

THE THREAT LANDSCAPE

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ML THREAT – OVERVIEW

- MAIN THREAT - PROCEEDS OF FOREIGN CRIMINALITY
- LESSER THREAT - PROCEEDS OF DOMESTIC CRIMINALITY

NO CHANGE FROM NRA1



FOREIGN PROCEEDS – TYPES OF OFFENCES

MAIN OFFENCES -

- BRIBERY & CORRUPTION
- FRAUD
- TAX EVASION
- DRUG TRAFFICKING

CHANGES FROM NRA1-

- FRAUD & TAX EVASION ASSESSED SEPARATELY (FRAUD HIGHER)
- PROPORTION FOR BRIBERY & CORRUPTION CASES REDUCED
- INSIDER DEALING/MARKET ABUSE NO LONGER FEATURES



FOREIGN PROCEEDS –TYPE OF ACTIVITY

MOST LIKELY USE OF BAILIWICK -

- FORMAL FINANCIAL SYSTEM
- PROCEEDS PASSING THROUGH/ADMINISTERED FROM HERE
- CHAINS OF OWNERSHIP STRUCTURES/TRANSACTIONS
- BAILIWICK OFTEN LONG WAY DOWN CHAIN

NO CHANGE FROM NRA1



DOMESTIC PROCEEDS – TYPES OF OFFENCES

MAIN OFFENCES -

- DRUG TRAFFICKING
- FRAUD
- TAX EVASION

CHANGES FROM NRA1-

- PROPORTION FOR TAX EVASION CASES INCREASED
- OTHER SPECIFIC OFFENCES NO LONGER FEATURE



DOMESTIC PROCEEDS –TYPE OF ACTIVITY

- MAINLY SMALL SCALE
- FORMAL FINANCIAL SYSTEM AND CASH (DT)
- LAUNDERING MAINLY IN BAILIWICK (BANKING SECTOR)
- MAY BE USE OF OTHER JURISDICTIONS IN BIGGER CASES– UK, EURO AREA, OTHER IFCS

NO CHANGE FROM NRA1



TF THREAT – OVERVIEW

- MAIN THREAT – FINANCING FOREIGN TERRORISM (PRIMARY & SECONDARY), LOWER THAN ML THREAT
- FOCUS COUNTRIES
- FINANCING DOMESTIC TERRORISM UNLIKELY (EXTREME FAR RIGHT)

NO CHANGE FROM NRA1



FINANCING FOREIGN TERRORISM – TYPE OF ACTIVITY

- FUNDS SENT FROM BAILIWICK IN GOOD FAITH (LOCAL NPOs, ONLINE PLATFORMS, IMPACT INVESTMENT SCHEMES)
- TERRORIST ORGANISATIONS USING BAILIWICK TO PROCESS OR ADMINISTER ASSETS

ONLY CHANGE FROM NRA1- STORAGE OF ASSETS



PF THREAT – OVERVIEW

- FINANCIAL SYSTEMS COULD BE USED TO FINANCE OR FACILITATE FOREIGN PROLIFERATION ACTIVITY (e.g. TRADE FINANCE, INSURANCE)
- NO REALISTIC THREAT OF DOMESTIC PROLIFERATION-RELATED ACTIVITY



PF THREAT – JURISDICTIONS

- IRAN
- NORTH KOREA
- HUBS FOR SHIPMENT OF GOODS/MILITARY COOPERATION/PF FINANCING (“PF HUBS”)
- BAILIWICK EXPOSURE TO PF HUBS IN SOUTHEAST ASIA/MIDDLE EAST (BUT NOT MUCH)

