

# Newsletter

## Mitigating the unintended consequences of FATF Standards

The Financial Action Task Force (FATF) has launched a project to study and mitigate the unintended consequences resulting from the incorrect implementation of the FATF Standards. The project focusses on four key areas including de-risking or the loss of access to financial services, financial exclusion, suppression of NPOs or the NPO sector through non-implementation of the FATF's risk-based approach, as well as threats to fundamental human rights stemming from the misuse of the FATF Standards or AML/CFT assessment processes. FATF's two phase project will identify the unintended consequences also propose solutions to prevent and mitigate against such consequences.

Find out more:

<https://www.fatf-gafi.org/publications/methodsandtrends/documents/trade-based-money-laundering-indicators.html>

## EBA consultation on changes to Risk-based AML/CFT supervision

The European Banking Authority (EBA) has announced a public consultation on changes to its Guidelines on Risk-Based Supervision of credit and financial institutions' compliance with anti-money laundering and countering the financing of terrorism (AML/CFT) obligations. The proposed changes incorporate the effective use of different supervisory tools to align with objectives as well as practical step-by-step approaches to addressing aspects of AML/CFT supervision that competent authorities have found particularly challenging. The Guidelines are central to the EBA's mandate to lead, coordinate and monitor the EU financial sector's fight against ML/TF. The consultations closes on 17 June 2021.

Find out more:

<https://www.eba.europa.eu/eba-consults-changes-its-guidelines-risk-based-amlcft-supervision>

## HMRC expands reporting portal for MDR

HM Revenue and Customs (HMRC) has updated their guidance confirming the use of a manual form to upload arrangements between the UK and EU member states under the mandatory disclosure regime (MDR - commonly known as DAC6). Prior to 3rd March, reports could only be made by uploading a XML file containing the reportable information. Either method can now be used on the online form on gov.uk.

Hansuke can assist your organisation in becoming MDR/DAC6 compliant. [info@hansuke.co.uk](mailto:info@hansuke.co.uk) for more information.

Find out more:

<https://www.gov.uk/guidance/report-a-cross-border-arrangement-to-hmrc>

## FCA superno declares 'D&I' to be a regulatory concern

FCA CEO, Nikhil Rathi, highlighted the importance of greater diversity in improving risk management culture and decreasing the probability of incurring misconduct fines. D&I is the sixth question to the existing five conduct questions relevant to wholesale banking. Firms must be ready to discuss the diversity, cultural and inclusion aspects of their management teams. The FCA also plans to adopt a similar approach to the Nasdaq, which will require all listed companies to have, or explain why they do not have at least two diverse directors.

Find out more:

<https://www.fca.org.uk/news/speeches/why-diversity-and-inclusion-are-regulatory-issues>