THE AFC RADAR

Your quarterly update on Anti Money Laundering, Counter-Terrorism Financing and Sanctions.

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In This Edition

Risk Management and Compliance Function

Sanctions Developments

12th March 2026

The Sanctions Monitoring Board (SMB) published an important judgement concerning the assets of non-listed companies controlled by a sanctioned person.

In Case C-84/24, the EU Court of Justice held that assets of a company not itself listed under EU sanctions may nonetheless be frozen if they are owned, held, or controlled by a listed person.

The Court confirmed that a 50% shareholding gives rise to a rebuttable presumption of control, while at the same time requiring Member States to provide procedures allowing both the company and the listed individual to challenge and potentially lift the freezing order.

https://curia.europa.eu/site/upload/docs/application/pdf/2026-03/cp260032en.pdf

18th March 2026

The European Commission published an updated guidance on the interpretation of the RePower Gas Regulation (EU) 2026/261.

The guidance contains clarifications and recommendations which harmonise the sanction regime against Russian gas and the need to secure sufficient gas supply.

https://www.espo.be/media/repower-eu-updated-guidance-of-18-march-2026.pdf

17th February 2026

The FIAU published the latest FATF Public Statements – dated 13th February 2026

Outcome

- High-risk jurisdictions subject to a Call for Action – Iran, Democratic People's Republic of Korea (DPKR) and Myanmar (no change from last update)

- Jurisdictions under increased monitoring:

New inclusions are Kuwait and Papua New Guinea. Added together with Algeria, Angola, Bolivia, Bulgaria, Cameron, Côte d'Ivoire, Democratic Republic of Congo, Haiti, Kenya, Lao PDR, Lebanon, Monaco, Namibia, Nepal, South Sudan, Syria, Venezuela, Vietnam, Virgin Islands (UK) and Yemen

- Jurisdictions no longer subject to increased monitoring: None

[Outcomes FATF Plenary, 11-13 February 2026]

19th February 2026

The FIAU announced the latest Delegated Acts of the (EU) Commission on High-Risk Third Countries.

Delegated Regulations (EU) 2026/46 – The Annex has been revised by the inclusion of Point IV, listing Russia in a new category of high-risk third countries which are not identified as being subject to calls for action or increased monitoring by the FATF, but whose membership in that international standard-setter is suspended.

Delegated Regulations (EU) 2026/83 – The Annex has been revised to include Bolivia and the British Virgin Islands to the list of high-risk third countries which have provided a written high-level political commitment to address identified deficiencies and have developed an action plan with FATF. Burkina Faso, Mali, Mozambique, Nigeria, South Africa and Tanzania have been removed.

EU Commission Delegated Acts on High-Risk Third Countries

16 March 2026

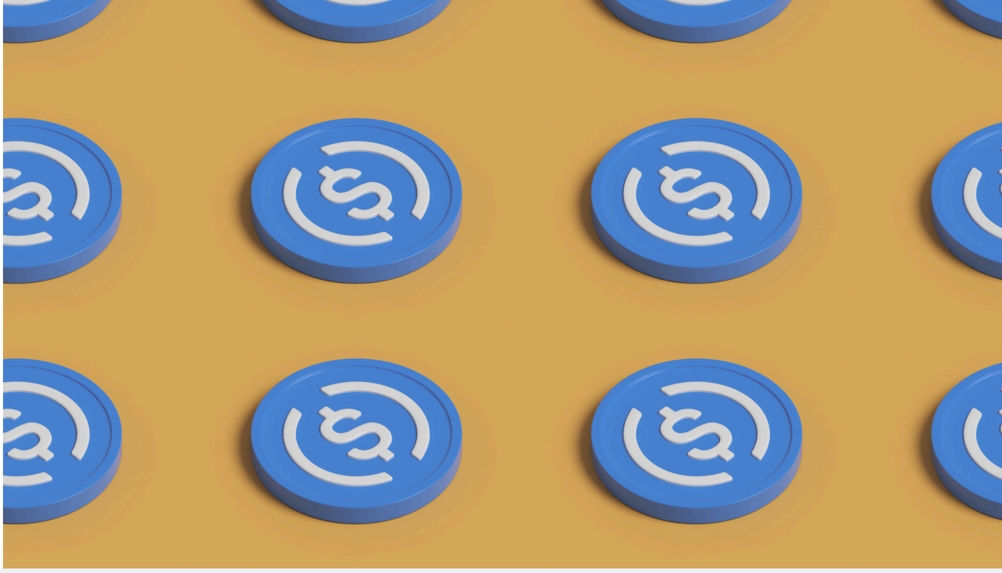
The FIAU notified subject persons that MONEYVAL has published a new typologies report entitled **'Money Laundering, Terrorism Financing and Proliferation Financing Risks and Trends linked to Proceeds Obtained from Conflicts'**.

The research examines how conflicts create conditions for generating illicit proceeds, and how these funds are subsequently laundered or used to finance terrorism and the proliferation of weapons of mass destruction. The analysis underscores that weakened state control and destabilised markets in conflict zones create environments conducive to complex and interconnected criminal economies.

