



Financial Action Task Force

Enhancing Cross-border payments- Questionnaire for input from the private sector

Background

The G20 has made enhancing cross-border payments a priority and endorsed a roadmap in October 2020 to address the key challenges faced by cross-border payments (See the [initial assessment](#), [building blocks](#) and [road map](#)). This roadmap has been developed by the FSB, in coordination with the Committee on Payments and Market Infrastructures (CPMI) and other relevant international organisations and standard-setting bodies, including FATF. The roadmap has 19 Building Blocks with one Building Block (Building Block 5) focused on AML/CFT. This Building Block seeks to identify and address areas where divergent AML/CFT rules or their implementation at national level cause challenges for cross-border payments, without compromising AML/CFT safeguards.

Cross-border payments generally face four main categories of challenges, which are inter-related and inter-dependent: high cost, low speed, limited access for users in accessing services and for payment service providers in accessing payment systems and limited transparency about costs, speed, processing chain and payments status. These challenges vary widely by type of payment and by jurisdictions and currency corridor. These challenges affect both demand side (e.g. end users comprising individuals, businesses and governments) and supply side (e.g. banks and non-bank payment service providers and operators, technical service providers).

A number of factors contribute to these challenges. This could include divergent AML/CFT measures adopted at the national level stemming from the FATF standards, which adds to the costs or lower access, speed or transparency of cross-border payments. Identifying these challenges is vital for considering actions needed to address them, recognising that those differences may be necessary or justified based on different underlying risks or different legal systems.

In collaboration with the Basel Committee on Banking Supervision (BCBS), the FATF has developed an online questionnaire to seek feedback from payment services providers, including banks, Fintech companies, money or value transfer service providers, and other stakeholders on these challenges and possible means to address them.

The deadline for your feedback is **15 January 2021**. Where possible, please elaborate your response by citing specific AML/CFT compliance requirements or practices, which increase costs, cause delay, limit access or reduce the transparency of cross-border payments.

Scope of questionnaire

This online questionnaire aims to gather information to help identify areas of divergence in how jurisdictions have implemented CDD and other measures stemming from the FATF standards or additional AML/CFT measures. It consists of questions in three sections that are broken down as follows:

- i. Background and business profile of the respondent
- ii. Potential challenges caused by divergent national rules stemming from the FATF Recommendations
- iii. Potential challenges caused by national AML/CFT measures, which are not stemming from the FATF Recommendations; and other potential factors.

Purpose of questionnaire

This is an information gathering exercise and not intended as a compliance assessment of individual institutions responding to the questionnaire. All responses will be anonymised and respondent institution will not be identified in any report drafted based on the questionnaire response.

The first phase of information gathering would help the FATF and other standard-setting bodies identify challenges caused by divergent rules or divergent implementation of AML/CFT controls at national level, which are not necessary or justified based on different underlying risks or different legal systems. Such rules could, for example, include inconsistent customer identity documents or sanction screening requirements across different jurisdictions, which may add to the cost or reduce speed and access of cross-border payments.

The second phase of the project will consider how to reduce challenges for cross-border payments by clarifying or updating the global AML/CFT standards, using various options available to the FATF, including further Guidance, Best Practices, convening national authorities in a coordination body, or revisions to the Standards. There is no presumption to make any amendments to the Standards or pursue further work in other areas. The objective is to identify sources of friction and consider where changes are feasible and may have benefits for payments systems, without compromising the AML/CFT standards.

Please submit only one response per institution. If, however, you consider that individual submissions from each regional or business group within the same large financial group will be more informative, please feel free to do so. Please review your response before submission. You may contact the FATF Secretariat at PSCF@fatf-gafi.org, if you have any questions regarding the questionnaire.

We thank you for your participation.

