



MILAF

Mesa Intersectorial sobre Prevención
y Combate al Lavado de Activos y
al Financiamiento del Terrorismo

National Strategy to Prevent and Combat Money Laundering, the Financing of Terrorism and the Financing of Proliferation of Weapons of Mass Destruction (ML/TF/PF).

Action Plan 2023-2027.

SANTIAGO, DECEMBER 2023.

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<https://www.uaf.cl/estrategia/estrategia2023-2027.aspx>

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TERMS OF USE

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PRESENTATION

Presidency of the Intersectoral Roundtable on the Prevention and Combating of Money Laundering and Terrorist Financing (MILAFT)

The fight against organized crime is a priority for the Government of President Gabriel Boric, which focuses on two strategic axes: the fight against money laundering and the financing of terrorism. For this reason, during this term, the progressive strengthening of specialized units to combat these crimes has been promoted and the relevant legislation has been updated.

As technology and the internationalization of trade expand around the world, it is necessary to have the best tools and to improve them periodically to prevent the spread of illicit activities and new forms of crime, which require more sophisticated and proactive responses from the State.

Although there are no updated statistics that accurately quantify the amount of money that organized crime represents in terms of money laundering, the United Nations Office on Drugs and Crime (UNODC) has estimated that drug traffickers laundered 2.7% of global GDP in 2009, equivalent to approximately US\$1.6 billion.

As a country, we must be alert to the spread and increase of this type of conduct and in accordance with this, in May of this year the Government presented a bill on Economic Intelligence, marking a milestone in the national strategy to detect the movement of money from money laundering, terrorist financing and other crimes linked to organized crime with different auditing and intelligence tools.

In 2013, the first National Strategy to Prevent and Combat Money Laundering and the Financing of Terrorism was launched; in 2016, the Intersectoral Roundtable on the Prevention and Combat of Money Laundering and Terrorist Financing (MILAFT) was created, and in 2023, following international recommendations, its jurisdiction was expanded to include the proliferation financing phenomenon, culminating in this National Strategy to Prevent and Combat Money Laundering, the Financing of Terrorism and the Financing of Proliferation of Weapons of Mass Destruction; and its Action Plan 2023-2027.

This effort, led by the Ministry of Finance, is a coordinated body that brings together 30 public institutions that proactively contributed to the design of this Strategy for the next four-year period.

Only through the development of systematic policies that give continuity to the efforts and actions of successive governments will we be able to achieve effectiveness in preventing and combating organized crime and corruption. This is based on strategies that recognize thematic axes and concrete actions contained in the National Policy Against Organized Crime, in the National Strategy for Public Integrity and, now, in this Strategy that is being presented to the public.

Each of the organizations, institutions and services that participated in the preparation of this document have done a great job, both to achieve these objectives and to formulate proposals for the next four-year period. This intersectoral effort will be strengthened by the legislative work we have done to approve bills such as the one that modernizes and improves the transparency of the public procurement system and several others that are still being processed, including the one on Economic Intelligence or the one that seeks to create a Beneficial Ownership registry of natural persons and legal entities.

To make progress in the pursuit of the financing of crimes and the money they generate, it is essential to continue strengthening the work instances and inter-institutional collaboration in the diagnosis, approach and combat of criminal organizations.

We are accelerating the pace so that 2024 will be another year with new tangible achievements that reflect the response to the demands of the citizens of our country for greater security and the fight against criminal acts. We are on the right path, because it is joint work that allows us to add value to institutions and people, mitigate costs, save time and provide greater security.

I would like to thank each of the organizations, institutions and services that participated in this event, because the commitment of all of us allowed us to carry out this important task and to report on a State that is articulated and coordinated under a common purpose: to be effective in the fight against organized crime.

Mario Marcel Cullell

Minister of Finance

President of MILAFT

Coordination of the National Policy against Organized Crime

In December 2022, the President of the Republic, Gabriel Boric, announced to the country the first National Policy against Organized Crime (PNCO), with the aim of facing the challenges and threats of criminal gangs through a new strategy that articulates and coordinates the work of different State institutions.

