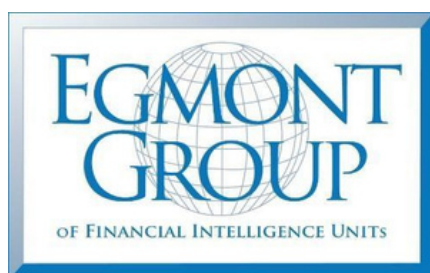


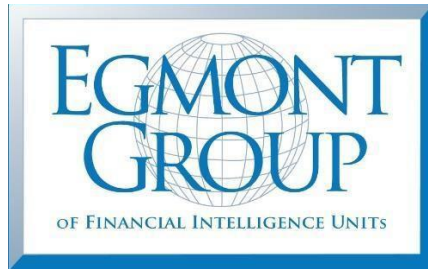
PRINCIPLES FOR INFORMATION EXCHANGE BETWEEN FINANCIAL INTELLIGENCE UNITS

APPROVED BY THE HEADS OF FIUS JULY 2013



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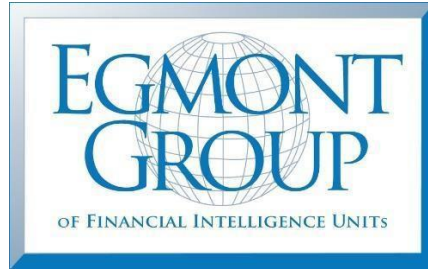
**EGMONT GROUP OF
FINANCIAL INTELLIGENCE UNITS**

**PRINCIPLES FOR INFORMATION EXCHANGE
BETWEEN FINANCIAL INTELLIGENCE UNITS**

**Approved by the Egmont Group
Heads of Financial Intelligence Units
July 2013**

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EGMONT GROUP OF FINANCIAL INTELLIGENCE UNITS PRINCIPLES FOR INFORMATION EXCHANGE BETWEEN FINANCIAL INTELLIGENCE UNITS

These Principles are binding. Therefore, cases of significant and relevant non-compliance will be subject to the *Egmont Group Support and Compliance Process*.

A. Introduction

1. The Egmont Group fosters the development of Financial Intelligence Units (FIUs) and information exchange.
2. The Egmont Group agreed in its Charter and Statement of Purpose to pursue among its priorities the stimulation of information exchange and to overcome the obstacles preventing cross-border information sharing.
3. The Egmont Group membership affirms accession to the standards set out in the 2012 revised Financial Action Task Force (FATF) Recommendations and Interpretative Notes on Financial Intelligence Units (*Recommendation 29*) and Other Forms of International Co-operation (*Recommendation 40*).
4. The definition of a Financial Intelligence Unit (FIU) is as stated within the Charter.
5. Information-sharing arrangements should aim to foster the widest possible cooperation between FIUs.
6. The following principles outline generally shared concepts, while allowing necessary flexibility.

B. General framework

7. International cooperation between FIUs should be encouraged and based upon a foundation of mutual trust.
8. Information-sharing arrangements must recognize and allow room for case-by-case solutions to specific problems.

C. International Cooperation

9. FIUs should exchange information with foreign FIUs, regardless of their status; be it administrative, law enforcement, judicial or other.
10. To this end, FIUs should have an adequate legal basis for providing cooperation on money laundering, associated predicate offences and the financing of terrorism.
11. FIUs should exchange information freely, spontaneously and upon request on the basis of reciprocity. FIUs should ensure that they can rapidly, constructively, and effectively provide the widest range of international cooperation to counter money laundering, associated predicate offences and the financing of terrorism. FIUs should do so both spontaneously and upon request, and there should be a lawful basis for providing cooperation.
12. In addition to the information that entities report to the FIU (under the receipt function), the FIU should be able to obtain and use additional information from reporting entities as needed to perform its analysis properly.
13. To conduct a proper analysis, FIUs should have access to the widest possible range of financial, administrative and law enforcement information. This should include information from open or public sources, as well as relevant information collected and/or maintained by, or on behalf of, other authorities and, where appropriate, commercially held data.
14. FIUs should be able to disseminate, spontaneously and upon request, information and the results of their analysis to relevant competent authorities.
15. FIUs should use the most efficient means to cooperate. If bilateral or multilateral agreements or arrangements, such as a Memorandum of Understanding (MOU), are needed, these should be negotiated and signed in a timely way with the widest range of foreign FIUs in the context of international cooperation to counter money laundering, associated predicate offences and terrorist financing.
16. FIUs should be able to conduct queries on behalf of foreign FIUs and exchange with these foreign FIUs all the information that they would be able to obtain if such queries were carried out domestically.

