

Communication

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Scope:

- all credit institutions, including European and non-European branches;
- all stockbroking firms, including European and non-European branches;
- all insurance companies authorised to conduct life insurance business, including EU and non-EU branches;
- all payment institutions and electronic money institutions, including EU and non-EU branches;
- all payment institutions and electronic money institutions which are authorised in other member states of the European Economic Area and which are established in Belgium (through one or more agents and/or distributors);
- all settlement institutions, including EU and non-EU branches.

Summary/Objectives:

In view of the potential effects of the Covid-19 pandemic on the mechanisms to prevent money laundering and terrorist financing (AML/CFT), the National Bank of Belgium encourages the financial institutions that fall under its relevant supervisory powers to concentrate the resources allocated to AML/CFT on the tasks that are most necessary to maintain a high level of effectiveness of these mechanisms.

It draws attention to the official communications published in this respect by the European Banking Authority, the FATF and CTIF/CFI. The Bank also informs the financial institutions of its decision to extend to 31 August 2020 the deadline for communicating the AMLCO annual activity report 2019 and for replying to the 2020 periodic questionnaire on combating money laundering and terrorist financing.

Dear Sir,
Dear Madam,

The Covid-19 epidemic causes a health crisis of exceptional magnitude, and the National Bank of Belgium ("the Bank") can only encourage all financial institutions falling under its supervisory powers to comply fully with the measures adopted by the Belgian Government and to give absolute priority to the adoption of all measures to protect their managers, staff, agents and customers as effectively as possible from contamination and its potentially dramatic consequences.

The Bank is, however, aware that these measures, which contribute to safeguarding public health, in particular systematic and widespread teleworking over a long period of time, have and will continue to have a significant impact on the performance of many tasks. This also applies to tasks relating to the prevention of money laundering and the financing of terrorism (AML/CFT).

Taking into account these effects, the Bank encourages financial institutions to concentrate the resources available to them for implementing their internal AML/CFT mechanisms on the tasks that are most necessary to maintain a high level of effectiveness in detecting and analysing atypical transactions, as well as in reporting suspicious transactions, funds and facts to CTIF/CFI, in accordance with legal obligations.

Unfortunately, in crisis situations, ill-intentioned persons and criminal organisations systematically try to take advantage of such situations to deploy their criminal activities in order to illicitly enrich themselves by exploiting the legitimate fears of the population.

The European Banking Authority ("EBA") and the Financial Action Task Force ("FATF") have recently issued official statements encouraging financial institutions to remain vigilant in order to effectively detect and report transactions, funds and facts suspected of being related to money laundering or terrorist financing. The Bank invites the financial institutions to read these official statements on the respective websites of EBA (see [Statement on actions to mitigate financial crime risks in the COVID-19 pandemic](#)) and the FATF (see [Statement by the FATF President: COVID-19 and measures to combat illicit financing](#)). In particular, the FATF and EBA statements alert the financial community to the surge of a range of criminal activities appropriating the Covid-19 crisis.

Early indications are that this increase in criminal activity may include fraud, scams including advertising and trafficking in counterfeit medicines, fraudulent investment offers, phishing, fundraising for fake charities and various medical scams targeting innocent victims.

The Bank also draws attention to the warning published on 6 April 2020 by CTIF/CFI on its [website](#), the aim of which is to raise awareness among financial institutions about the short-term consequences of the current situation on types of crime underlying money laundering, especially fraud (see [Communication COVID19](#) in French, and [Mededeling COVID19](#) in Dutch).

It therefore invites the financial institutions that fall under its supervisory powers to take the necessary measures to maintain both their transaction monitoring mechanisms and their AML/CFT units fully effective and efficient, to enable them to rapidly detect atypical transactions likely to be linked to such criminal activities, to analyse them effectively, and to report without delay to CTIF/CFI the transactions, funds and facts that this analysis would lead them to consider suspicious of being linked to money laundering.

In their official statements, the FATF and EBA also stress the importance of proactive interactions between public authorities and companies subject to AML/CFT obligations, in order to provide an adequate response to the risk of an upsurge in criminal activities that may be generated by the health crisis.

The analysis of atypical operations may lead AMLCOs to detect indications of the emergence of new patterns of criminal activity underlying money laundering which should be brought to the attention not only of the authorities but also of the financial community as a whole, in order to combat them as effectively as possible. Apart from reporting suspicious transactions, funds and facts to CTIF/CFI, which is of course still required by law, the Bank urges AMLCOs that find such indications to communicate this information by e-mail, both to CTIF/CFI at info@ctif-cfi.be and to the Bank at supervision.ta.aml@nbb.be. If such e-mails should be addressed to them and if it would prove to be necessary to share this information with all financial

institutions, the Bank will consult with CTIF/CFI in order to share this information in the way they consider most efficient and suitable in order to strengthen the AML/CFT mechanisms.

In view of the exceptional circumstances, the Bank has also decided to **postpone from 30 June 2020 to 31 August 2020**, i.e. by two months, for all financial institutions falling under its supervisory powers, the deadline for communicating, via eCorporate, the annual activity report of the Money Laundering and Terrorist Financing Prevention Officer ("AMLCO") - see the page « Reporting by financial institutions: Comments and recommendations » on the Bank's website, [3. Activity report by the AMLCO](#) - and the deadline set by Circular NBB_2020_006 of 2 March 2020 (see [the Circular](#)) for replying, via OneGate, to the 2020 periodic questionnaire on combating money laundering and terrorist financing¹.

A copy of this circular is being sent to the auditor(s) of your company or institution.

Yours faithfully,

A handwritten signature in black ink, consisting of a stylized 'P' and 'W' followed by a large, sweeping flourish.

Pierre Wunsch
Governor

¹For life insurance companies, this decision is complementary to the decisions published by the Bank in its Communications 2020_008, 2020_009 and 2020_010 of 31 March 2020.