Built around 10 axes, the PNCO seeks to prevent, neutralize and pursue organized crime in Chile. One of these axes is the "Disruption of the economy of organized crime." Through their criminal activity, these organizations seek profit and the obtaining of assets and large economic gains, which they then need to launder.

As the United Nations has pointed out, criminal groups reproduce their model of organized crime, with the risk of invading and corrupting not only the State administration, but also the private sector, thus affecting society and democracy at all levels.

Faced with this threat, the National Policy proposes among its lines of action the strengthening of oversight institutions, strengthening the Financial Analysis Unit and implementing measures - through the National Strategy to Prevent and Combat Money Laundering and the Financing of Terrorism and its action plans - that allow overcoming the gaps that have been identified by the Financial Action Task Force of Latin America (Gafilat).

Likewise, the Policy seeks to adapt current regulations to international standards regarding money and asset laundering, an area in which we have made significant progress during 2023 with the approval of anti-drug trafficking laws, economic crimes and the criminalization of money smuggling. In addition, the PNCO encourages international cooperation and coordination, including the promotion of operations focused "on money laundering, terrorist financing and asset investigation to identify and dismantle transnational companies that serve as a front for transnational organized crime."

This Third Action Plan on the Prevention and Combating of Money Laundering and Financing of Terrorism is another link in this strategy to fight organized crime. It is a response to what people are asking for today, which is to protect our society, to ensure that there is no impunity, that criminals and drug traffickers do not receive the economic benefits of their criminal acts, and to provide the conditions so that citizens can have a safe and full life.

Manuel Monsalve Benavides

Undersecretary of the Interior

Coordination of the National Anti-Money Laundering and Terrorism Financing System and Executive Secretariat of MILAFT

Since its creation in December 2003, through Law No. 19,913, the Financial Analysis Unit (UAF) has represented Chile before the Financial Action Task Force of Latin America (Gafilat) and has coordinated the National Anti-Money Laundering and Counter-Terrorism Financing System (ALA/CTF), in which the public and private sectors participate in a coordinated and collaborative manner, in order to prevent, detect, prosecute and punish both crimes in the country.

Since then, more than 8,500 individuals and legal entities have registered in the UAF's Registry of Reporting Entities, which enables them to report to this Service all suspicious money laundering and terrorist financing (ML/TF) operations that they detect in the exercise of their activities or functions.

The above constitutes a legal obligation that requires the development and implementation of preventive AML/CTF systems (and Anti-Corruption, in the case of public institutions), as well as the ongoing training of its workers and officials on the aforementioned matters.

In this context, the UAF not only supervises compliance with AML/CFT regulations but also provides ongoing support and training to ensure the effective operation of the National System against these crimes.

Over the years, the coordinated work between the UAF and the Public Prosecutor's Office, the police and other regulatory and supervisory entities, as well as the Judiciary, has transformed the fight against organized crime into a priority, since citizens and authorities have understood that ML, its preceding crimes and TF, have negative effects on the social, financial, institutional and reputational stability of the country.

International standards call on countries to identify, assess and understand their ML/TF risks, and take action to mitigate them; establish efficient mechanisms that allow competent authorities to cooperate and, where appropriate, engage in coordination and information exchange; adopt provisional measures (such as freezing, seizure and confiscation of money and property) or financial sanctions directed against TF and the financing of the proliferation of weapons of mass destruction; and ensure that a range of effective, proportionate and dissuasive sanctions are in place.

Between 2007 and 2022, Chilean Courts of Justice have issued 273 final convictions for the crime of money laundering, involving a total of 561 convicted individuals (379 men and 182 women).

Although drug trafficking remains the main offence resulting in convictions for ML, over time there has been an increasing share of sentences for crimes associated with corruption (misappropriation of public funds, tax fraud and others).

The mutual dependence and functionality of organized crime, money laundering and corruption, therefore, requires the consolidation of an adequate public policy for the prevention of these illegal acts with an adequate focus on human and financial resources.

