

THEMATIC COMPILATION OF RELEVANT INFORMATION SUBMITTED BY SWEDEN

ARTICLE 14 UNCAC

PREVENTION OF MONEY-LAUNDERING

SWEDEN (SIXTH MEETING)

1. Please describe (cite and summarize) the measures/steps your country has taken has taken (or is planning to take) to implement this provision of the Convention.

States parties and signatories may wish to cite and describe measures that:

- Establish a comprehensive domestic regulatory and oversight regime to deter and detect money-laundering;

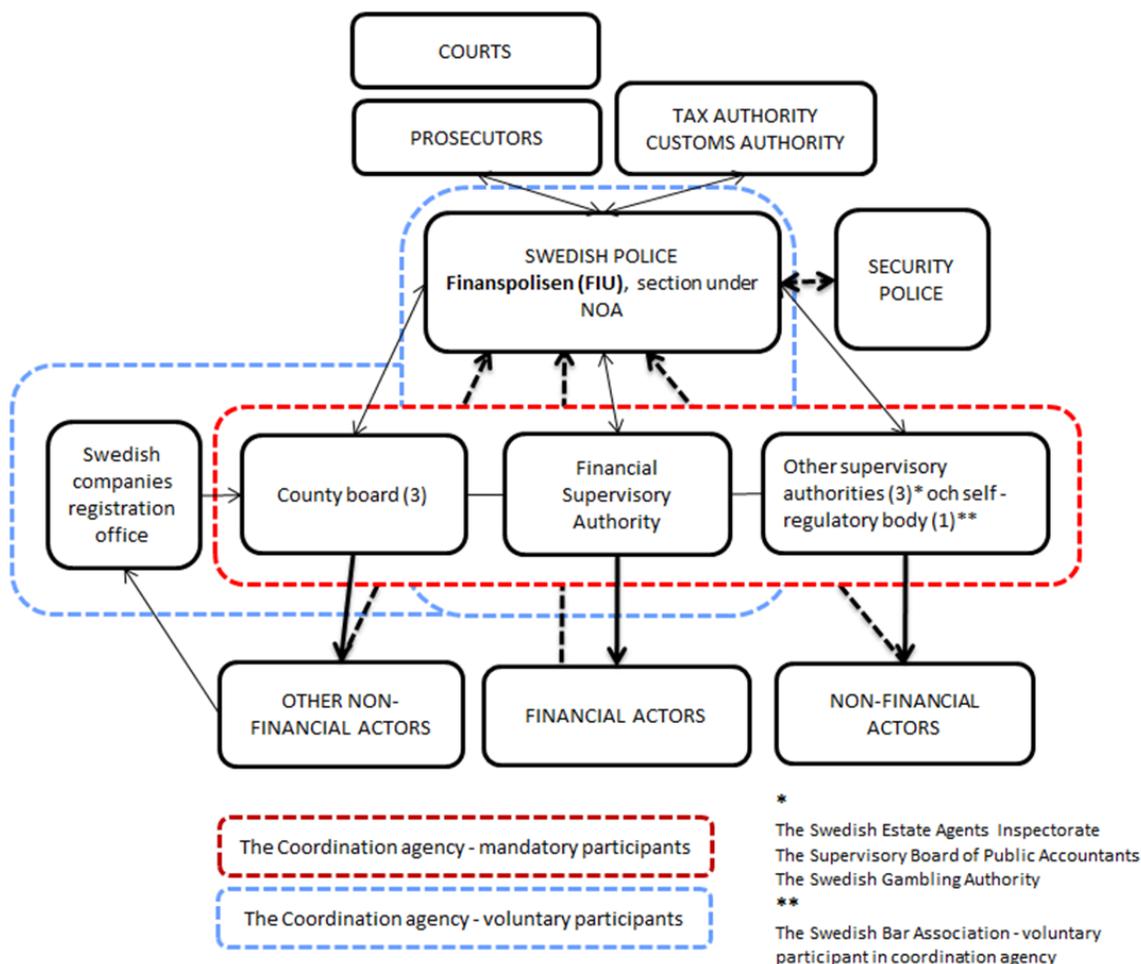
The Act on Measures against Money Laundering and Terrorist Financing (2009:62) (here shortened as the Money Laundering Act) contains provisions concerning measures to be taken in order to prevent the financial system from being used for money laundering and terrorist financing. The Act contains obligations directed towards the obliged entities with regard to customer due diligence, reporting obligations, record keeping and risk-based routines, etc.

Money laundering has been criminalised through Sections 3, 4, 5, 6 and 7 of the Act on penalties for money laundering offences (2014:307) (here shortened as the Money Laundering Offences Act), which was introduced in July 2014.

The Swedish system of combating money laundering and the financing of terrorism incorporates four main groups of actors:

- Law enforcement and controlling authorities (mainly the police, the prosecution authorities, the Swedish Tax Agency and Swedish Customs),
- Supervisory authorities (the Financial Supervisory Authority, the Swedish Estate Agents Inspectorate, the Swedish Gambling Authority, the Supervisory Board of Public Accountants and the three county boards),
- A self-regulatory organ (Swedish Bar Association), and
- obliged entities (financial, non-financial and other non-financial) pursuant to the Money Laundering Act (2009:62).

