFT REGIME
MEXICO

REPORTING ENTITIES
• Financial System
• DNFBPs

REGULATORY AND SUPERVISORY BODIES
• SHCP (UBVA, USPSS)
• FIU
• SHCP (CNBV, CONSAR, CNSF, SAT)
• Bank of Mexico

FINANCIAL INTELLIGENCE UNIT

INVESTIGATIVE AND LAW ENFORCEMENT AGENCIES
• National Guard
• Prosecutor General’s Office
• Local Prosecutor’s Offices

JUSTICE ADMINISTRATION
• Judicial Power of the Federation
• Local judicial powers

Blocking accounts

Identification and tracing of assets

seize, asset forfeiture and confiscation of assets
Safeguard the financial system and national economy from illegal use, combat ML, and TF through the collection, analysis, and dissemination of financial intelligence.

**Collection**
Transaction reports from FIs and Notices from DNFBPs

**Analysis**
Financial transactions, economic and other related information

**Dissemination**
Intelligence products to detect ML/FT for competent authorities

**Centralized instance (Administrative Type)**
Centralized instance (Ministries of Finance, Central Banks) or independent.
Reported subjects linked to drug trafficking are sought in the FIU’s risk model in terms of ML, in lists and in previous investigation cases.

Cooperation with other competent national agencies to assist in the identification of objectives and the blocking of accounts.
**ACCOUNT BLOCKING**

2004 - September 30th 2021: 32,817 STRs related to drug trafficking linked to 23,739 subjects were identified.

2020 - September 30th, 2021: 5,317 subjects related to drug trafficking were identified.

From December 1st 2018 to September 30th 2021:

Blocked accounts: 24,325

Blocked amount: 1,636,484,771 Mexican pesos / 8,667,359 USD / 8,653 Euros

6,503 people on the List of Blocked Persons: 4,343 direct and 2,160 related.
THANK YOU!