To this end, since 2013 the country has developed and implemented two action plans to prevent and combat ML/TFD, and to comply with international guidelines to reduce organized crime. As the world progresses, criminals also carry out increasingly sophisticated maneuvers to obtain money from illicit sources. But who finances these individuals? How do we prevent these groups from having, directly or indirectly, access to funds or assets? And how do we prevent our entities from being misused for their benefit?

In order to answer these questions, it is essential to have a Strategy that contains specific and measurable measures and actions, and in which everyone participates, since, if the prevention and detection pillars of the National AML/CFT System are weak, it is impossible for the prosecution and sanction pillars to achieve their objective, which is to stop and criminally condemn organized crime.

Carlos Pavez Tolosa

Director of the Financial Analysis Unit

Executive Secretary MILAFT

ACRONYMS USED

CONCEPTS

FATF 40R:	40 Recommendations of the Financial Action Task Force.
AML/CTF:	Anti-money laundering and countering terrorist financing.
AML/CTF/CPF:	Anti-money laundering and countering terrorist financing and the proliferation of weapons of mass destruction.
LEA:	Law enforcement authorities.
DNFBP:	Designated non-financial business and professions.
VA:	Virtual assets.
BO:	Beneficial Ownership.
KYC:	Due diligence and knowledge of the client.
DPTE:	Declaration of Carriage and Transport of Cash.
RBA:	Risk Based Approach.
ME:	Mutual Evaluation.
EN:	National Strategy.
EN AML/CTF/CPF:	National Strategy against Money Laundering, Terrorist Financing and Proliferation Financing of Weapons of Mass Destruction.
NRA:	National Risk Assessment.
PF:	Financing of proliferation.
PFWMD:	Financing of the proliferation of weapons of mass destruction.
TF:	Terrorist Financing.
MER:	Mutual Evaluation Report.
ML:	Money laundering.
ML/TF:	Money laundering and terrorist financing.
ML/TF/PF:	Money laundering, terrorist financing and proliferation financing.
MILAFT:	Intersectoral Roundtable on Prevention and Combating Money Laundering and Terrorist Financing.
MT:	Working Group.
MT-AL:	Legislative Update Working Group.
MT-IF:	Financial Intelligence Working Group.
MT-PP:	Criminal Prosecution Working Group.

MT-R:	ML/TF/PF Risk Working Group.
MT-SyR:	Supervision and Regulation Working Group.
IN:	Interpretive Note.
NPO:	Non-profit organizations.
PWMD:	Proliferation of weapons of mass destruction.
PEP:	Politically Exposed Persons.
PNCO:	National Policy against Organized Crime.
VASP:	Virtual Asset Service Providers.
UNSCR:	United Nations Security Council Resolutions.
R1, R2, R3 (etc.):	FATF Recommendation number.
IO:	Immediate Outcome.
SCTR:	Suspicious Cash Transaction Report.
STR:	Suspicious Transaction Report.
SE:	Executive Secretariat of MILAFT.
TFS:	Targeted financial sanctions.
OE:	Obligated entities.

NATIONAL INSTITUTIONS

ANI:	National Intelligence Agency.
BCCh:	Central Bank of Chile.
Brico:	Organized Crime Investigation Brigade of the PDI.
Brilac:	Money Laundering Investigation Brigade of the PDI.
CDE:	State Defense Council.
CGR:	Office of the Comptroller General of the Republic.
CMF:	Financial Market Commission.
CS:	Supreme Court.
Dicrep:	General Directorate of Pledge Credit.
Dipolcar:	Police Intelligence Directorate of the Carabineros of Chile.
Directemar:	General Directorate of Maritime Territory and Merchant Marine.
INFIPAT:	Financial Asset Investigation Support Unit of the Public Prosecutor's Office.
ISP:	Public Health Institute.