Obligations for the FIU Making the Request

17. When requesting cooperation, FIUs should make their best efforts to provide complete, factual and, as appropriate, legal information, including the description of the case being analyzed and the potential link with the country receiving the request. This includes indicating any need for urgency to enable timely and efficient execution of the requests.
18. FIUs may decide to exchange information indirectly with non-counterparts in response to requests from competent authorities. FIUs should ensure that the competent authority requesting the information indirectly always makes it clear whom they are requesting the information for and for what purpose.
19. Upon request and whenever possible, FIUs should provide feedback to their foreign counterparts on the use of the information provided, as well as on the outcome of the analysis conducted based on the information provided.
20. An FIU requesting information should disclose, to the FIU that will process the request, the reason for the request and, to the extent possible, the purpose for which the information will be used and provide enough information to enable the FIU receiving the request to provide information lawfully.
21. Requests for information that are sent simultaneously to several FIUs should be justified with a clear explanation of the link that involves the specific set of countries. Requests for information should not be sent to large distribution lists if the link is not justifiable to all recipients.

Obligations for the FIU Receiving the Request

22. FIUs should have the power to exchange:
 - a. All information required to be accessible or obtainable directly or indirectly by the FIU under the FATF Recommendations, in particular under Recommendation 29; and
 - b. Any other information which they have the power to obtain or access, directly or indirectly, at the domestic level, subject to the principle of reciprocity.
23. FIUs should acknowledge receipt of requests, respond to requests for information, and provide interim partial or negative responses in a timely manner.

Unreasonable or Unduly Restrictive Conditions and Cases for Refusal to International Cooperation

24. FIUs should not prohibit or place unreasonable or unduly restrictive conditions on exchanging information or providing assistance. In particular, FIUs should not refuse a request for assistance on the grounds that:
 - a. The request is also considered to involve fiscal matters,
 - b. Laws require financial institutions or designated non-financial businesses and professions (except where the relevant information that is sought is held under circumstances where legal privilege or legal professional secrecy applies) to maintain secrecy or confidentiality,

- c. There is an inquiry, investigation or proceeding underway in the country receiving the request unless the assistance would impede that inquiry, investigation or proceeding, and/or
 - d. The nature or status (civil, administrative, law enforcement etc.) of the requesting counterpart authority is different from its foreign FIU.
25. FIUs receiving requests may, as appropriate, refuse to provide information if the requesting FIU cannot protect the information effectively.
26. FIUs receiving requests should promptly and to the largest extent possible, grant prior consent to disseminate the information to competent authorities. The FIU receiving the request should not refuse consent to such dissemination unless this would fall beyond the scope of application of its AML/CFT provisions, could impair a criminal investigation, would be clearly disproportionate to the legitimate interests of a natural or legal person or the State of the providing FIU, or would otherwise not be in accordance with fundamental principles of its national law. Any such refusal to grant consent should be *explicit and* appropriately explained. *Unless explicitly refused by the requested FIU, the requesting FIU may assume consent to disseminate the information to the authorities indicated in the request.*
27. Cooperation may also be refused, as appropriate, on the grounds of lack of reciprocity or recurring inadequate cooperation. All cases that are refused must be justified, and FIUs should make all efforts to provide an explanation when the requested cooperation cannot be provided.

