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DEPARTMENT AGAINST TRANSNATIONAL ORGANIZED CRIME (DTOC)
ORGANIZATION OF AMERICAN STATES (OAS)

XLVIII (VIRTUAL) MEETING OF THE GROUP OF EXPERTS
FOR THE CONTROL OF MONEY LAUNDERING
30 June 2020
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STUDY OF TYPOLOGIES AND CASES OF MONEY LAUNDERING DERIVED FROM SMUGGLING

PROGRESS REPORT

SUBWORKING GROUP ON FINANCIAL INTELLIGENCE UNITS AND CRIMINAL INVESTIGATION
AGENCIES

WORK PLAN 0192020
JUNE, 2020



I. PRESENTATION

At the XLVII meeting of the Group of Experts for the Control of Money Laundering (GELAVEX) held in the city of Bogotá (Colombia) on September 23, 24 and 25, 2019, the Group completed the objective of presenting the products developed under the 2018-2019 Work Plan, as defined in the Lines of Action of the 2018-2020 Strategic Plan. The Group also established a 2019-2020 Work Plan, which responds to the challenges and interests of the countries in the region. Among the commitments assumed by the Group, it was agreed that four products would be developed.

In relation to the Sub Working Group on Confiscation and International Cooperation, the products were: i. A study on the applicability of precautionary measures on assets subject to forfeiture abroad (Coordinated by: Costa Rica and Colombia); ii. The conceptualization and design of a network of administrators of seized and forfeited assets (Coordinated by: Costa Rica and Colombia).

Regarding the Sub Working Group on Financial Intelligence Units and Criminal Investigation Entities, the products correspond to: i. Study of typologies in Money Laundering derived from Smuggling (Coordinated by: Guatemala, Chile and Bolivia); ii. Normative study on Politically Exposed Persons (PEP) in the region, with special reference to the Caribbean sub-region (Coordinated by: Chile and Colombia). This progress document corresponds to the former.

1. GENERAL OBJECTIVE:

Carry out a study of typologies of Money Laundering derived from Smuggling, commissioned by the Group of Experts for the Control of Money Laundering (GELAVEX) at their 2019 plenary session in Colombia.

2. SPECIFIC OBJECTIVES

- a) Ascertain what types of smuggling are established under money laundering regulations as predicate offences in the countries of the region.
- b) Identify, through studies carried out by the OAS and GAFILAT, the typologies of money laundering with a predicate offence of smuggling in the countries of the region.
- c) Analyze instruments drafted by the countries of the region in order to identify money laundering typologies with smuggling as a predicate offence and the procedures used for this purpose.

3. DETERMINATION OF THE METHODOLOGY FOR ITS ATTAINMENT

- a) Regarding Guatemala and Chile: The typologies of money laundering with a predicate offence of smuggling will be identified through information provided by the entities in charge of the prevention of money laundering and criminal investigations. The question regarding what type of smuggling is the predicate offence of money laundering in the two coordinating countries will be answered.



- b) Regarding the US and Mexico: Both countries were contacted through the GELAVEX technical secretariat with requests for information regarding which types of smuggling are predicate offences of money laundering in their legislation, what money laundering typologies they observe where smuggling is the predicate offence, as well as information regarding the main routes.
- c) Regarding the countries of Central America and the Caribbean: Guatemala will collect information on legislation from the countries of Central America and the Caribbean to know what type of smuggling is a predicate offence of money laundering. It will also analyze studies and reports from international organizations such as the OAS and GAFILAT, in order to collect information on types of money laundering with a smuggling-based crime. Through the technical secretariat, attempts will be made to obtain access to country risk reports, or to mutual evaluations, in order to obtain information that is not available from international organizations.
- d) Regarding South America: Chile will collect information on legislation from the countries of Central America and the Caribbean to know what type of smuggling is a predicate offence of money laundering. It will also analyze studies and reports from international organizations such as the OAS and GAFILAT, in order to collect information on typologies of money laundering with a smuggling-based crime. Through the technical secretariat, attempts will be made to obtain access to country risk reports, or to mutual evaluations, in order to obtain information that is not available from international organizations.
- e) Once the information has been obtained, a comparative table will be prepared with the information of the countries based on the three topics indicated, which are: what types of smuggling are a predicate offence of money laundering; money laundering typologies with smuggling as a predicate offence; and, main smuggling routes.
- f) From this comparative table, conclusions will be drawn regarding the indicated topics.