Minecon:	Ministry of Economy, Development and Tourism.
MH:	Ministry of Finance.
Minju:	Ministry of Justice and Human Rights.
Minrel:	Ministry of Foreign Affairs.
MinInterior:	Ministry of the Interior and Public Security.
MP:	Public Ministry.
O.S.7:	Drug Department of the Carabineros of Chile.
O.S.9:	Department of Investigation of Criminal Organizations of the Carabineros of Chile.
PDI:	Investigative Police.
SAG:	Agricultural and Livestock Service.
SCJ:	Superintendency of Gambling Casinos.
Senda:	National Service for the Prevention and Rehabilitation of Drug and Alcohol Consumption.
Segpres:	Ministry of the General Secretariat of the Presidency.
SII:	Internal Revenue Service.
SNA:	National Customs Service.
SP:	Superintendency of Pensions.
SRCEI:	Civil Registry and Identification Service.
Suseso:	Social Security Superintendence.
TGR:	General Treasury of the Republic.
UAF:	Financial Analysis Unit.
UCOD:	Specialized Unit in Organized Crime, Illicit Trafficking of Drugs, Weapons and Persons, Homicide and Associated Money Laundering of the Public Prosecutor's Office.
ULDDECO:	Specialized Unit for Economic, Environmental, Cybercrime and Money Laundering Associated with the Public Prosecutor's Office.
UNAC:	Specialized unit in Anti-Corruption, Money Laundering and Internal Integrity of the Public Prosecutor's Office.

INTERNATIONAL INSTITUTIONS

IDB:	Inter-American Development Bank.
WB:	World Bank.
UNSC:	United Nations Security Council.

IMF:	International Monetary Fund.
FATF:	Financial Action Task Force.
Gafilat:	Financial Action Task Force of Latin America.
OECD:	Organization for Economic Co-operation and Development.
UNO:	United Nations Organization.

PART 1.

NATIONAL AML/CTF/CPF STRATEGY

CONTEXT

Since December 2013, Chile has had a National Strategy to Prevent and Combat Money Laundering and the Financing of Terrorism (or National Anti-Money Laundering and Counter-Terrorist Financing Strategy, EN AML/CTF), in an unprecedented effort by various public institutions to protect the country, its economy and inhabitants from the damage to social, financial and reputational stability caused by both crimes.

The development of an EN was a technical and executive response to national and international challenges for an effective fight against organized crime.

The efforts to design it took into account Chile's incorporation as a member of the Financial Action Task Force of South America (Gafisud, now Gafilat) in 2000; the publication of Law No. 19,913, which created the Financial Analysis Unit (2003)¹; the first convictions for the crime of ML (2007)²; the results of the evaluation processes of Chile by Gafilat (2006 and 2010)³; the entry into force of Law No. 20,393, which establishes the criminal liability of legal persons for a series of crimes, including ML, TF and bribery (2009)⁴, and the conditions for Chile's entry into the OECD (2010).

The above milestones contributed to the fact that, in July 2012, and based on the Strategic Alliance signed by the Ministry of the Interior and Public Security, the Ministry of Finance and the Financial Analysis Unit to work together on matters related to ML/TF⁵, some twenty public institutions in the country, coordinated by the UAF, and with the support of the IMF and the IDB, undertook the task of designing and preparing an AML/CTF EN as a State policy.

The diagnostic phase of the aspects of the National AML/CTF System that needed to be strengthened extended until the first quarter of 2013, while the definition of the Action Plan concluded in August, with the EN AML/CTF being launched in December of that year.

The work of the member entities of the National Strategy has been supported by MILAFT, created in July 2016, through Decree No. 1,724 of the Ministry of Finance⁶, as a presidential advisory body for the coordination of actions, plans and programs of the different institutional actors in the prevention, detection and prosecution of ML/TF.

The Action Plans of the National AML/CTF Strategy correspond to the years 2014-2017 and 2018-2020, and its lines of work were developed taking into account the recommendations of the Gafilat contained in the Chile Report of 2010, within the framework of the Third Round of Mutual Evaluations.