Data Protection and Confidentiality

28. Information received, processed, held or disseminated by requesting FIUs must be securely protected, exchanged and used only in accordance with agreed procedures, policies and applicable laws and regulations.
29. FIUs must, therefore, have rules in place governing the security and confidentiality of such information, including procedures for handling, storage, dissemination and protection of, as well as access to, such information.
30. FIUs should ensure their staff members have the necessary security clearance levels and understand their responsibilities in handling and disseminating sensitive and confidential information.
31. FIUs should ensure there is limited access to their facilities and information, including information technology systems.
32. Exchanged information should be used only for the purpose for which the information was sought or provided. Any dissemination of the information to other authorities or third parties, or any use of this information for administrative, investigative, prosecutorial or judicial purposes beyond those originally approved, should be subject to prior authorization by the requested FIU.
33. At a minimum, exchanged information must be treated and protected by the same confidentiality provisions that apply to similar information from domestic sources obtained by the FIU receiving the request.

Channels for the Exchange of Information

34. Exchanges of information should take place in a secure way, and through reliable channels or mechanisms.
35. To this end, FIUs should use the Egmont Secure Web or other recognized networks that ensure levels of security, reliability and effectiveness at least equivalent to those of the Egmont Secure Web (for example, the FIU.NET).
36. FIUs should ensure access to, and use of, the Egmont Secure Web or other appropriate channels of communication are securely protected and reserved to authorized personnel. The equipment and passwords used for these channels should also be securely protected.
37. FIUs should be aware of the standards of security, reliability, efficiency and effectiveness applied in the use of the Egmont Secure Web or other appropriate channels.

D. Glossary of Key Egmont Group Terminology

Terms	Definitions
Disclosure	<ol style="list-style-type: none">1. In the context of the FATF Recommendations, disclosure refers to suspicious transaction reports and other information that the FIU receives and/or obtains from reporting entities. <i>Ref. FATF Interpretative Note (INR.) B(a)(2) to Recommendation (R.) 29.</i>2. In the context of the Egmont Group, disclosure is a broader concept that also can refer to:<ol style="list-style-type: none">a. Financial intelligence and information that FIUs disseminate,b. Information that FIUs obtain from other competent authorities, andc. A request for information from one FIU to another. <i>Ref. Egmont Charter, including the Preamble, Statement of Purpose, and Appendix.</i>
Dissemination	<p>Dissemination refers to the distribution/sharing of information and/or financial intelligence, spontaneously and upon request, with other relevant competent authorities (domestic and foreign).</p> <p><i>Ref. FATF R.29 and R.40 as well as FATF INR.29B(c) and INR.40A(3), (7) and (9).</i></p> <p><i>Ref. the Egmont Charter, including the Preamble, Statement of Purpose, and Appendix.</i></p>

Terms	Definitions
Feedback	<p>Upon request and whenever possible, FIUs provide feedback to their foreign counterparts about the use of disseminated information and financial intelligence and the outcome of the analysis conducted on such information or financial intelligence.¹</p> <p><i>Ref. the Principles paragraph 19 and FATF INR.40A(1) and (8).</i></p>
Financial intelligence	<p>In the context of the Egmont Group, financial intelligence refers to the results of an FIU's operational and/or strategic analysis.</p> <p><i>Ref. FATF INR.29B(b) for context.</i></p>
For (financial) intelligence purposes²	<ol style="list-style-type: none"> 1. For (financial) intelligence purposes, refer to the use of financial intelligence or information for analysis or leads, but not as or in support of³ evidence. 2. When financial intelligence or information is used to support analysis, an investigation and/or to provide investigative leads, but not as or in support of⁴ evidence, that financial intelligence or information is used for (financial) intelligence purposes⁵.
For administrative/prosecutorial/judicial/investigative purposes⁶	<ol style="list-style-type: none"> 1. For administrative/prosecutorial/judicial purposes refers to the use of financial intelligence or information: <ul style="list-style-type: none"> • as evidence in a legal (i.e., administrative/prosecutorial/judicial) proceeding; and/or • in support of⁷ evidence in a legal (i.e., administrative/prosecutorial/judicial) proceeding. 2. For investigative purposes refers to the use of financial intelligence or information: <ul style="list-style-type: none"> • for the express purpose of gathering or producing evidence • and/or in support of⁸ evidence in an investigation.
Interim or partial/preliminary response	<ol style="list-style-type: none"> 1. Interim or partial/preliminary response refers to an adequate response to a valid (usually complex) request. <p><i>Ref. the Egmont Group's Support and Compliance Process (SCP) for the definition of a valid request.</i></p>

¹ The relevance of information shared by FIUs helps determine its utility and value.