4. WORK PLAN

STRATEGIC OBJECTIVE	
NAME OF THE STRATEGIC OBJECTIVE	GELAVEX
A study of typologies of Money Laundering derived from Smuggling, in the countries of the region.	
DESCRIPTION	PROPOSITION
Conduct a study of typologies of Money Laundering derived from Smuggling, through the Coordination of the Subgroup of Work in Financial Intelligence Units and Criminal Investigation entities, in observance of the	Document the money laundering typologies derived



guidelines determined by the Technical Secretariat of the Group of Experts for the Control of Money Laundering - GELAVEX- for these types of studies.		from smuggling in the region.	
SPECIFIC OBJECTIVES			
Learn what type of smuggling is established as a predicate offence in the anti-money laundering regulations of the countries of the region.			
Identify, through the studies carried out by the OAS and GAFILAT, the money laundering typologies with a predicate offence of smuggling in the countries of the region.			
Analyze instruments developed by the countries of the region to identify typologies of money laundering with smuggling as a predicate offence, and smuggling routes.			
ACTIVITIES	IN CHARGE	START DATE	END DATE
The types of money laundering with smuggling-based crime will be identified through information provided by the agencies in charge of the prevention of money laundering and criminal investigation bodies. The question regarding what type of smuggling is a predicate offence of money laundering in the two countries coordinating the work will be answered.	UAF/Guatemala IVE/SIB and the Public Ministry of Chile	05/05/2020	20/5/2020
Regarding the US and Mexico: Both countries were contacted through the GELAVEX technical secretariat with requests for information regarding which types of smuggling are predicate offences of money laundering in their legislation, what money laundering typologies they observe where smuggling is the predicate offence, as well as information regarding the main smuggling routes.	Public Ministry of Chile	05/05/2020	20/05/2020
c) Regarding the countries of Central America and the Caribbean: Guatemala will collect information on legislation from the countries of Central America and the Caribbean to know what type of smuggling is a predicate offence of money laundering. It will also analyze studies and reports from international organizations such as the OAS	UAF/Guatemala IVE/SIB	30/05/2020	15/08/2020



and GAFILAT, in order to collect information on types of money laundering with a smuggling-based crime. Through the technical secretariat, attempts will be made to obtain access to country risk reports, or to mutual evaluations, in order to obtain information that is not available from international organizations.			
d) Regarding South America: Chile will collect information on legislation from the countries of Central America and the Caribbean to know what type of smuggling is a predicate offence of money laundering. It will also analyze studies and reports from international organizations such as the OAS and GAFILAT, in order to collect information on types of money laundering with a smuggling-based crime. Through the technical secretariat, attempts will be made to obtain access to country risk reports, or to mutual evaluations, in order to obtain information that is not available from international organizations.	Public Ministry of Chile	30/05/2020	15/08/2020
Once the information has been obtained, a comparative table will be prepared with the information of the countries based on the three topics indicated, which are: what types of smuggling are a predicate offence of money laundering; money laundering typologies with smuggling as a predicate offence; and, main smuggling routes.	Public Ministry of Chile UAF/Guatemala	16/08/2020	30/08/2020
From this comparative table, conclusions will be drawn regarding the indicated topics. Delivery of final report to GELAVEX.	Public Ministry of Chile UAF/Guatemala	30/08/2020	15/09/2020

FINAL NOTE The methodology described, to date has been applied to the cases of Chile and Guatemala. Inputs were also received from Mexico. With the approval of the Group of Experts and the commitment of the countries, the study will be applied to the remaining countries, and upon completion, it will be presented at the XLIX Plenary for discussion and approval.