



The Compliance Commission of The Bahamas

NOTICE

Re: FATF Report-Countering Ransomware Financing

Dear Registrant,

The Compliance Commission wishes to alert registrants of a report recently released in March 2023 on Countering Ransomware Financing.

Ransomware is a type of malicious software (malware) that criminals develop and/or use to deny access to data, systems, or networks while demanding a ransom payment in exchange.

Ransomware attacks target individuals, businesses and government agencies, across the world. The impact of these attacks can be devastating for individuals, government agencies and business activity and even disrupt essential infrastructure and services.

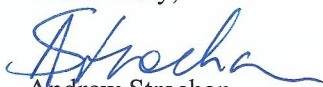
The FATF report analyses the methods that criminals use to carry out their ransomware attacks and how payments are made and laundered. Criminals are almost exclusively using crypto, or virtual assets and have easy access to virtual asset service providers around the world. Jurisdictions with weak or non-existent AML/CFT controls are therefore of concern.

The report proposes a number of actions that countries can take to more effectively disrupt ransomware-related money laundering. This includes building on and leveraging existing international cooperation mechanisms, given the transnational nature of ransomware attacks and related laundering. Authorities also need to develop the necessary skills and tools to quickly collect key information, trace the nearly instantaneous financial transactions and recover virtual assets before they dissipate. The multi-disciplinary nature of ransomware also means that authorities must extend their collaboration beyond their traditional counterparts to include cyber-security and data protection agencies.

The report also provides a list of potential risk indicators that will help authorities and the private sector detect such financial flows. The findings of the report draw upon experience and expertise from across the public and private sectors, including inputs and case studies from more than 40 delegations across the FATF Global Network.

The FATF report can be downloaded via <https://www.fatf-gafi.org/en/publications/Methodsandtrends/countering-ransomware-financing.html>

Yours Truly,


Andrew Strachan
Inspector

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