² For leads.

³ To the extent that is allowed by the legal system.

⁴ *Id.*

⁵ For leads.

⁶ For evidence.

⁷ To the extent that is allowed by the legal system.

⁸ *Id.*

Terms

Definitions

2. Such an adequate response is one in which the requested FIU provides readily available **financial intelligence** or information to the requesting FIU, along with an explanation of when the requested FIU expects to reply fully. The explanation takes into account the following efforts to: (a) obtain available information requested from reporting entities, external databases and/or other third parties; and/or (b) process the request once information from reporting entities, external databases and/or third parties becomes available; and/or (c) receive additional details or clarification about the request from the requesting FIU.

Ref. the Egmont Operational Guidance paragraph 23.

Invalid request

An **invalid request** is a request that does not comply with the Egmont Group's requirements for a **valid request**.

*Ref. the Egmont Group's SCP for the definition of a **valid request**.*

Limited use principle

The **limited use principle** refers to the principle that exchanged **financial intelligence**, or information is to be used only for the purpose(s) for which such **financial intelligence** or information was sought or provided.

Ref. the Principles paragraph 32.

Networking

At the international level, **networking** refers to the collaboration between FIUs to identify links or connections to the requested jurisdiction or additional jurisdictions.

Ref. the Egmont Group's Operational Guidance, paragraphs 28 and 29.

Prior consent

1. **Prior consent** refers to situations in which an FIU permits the **dissemination** of **financial intelligence** or information in advance of such **dissemination**, either to an entity outside of the FIU receiving/requesting the **financial intelligence** or information or for purposes beyond those originally approved.
2. FIUs may grant **prior consent**:
 - a. in response to requests to share **financial intelligence** or information, as well as
 - b. regarding spontaneous disclosures of **financial intelligence** or information.

Ref. the Principles paragraphs 26 and 32 and FATF INR.40A(3).

Terms

Definitions

Reciprocity

1. **Reciprocity** refers to the capacity and practice of FIUs engaged in international cooperation to obtain or access, and share similar information or **financial intelligence**.
2. An FIU is expected to share with its foreign counterparts the maximum amount of **financial intelligence** or information that it can obtain or access according to the laws of the disclosing FIU's jurisdiction. An FIU can refuse cooperation, as appropriate, for example, on the grounds of lack of **reciprocity** or recurring inadequate cooperation.

Ref. the Principles paragraphs 11, 22(b), 25 and 27, and FATF INR.40B(9)(a and b).

Third agency rule

The **third agency rule** refers to situations in which **financial intelligence** or information cannot be disseminated to third parties or agencies without the **prior consent** of the FIU that controls or owns such **financial intelligence** or information.

Ref. Principles paragraphs 26 and 32.

E. Table of Amendments

Date/Reason for Update	Amendment
<p>May 2022</p> <p>As a result of the Recommendations to address impediments regarding information exchange project</p>	<p>Recommendation 3: Revising Principle 26 of the Egmont Group of Financial Intelligence Units Principles for Information Exchange between Financial Intelligence Units (July 2013)</p> <p>36. The PPWG proposes the following: <i>FIUs receiving requests should promptly and, to the largest extent possible, grant prior consent to disseminate the information to competent authorities. The FIU receiving the request should not refuse consent to such dissemination unless this would fall beyond the scope of application of its AML/CFT provisions, could impair a criminal investigation, would be clearly disproportionate to the legitimate interests of a natural or legal person or the State of the providing FIU, or would otherwise not be in accordance with fundamental principles of its national law. Any such refusal to grant consent should be <u>explicit and appropriately explained. Unless explicitly refused by the requested FIU, the requesting FIU may assume consent to disseminate the information to the authorities indicated in the request.</u></i></p>

January 2023

As a result of the Policy and Procedures Working Group (PPWG) project to develop a Glossary of Key Egmont Group Terminology

On January 19th, 2023, the Egmont Group Chair concluded, via out-of-session procedure, the consensus of the Egmont Group Heads of Financial Intelligence Units to approve the PPWG developed *Glossary of Key Egmont Group Terminology* and to include it as an annex to the *Egmont Group Principles for Information Exchange between Financial Intelligence Units*.