¹ Disponible en <https://www.bcn.cl/leychile/navegar?idNorma=219119>

² Sistematizadas en el Informe de Tipologías y Señales de Alerta de la UAF, disponible en https://www.uaf.cl/entidades_reportantes/info_tipo.aspx

³ Disponibles en <https://www.gafilat.org/index.php/es/miembros/chile>

⁴ Disponible en <https://www.bcn.cl/leychile/navegar?idNorma=1008668>

⁵ Disponible en <https://www.uaf.cl/acerca/publicas.aspx>

⁶ Disponible en <https://www.bcn.cl/leychile/navegar?idNorma=1092660>

The last country assessment was conducted in 2020-2021. The period examined during the Fourth Round covered the actions taken by Chile between 2015 and 2019, both years inclusive, to prevent and combat ML/TF, according to the new FATF Methodology (approved in 2012), which includes criteria for reviewing technical compliance with the 40Rs (the country's regulatory framework) and the actual effectiveness of the National AML/CTF System, based on a risk approach (measured through 11 Immediate Outcomes).

The Final Report⁷ established that, of the 40Rs, the country achieved 12 Compliant, 18 Mostly Compliant, 9 Partially Compliant and none Not Compliant. Regarding the effectiveness of the National AML/CTF System, the country was rated as "Substantial" in 3 Immediate Outcomes, "Moderate" in 7 and "Low" in 1.

With these levels of compliance, the Gafilat decided to subject the country to an enhance follow-up process, which means that Chile must periodically report on progress to overcome the deficiencies detected.

Without prejudice to the ongoing inter-institutional work to continue strengthening the National AML/CTF System, in March 2023, MILAFT agreed to update the mission, vision and objective of the EN to, among others, incorporate the PF phenomenon into the scope of its powers, in line with international standards.

Although PF was considered in the 2018-2020 Action Plan, it was not expressly included as a phenomenon in the conceptual framework of the EN, which not only made it invisible but also restricted its prevention.

This amendment allows MILAFT to address the risks identified in the National Risk Assessments for ML, TF and PF, and to resolve the gaps in this last area that were highlighted in the MER 2021.

However, in order to strengthen the pillars of prevention, detection, prosecution and criminal punishment of ML/TF, MILAFT decided to establish 5 inter-institutional technical working groups, coordinated by the UAF, in its capacity as Executive Secretariat, which should not only focus their efforts on combating both crimes but also address the risks and threats posed by PF.

MISSION

Strengthen the National AML/CTF/CPF System, with the aim of protecting the country and its inhabitants from the damage caused by these illegal acts, especially in the economy and the financial system.

VISION

To constitute the body responsible for periodically evaluating the functioning of the National AML/CTF/CPF System, in order to propose the necessary actions for its improvement.

⁷ Disponible en <https://www.gafilat.org/index.php/es/miembros/chile>

AIM

Strengthen mechanisms and tools to prevent, detect, prosecute and criminally punish ML/TF and reduce the country's exposure to the PF phenomenon, based on international standards and recommendations.

PART 2.

RESULTS OF THE ACTION PLANS OF THE NATIONAL AML/CTF STRATEGY

The EN AML/CTF Action Plans correspond to the years 2014-2017 and 2018-2020, and their lines of work were developed taking into account the recommendations of the Gafilat contained in the 2010 MER, within the framework of the Third Round of Mutual Evaluations. The results are reported below.

ACTION PLAN 2014 – 2017⁸



Following Chile's 2010 assessment, the country was added to the list of jurisdictions under enhance follow-up process by the Gafilat, due to a series of deficiencies detected in compliance with the 40Rs of the FATF.

In order to be removed from this list, 20 public institutions developed an Action Plan in 2013 that included 5 lines of work and 50 specific objectives that were developed in two thematic groups:

- Prevention of ML/TF.
- Detection and Prosecution of ML/TF.

These lines of work responded both to the national reality and to the adjustments necessary to comply with the FATF standards, namely:

1. Greater understanding of ML/TF crimes and inter-institutional coordination to combat them.
2. Asset investigations and administration of seized or confiscated assets.
3. Measures to control the movement of assets across borders.
4. Adjustments to national legislation for the prevention and combating of ML/TF.
5. Transparency and final beneficiary of legal entities.

For each strategic line, the participating institutions generated different initiatives to meet the objectives identified in the Action Plan, with 83% of the proposed objectives being fulfilled at the end of the period.

