

TECHNICAL COMMUNIQUÉ CT-04/2020

Andorra la Vella, April 30th, 2020

RELEVANT FOR BANKING ENTITIES

Dear Sirs/Madams,

The situation derived from the COVID-19 pandemic has involved several responses from the public authorities, non-governmental organisations and the public and private sectors in general, with the aim to manage an unprecedented health crisis and its economic impact. Certain actions taken are remarkable for their prompt adoption and their extraordinary and unusual nature, which can create new opportunities for criminals to generate and/or launder illicit funds.

In this regard, the Financial Action Task Force (FATF) promotes a coordinated and adequate response from the different jurisdictions, which must be based on the systems of prevention and fight against anti-money laundering and terrorist financing.

One of the detected risks arising from the current situation is the misappropriation of public funds aimed at stimulating the economy or any other kind of financial assistance to companies. Within this multiple typology, it is particularly concerning the fact that criminals can have access to such kind of financial aid, including credit facilities, by posing as a legitimate business with cash needs. Therefore, criminals might want to unlawfully take advantage of these types of credit facilities guaranteed by the State to launder funds.

Consequently, we request all banking parties under obligation to extreme their mechanisms to detect suspicious activities by adopting all the necessary measures to ensure that these types of credit facilities guaranteed by the Government are not abused.

Entities must pay special attention, amongst others, to:

- potential incoherencies between the transactional records of the customer and the extension of the credit, in relation to the requested amount and the real need of the credit;
- the effective use of the granted funds;
- the source of the funds used to repay the credit.

We remain at your disposal for any further consultation and we take the opportunity to send our best regards.

Carles FIÑANA PIFARRÉ
Head of the UIFAND