The report emphasises the growing sophistication of illicit financial mechanisms used to circumvent targeted financial sanctions. Conflict-affected environments enable criminals to exploit vulnerabilities in financial and regulatory systems, using complex schemes involving shell companies, third-country intermediaries and virtual assets to conceal the origin, movement and purpose of funds. Importantly, even jurisdictions not directly affected by conflicts may become conduits or facilitators of these illicit flows, emphasising the need for heightened vigilance and robust cross-border co-ordination within the global AML/CFT framework.

MONEYVAL Report - Money Laundering, Terrorism Financing and Proliferation Financing Risks and Trends linked to Proceeds Obtained from Conflicts

FATF Publications



03rd March 2026

A new FATF report entitled '**Targeted Report on Stablecoins and Unhosted Wallets – Peer-to-Peer Transactions**' highlights illicit finance risks linked to criminals' misuse of stablecoins, particularly through peer-to-peer (P2P) transactions via unhosted wallets and sets out recommended actions for countries and the private sector to strengthen controls to protect the integrity of the financial system.

Stablecoins have expanded rapidly, with over 250 in circulation by mid-2025 and a market capitalisation exceeding USD300 billion.

Chainanalysis has indicated that stablecoins account for 84% of illicit virtual asset transaction volume in 2025, often involving complex laundering techniques designed to obscure fund origins. State-linked cybercriminal groups, including from the Democratic People's Republic of Korea (DPRK), are adopting stablecoins as their preferred method to launder the proceeds of ransomware, phishing, and other cyber-enabled crimes, whilst Iranian actors are leveraging stablecoins to finance weapons proliferation.

Whilst FATF standards do not require jurisdictions to adopt regulatory frameworks for stablecoin arrangements beyond those applicable to Virtual Asset Service Providers (VASPs), the FATF urges countries to implement proportionate and effective mitigating measures that reflect their distinct characteristics. The report highlights case studies demonstrating how new technologies and blockchain analytical tools, along with other risk mitigation measures, have been used to detect and disrupt illicit activity involving stablecoins.

FATF Report – Targeted Report on Stablecoins and Unhosted Wallets

13th March 2026

The FATF published a new report entitled '**Understanding and Mitigating the Risks of Offshore Virtual Asset Service Providers**'. The report, which highlights massive gaps in global financial crime compliance, focuses on crypto-platforms operating across borders without being properly supervised in the jurisdiction where their users actually reside. This regulatory mismatch creates real, exploitable gaps:

- **Fragmented oversight**: currently, less than half of the jurisdictions (46%) have adopted an activity-based approach for regulating offshore providers.

- **Sophisticated evasion**: criminals activity exploits these gaps by dispersing illicit funds gained from their victims across multiple addresses and routing transactions through layered intermediary wallets.

- **Nestled vulnerabilities**: unregulated offshore platforms frequently rely on 'nested' arrangements to access liquidity through regulated, onshore providers.

The FATF report outlines that these offshore structures are enabling large-scale financial crime.

- In Nigeria, investigators uncovered a massive fraud scheme where a single offshore VASP-linked wallet held circa USD600 million.

- In Indonesia, authorities identified offshore platforms being actively used to provide financial support to terrorist networks in Syria.

Cross-border crypto compliance is a growing hurdle. However, through tailored risk management, inter-agency task forces, and stronger FIUs cooperation can help bridge these gaps.

FATF Report – Understanding and Mitigating the Risks of Offshore Virtual Asset Service Providers

AMLA
Anti-Money Laundering Authority

Updates

26th January 2026

AMLA launched a data collection and testing exercise for the financial sector, marking a step forward towards its future supervisory role.

This exercise will support the development and calibration of AMLA's risk assessment models, which will be used in the selection of the 40 entities eligible for direct supervision and to promote a more consistent approach to AML/CFT risk assessment across the EU.

The reporting package for its data collection exercise was published on the 16th March 2026.

https://www.amla.europa.eu/amla-launch-data-collection-exercise-test-risk-assessment-models-financial-sector_en

04th February 2026

As it moves from foundation to delivery, **AMLA sets its strategic priorities with the publication of the 2026-2028 Single Programming Document (SPD)**. The publication contains AMLA's work programme and provides a roadmap for the market.

The SPD translates AMLA's actions into the following five inter-linked activities that will shape AMLA's work in 2026 with an impact across the three years covered in the SPD:

(i) Delivering on core regulatory mandates
(ii)Advancing direct supervision
(iii)Operationalising the FIU framework
(iv)Laying the foundations for indirect supervision and oversight, and
(v)Building AMLA's risk frameworks.

AMLA's 2026-2028 Single Programming Document

09th February 2026

AMLA has launched **public consultations** on the following three draft Regulatory Technical Standards (RTSs):

- Draft RTS on customer due diligence (Article 28(1) AMLR)
- Draft RTS on criteria for identifying business relationships, occasional linked transactions and lower thresholds (Article 19(9) AMLR)
- Draft RTS on pecuniary sanctions, administrative measures and periodic penalty payments (Article 53(1) AMLD6)

The feedback received through these three consultations will be considered when preparing the draft RTSs to be submitted to the European Commission.

On the 24th March, AMLA held its first public hearing on the first two draft RTSs and consultations remain open until 8th May 2026.

https://www.amla.europa.eu/amla-consults-key-mandates-private-sector-and-harmonized-supervision_en