The main results of the 2014–2017 Action Plan include:

⁸ Disponible en <https://www.uaf.cl/estrategia/estrategia.aspx>

- Approval by the National Congress and publication in the Official Gazette in February 2015 of Law No. 20,818⁹, which improves the mechanisms for prevention, detection, control, investigation and prosecution of the crime of ML: It introduced important modifications to Law No. 19,913¹⁰, including the obligation to report suspicious TF transactions to the UAF; increase in the number of private entities required to report suspicious TF/ML transactions to the UAF; incorporation of public institutions as subjects required to report suspicious TF/ML transactions to the UAF; expansion of the catalog of ML predicated crimes; modification of the Cash Suspicious Transactions Report (CSTR) threshold to USD 10,000; power to freeze and retain assets of persons linked to TF who are on the UNSC lists.
- Decree No. 1,724/2016¹¹, of the MH, which creates the Intersectoral Roundtable on Prevention and Combating ML/TF (MILAFT), which institutionalizes the National ML/CTF System.
- Design and implementation of the UAF National Training Plan, aimed at the public and private sectors, to provide them with knowledge, guidelines and recommendations so that they can develop and implement preventive systems against public officials and ML/TF crimes.
- Publication of the Guide to Asset Investigation in ML and Precedent Crimes, a working document for specialized prosecutors and police officers in charge of investigating this type of crime.
- Issuance of various UAF Circulars¹²:
 - Circular No. 50/2014, jointly with the Superintendency of Gambling Casinos (SCJ).
 - Circular No. 52/2015, which modifies the CSTR threshold.
 - Circular No. 53/2015, which requires the new activities mentioned in Article 3 of Law No. 19,913 to be registered in the UAF Registry of Reporting Entities.
 - Circular No. 54/2015, on the prevention of the crime of TF.
 - Circular No. 55/2015, which complements circulars No. 49 and No. 54 on the prevention of TF.
 - Circular No. 56/2016, which defines the periodicity of the CSTR for the new obligated entities included in article 3 of Law No. 19,913.
 - Circular No. 57/2017, which provides instructions to the financial sector on the obligation to identify and register the beneficial owners of legal persons/structures.

The implementation of the 2014-2017 Action Plan resulted in the Gafilat deciding to remove Chile from the list of countries under enhance follow-up process in 2016, thereby recognizing the regulatory and institutional advances that have made it

⁹ 9 Disponible en <https://www.bcn.cl/leychile/navegar?idNorma=1074860&idParte=9567890&idVersion=2015-02-18>

¹⁰ Disponible en <https://www.bcn.cl/leychile/navegar?idNorma=219119>

¹¹ Disponible en <https://www.uaf.cl/estrategia/comision.aspx>

¹² Disponibles en: https://www.uaf.cl/legislacion/norm_sector.aspx?id=1&id1=Corredores%20de%20Bolsas%20de%20Valores

possible to implement a National AML/CTF System that meets the highest international standards.

ACTION PLAN 2018 – 2020¹³

Because the fight against ML/TF is an ongoing task, which requires the review and updating of the country's vulnerabilities and threats to both crimes to be a dynamic and continuous process over time, at the beginning of 2017, the UAF, in its capacity as SE of MILAFT, called for the creation of a Second EN Action Plan, in order to execute the actions that remained pending and take charge of the changes that had occurred to that date on the matter, mainly at an international level.

Thus, between May and December of that year, 17 public institutions, coordinated by the UAF, met monthly to design the 2018-2020 Action Plan, taking into consideration:



- The maturation of the National AML/CTF System at the institutional and legislative level.
- The results of the EN AML/CTF and the Action Plan 2014-2017.
- The FATF Risk-Based Approach (RBA) guidelines.
- Results of the first NRA on ML/TF (launched by the UAF in March 2017).
- The preparation of the National AML/CTF System for the Fourth Round of Mutual Evaluation (ME) process of the Gafilat (to begin in May 2019, with the inclusion of effectiveness among the criteria to be evaluated).