Figure 1: Overview of the Swedish AML/CFT system



- Show that, at minimum, banks and non-bank financial institutions ensure effective customer and beneficial owner identification, monitoring of transactions accurate record-keeping, and have in place a reporting mechanism on suspicious transactions;

Pursuant to Chapter 2 of the Money Laundering Act, all obliged entities that fall within the scope of the Act (Chapter 1, Section 2) must take measures to gain knowledge of customers. These measures should be commensurate with the risks (a risk-based approach) associated with money laundering and the financing of terrorism. Provisions in the Act prescribe when the obliged entities are to carry out basic customer due diligence, what this entails, as well as instances when enhanced due diligence is called for.

- Extend the requirements mentioned above to other bodies particularly susceptible of money-laundering;

As mentioned above, the scope of the Money Laundering Act is defined in Chapter 1, Section 2. The obliged entities covered by the scope of the Act range from financial actors (banks, insurance companies, payment providers, fund operations etc.) to non-

financial actors such as real estate agents, lawyers and independent legal professionals, accountants and casinos.

- Ensure that agencies involved in anti-money laundering can cooperate and exchange information at national and international levels;

Pursuant to the terms of the Ordinance on Measures against Money Laundering and Terrorism Financing (2009:92) (here shortened as the Money Laundering Ordinance), there is a coordinating body to supervise measures against money laundering and the financing of terrorism. The eight supervisory authorities, the Swedish Bar Association, the FIU and the Swedish Companies Registration Office participate in the coordinating body.

There is a general requirement for the supervisory authorities to report to the Police Authority any circumstances which may be assumed to relate to or constitute money laundering or financing of terrorism. The report must be submitted without delay.

Sweden's general law on secrecy, the Public Access to Information and Secrecy Act (2009:400), prescribes exceptions from the general prohibition on sharing secret information, enabling government agencies to share secret information with other Swedish and foreign agencies. Under Chapter 10, Section 28 of the Public Access to Information and Secrecy Act, secrecy does not prevent information being disclosed to another government agency, if an obligation to provide information follows from an act or an ordinance.

- Consider or establish financial intelligence units (FIUs);

The Swedish FIU – *Finanspolisen* – is a section within the National Operations Department (NOA) of the Swedish Police Authority. Finanspolisen is an intelligence section which receives suspicious transactions reports related to money laundering and terrorist financing from the obliged reporting entities. It then analyses the reports and disseminates them for further investigation.

- Consider or become part of anti-money laundering (AML) networks (such as FATF, FSRBs, Egmont Group);

Sweden is a member of the FATF and the Swedish FIU is a member of the Egmont Group.

- Require individuals and businesses to declare/disclose cash border transportation and other negotiable instruments;

As Sweden is an EU Member State, Regulation (EC) No 1889/2005 of the European Parliament and of the Council of 26 October 2005 on controls of cash entering or leaving the Community is directly applicable.

- Require financial institutions, including money remitters to meaningfully identify originator of electronic transfer of funds; maintain such information throughout the payment chain and apply enhanced scrutiny to transfers lacking complete information on originator or beneficiary;

As Sweden is an EU Member State, Regulation (EC) No 1781/2006 of the European parliament and of the Council of 15 November 2006 on information on the payer accompanying transfers of funds is directly applicable.

- Refer to or use as a guideline regional or multilateral anti-money laundering initiatives;

As a member of the EU, Sweden participates in and refers to initiatives by the European Commission Expert Group (EGMLTF). In addition, Sweden is also a member of the FATF and consequently also refers to and uses the initiatives of that organisation.

2. Please outline actions required to strengthen or improve the measures described above and any specific challenges you might be facing in this respect.

Examples of the types of challenges States parties and signatories may have faced include:

- Financial and technical capacity challenges with regard to the ability of agencies involved in combating money-laundering to cooperate and exchange information at the national and international levels;
- Coordination challenges among relevant agencies responsible for combating money-laundering with regard to global, regional and bilateral cooperation;
- Challenges with regard to monitoring the compliance of banks and other reporting entities with the AML preventive measures.

It is a constant challenge to maintain sufficiently detailed, relevant and up-to-date knowledge of the challenges, threats and risks to which the system is exposed. A key to success in this respect is creating the right conditions and capacity for developing and distributing knowledge within the system (creating a mutually reinforcing system). Law enforcement authorities and the FIU play a central role in providing the administrative (preventive) side of the system with new information and knowledge. Transferring new and refined input in the form of, for instance, typologies extracted from STR data from the law enforcement side (and the FIU) to the preventive side is an important precondition for fine-tuning and sharpening supervisory methods and preventive measures (which, in turn, will generate even higher-quality STRs). An adequately designed platform for cooperation and coordination between relevant authorities facilitates and provides the necessary conditions for this important knowledge transfer.

3. Do you require technical assistance in relation to the measures described above?

No.