Questionnaire

I. Background and business profile of the respondent

1. Name of institution
2. Relevant contact point(s), including email address
3. Type of payment service provider (Bank/MVTS provider/Electronic Money Issuer/Payment Service Provider/FinTech/Acquirer/Digital Wallet Provider/others) (drop-down option, for "others", please specify)
4. Home jurisdiction of the institution (drop-down option)
5. Number of jurisdictions operating in

1-10

11-49

50-99

100 and above

6. Geographic regions operating in (select all that apply)

Africa

Latin America and the Caribbean

Northern America

Asia

Europe

Oceania

7. Income classification of countries operating in (as per the World Bank classification) (select all that apply)

Low income

Lower-middle Income

Upper-middle Income

High income

8. Approximate value of cross-border payments processed annually (USD /EUR)

Less than 50 million

50-99 million

100-499 million

500 -999 million

1 -100 billion

More than 100 billion

II. Potential challenges caused by AML/CFT Measures stemming from FATF Recommendations

9. How significant are divergent AML/CFT rules (including related divergent technical protocols) in raising the cost, reducing the speed, limiting access or reducing the transparency of cross-border payments? (on a scale of 1-5, with 1 implying the least significant and 5 the most significant)

Raising cost	Reducing speed	Limiting access	Reducing transparency
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1 2 3 4 5			

10. Please provide comments with examples on your ratings above

Comment Box

11. In which area(s) do inconsistent national approaches cause the biggest obstacle(s)? (Select top three areas in order of priority)

Identifying and verifying customers and their beneficial owners	Targeted Financial Sanctions screening	Transaction monitoring and filing STRs	Onboarding and maintaining agents	Establishing & maintaining correspondent banking relationships	Sending and receiving customer/transaction information	Others
(Order of priority)						
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

12. If chosen 'others' in response to question 11 above, please specify

(For top three areas identified above, please respond to questions below)

1. Identifying and verifying customers and their beneficial owners

What causes this challenge (check all that apply)

Conflicts of law (where national laws and regulations in different jurisdictions contradict each other or have incompatible requirements).
Rules which exist in some jurisdictions but not others
Rules which exist in all jurisdictions, but are interpreted or applied in different ways or to different extents
Inconsistent supervisory approaches across jurisdictions
Others (please specify in short)

A. Which category of challenges does it affect? (select all that apply)

Cost

Speed

Access

Transparency

B. Please describe the challenges identified above with examples and jurisdictions involved

Text Box for description

C. Suggestions to address this challenge

Text Box

D. Additional comments

Text Box

(Similar response template for other two challenges identified as per question 11 above)

2. **Targeted Financial Sanctions screening**

3. **Establishing & maintaining correspondent banking relationships**

III. Potential challenges caused by national AML/CFT measures, which are not stemming from FATF Recommendations and other potential factors

13. Which AML/CFT measures that are not stemming from the FATF Recommendations and implemented at the national level significantly increase costs, cause significant delays, limit access or reduce transparency for cross-border payments? (maximum three in order of priority)

AML/CFT Measure 1 (please specify in short)	AML/CFT Measure 2 (please specify in short)	AML/CFT Measure 3 (please specify in short)
(Order of priority)		
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

AML/CFT Measure 1

A. Which category of challenges does it affect? (multiple answers are possible)

Cost

Speed

Access

Transparency

B. How big is this challenge? (Scale of 1-5 with 1 implying minimal challenge and 5 very significant challenge)

C. Please describe the challenge with examples and jurisdictions involved

Text Box for description

D. Suggestions to address this challenge

Text Box

(Similar response template for other two challenges identified as per question 13 above)

2. **AML/CFT Measure 2**

3. **AML/CFT Measure 3**

Additional comments

Text Box

14. Do challenges in information sharing (group wide or with other financial institutions), within or across jurisdictions, impede cross-border payments?

Yes

No

(If yes, please respond to the questions below)

A. Which category of challenges does it affect? (select all that apply)

Cost

Speed

Access

Transparency

B. How big is this challenge? (Scale of 1-5 with 1 implying minimal challenge and 5, very significant challenge)

C. Please describe the challenge with examples and jurisdictions involved

Text Box for description

D. Suggestions to address this challenge

Text Box

15. Any other potential issues relevant from AML/CFT perspective that is responsible for impeding cross-border payments (*please specify in short*).

Text Box

A. Which category of challenges does it affect? (select all that apply)

- Cost
- Speed
- Access
- Transparency

B. How big is this challenge? (Scale of 1-5 with 1 implying minimal challenge and 5 very significant challenge)

C. Please describe the challenge with examples and jurisdictions involved

Text Box for description

D. Suggestions to address this challenge

Text Box

E. Additional comments

Text Box

End of Questionnaire