The objectives of this new Action Plan were:

- Improve and strengthen the state response to combat ML/TF, in the areas of prevention, detection and criminal prosecution, in light of current threats and risks, achieving greater effectiveness.
- Prioritize and allocate resources effectively and efficiently for the fight against ML/TF, based on the national and sectoral risks of both crimes.
- Provide the country with an updated strategic vision, both in the preventive and persecutory areas, identifying essential tools to achieve this objective.
- Strengthen the country with a view to the ME process of the IV Round of the Gafilat for the year 2019-2020, taking into account the new FATF methodology, focused on both technical compliance and effectiveness.

The 2018-2020 Action Plan addressed 6 strategic lines, 44 specific objectives and commitments made by each of the MILAFT member institutions. This took into account the incorporation of specific actions to be carried out to mitigate the risks identified in the 2017 NRA. The strategic lines defined were:

¹³ Disponible en <https://www.uaf.cl/estrategia/estrategia2018-2020.aspx>

1. Update of AML/CTF regulations.
2. Risk-based supervision.
3. Asset tracing investigation and increase in confiscation.
4. Training to strengthen capacities and skills for the prevention and combat of ML/TF.
5. Inter-institutional cooperation and coordination.
6. Prevention and fight against FT and PF.

The results of the 2018-2020 Action Plan include:

- Publication of Law No. 21,121¹⁴ (November 2018), which modifies the Penal Code and other legal regulations for the prevention, detection and prosecution of corruption, including Law No. 20,393¹⁵ on criminal liability of legal entities and Law No. 19,913, which created the UAF.
- UAF Circular No. 58/2018¹⁶, which instructs the application of due diligence and customer knowledge measures, as well as the creation of a Committee for the Prevention of ML/TF, for issuers and operators of payment cards with provision of funds, and any other similar system.
- Publication of Law No. 21,130¹⁷ (January 2019), which modernizes banking legislation (authorizes the CMF to provide the UAF with confidential banking information when the occurrence of any conduct or omission is detected that could be indicative of situations referred to in article 27 of Law No. 19,913 (money laundering) and article 8 of Law No. 18,314¹⁸ (terrorist conduct).
- UAF Circular No. 59/2019¹⁹, which modifies Circular No. 49/2012 regarding due diligence and customer knowledge (KYC), electronic fund transfers, and risk countries and jurisdictions.
- Publication of Law No. 21,163²⁰ (July 2019), which incorporates the UNSC Resolutions regarding TF and PFADM in article 38 of Law No. 19,913, which creates the UAF and modifies various provisions regarding money laundering.
- UAF Circular No. 60/2019²¹, which modifies UAF Circulars No. 49/2012 and No. 54/2015 regarding Resolutions of the UNSC Sanctions Committees on TF and PF.
- Decree No. 214/2020²², of the Ministry of Foreign Affairs, which establishes a mechanism for the implementation of the UNSC Resolutions on TF/PF.
- Generation of RBAs for banks, insurance companies, notaries and companies dedicated to real estate management, to understand the risks of these sectors to ML/TF.
- Generation and implementation of the National UAF Training Plan based on ML/TF Risks.

¹⁴ Disponible en <https://www.bcn.cl/leychile/navegar?idNorma=1125600>

¹⁵ Disponible en

<https://www.bcn.cl/leychile/navegar?idNorma=1008668&idParte=8811434&idVersion=2020-06-20>

¹⁶ Disponible en https://www.uaf.cl/legislacion/norm_sector.aspx

¹⁷ Disponible en <https://www.bcn.cl/leychile/navegar?idLey=21130&tipoVersion=0>

¹⁸ Disponible en <https://www.bcn.cl/leychile/navegar?idNorma=29731>

¹⁹ Disponible en https://www.uaf.cl/legislacion/norm_sector.aspx

²⁰ Disponible en <https://www.bcn.cl/leychile/navegar?idNorma=1187103>

²¹ Disponible en https://www.uaf.cl/legislacion/norm_sector.aspx

²² Disponible en <https://www.bcn.cl/leychile/navegar?idNorma=1149338>

- UAF Training Plan to train prosecutors and police officers on ML/TF asset investigation issues.
- Joint audits by UAF-SCJ and UAF-SNA.
- Inter-institutional coordination for the Fifth Round of ME process of the Gafilat.

Due to the Covid-19 pandemic contingency, the execution of the Action Plan had to be extended by one year, culminating in December 2021. Of the 127 institutional commitments, 118 were fulfilled, 5 mostly fulfilled, 2 partially fulfilled and 2 not fulfilled²³.

²³ Tablero de Control disponible en:
https://www.estrategiaantilavado.cl/upload/repo/Tablero_Control_EstrategiaNacional_2021_1020.pdf

PART 3.

UPDATE OF THE NATIONAL STRATEGY MONITORING MECHANISM AND ITS ACTION PLAN

CONTEXT

Through Decree No. 1,724/2016²⁴ of the MH, MILAFT was created with the mission of advising the Presidency of the Republic in the coordination of actions, plans and programs on prevention, detection and prosecution of ML/FT.

This includes monitoring the objectives of the EN AML/CTF.

In order to fulfill its mission, MILAFT, which has a permanent inter-ministerial and inter-sectoral composition, carries out advisory work to assist in the coordination of public agents and representatives of the financial and economic sectors and of civil society, seeking to generate the conditions that allow progress in the prevention, detection and prosecution of ML/TF crimes.

For its creation, the international obligations assumed by Chile through the Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances²⁵, the Convention against Transnational Organized Crime²⁶, the International Convention for the Suppression of the Financing of Terrorism²⁷, the Convention Against Corruption²⁸, all of the United Nations, and the 40Rs of the FATF²⁹ were taken into account.

The MILAFT is chaired by the MH and, in his absence, by the UAF, which acts as SE, facilitating and coordinating the tasks that allow the proper functioning of the Roundtable, which includes submitting periodic reports on the level of progress in compliance with the measures committed to by its members.

The 15 permanent member institutions of MILAFT are:

- Carabineros of Chile (through Department O.S.7 of Drugs and Department O.S.9 of Investigation of Criminal Organizations).
- Financial Market Commission.
- General Directorate of Maritime Territory and Merchant Marine of the Chilean Navy.

²⁴ Disponible en <https://www.uaf.cl/estrategia/comision.aspx>

²⁵ Convención de Naciones Unidas contra el Tráfico Ilícito de Estupefacientes y Sustancias Sicotrópicas del 1998, ratificada por Chile en marzo de 1990 y promulgada mediante decreto N° 543, del Minrel, de 31 de mayo de 1990, publicado en el Diario Oficial el 20 de agosto de 1990.

²⁶ Convención de Naciones Unidas contra la Delincuencia Organizada Transnacional de 2000, ratificada por Chile en noviembre de 2004 y promulgada mediante decreto N°342, del Minrel, de 20 de diciembre de 2004, publicado en el Diario Oficial el 16 de febrero de 2005.

²⁷ Convenio Internacional para la Represión de la financiación del Terrorismo de Naciones Unidas de 1999, ratificado por Chile en noviembre de 2001 y promulgado mediante Decreto N°163, del Minrel, de 3 de julio de 2002, publicado en el Diario Oficial el 13 de septiembre de 2002.

²⁸ Convención de Naciones Unidas contra la Corrupción de 2003, ratificada por Chile en septiembre de 2006 y promulgada mediante Decreto N°375, del Minrel, de 23 de noviembre de 2006, publicado en el Diario Oficial de Chile el 30 de enero de 2007.

²⁹ Estándares Internacionales para el Combate del Lavado de Activos y el Financiamiento del Terrorismo y la Proliferación de 2012, del Grupo de Acción Financiera (GAFI). Disponible en: https://www.uaf.cl/descargas/legislacion/internacionales/GAFI_Recomendaciones_072022.pdf

- Ministry of Finances.
- Ministry of Foreign Affairs.
- Ministry of the Interior and Public Security.
- Ministry of the General Secretariat of the Presidency.
- Investigative Police (through the Money Laundering Investigation Brigade (Brilac)).
- Internal Revenue Service.
- National Customs Service.
- National Service for the Prevention and Rehabilitation of Drug and Alcohol Consumption.
- Superintendency of Gambling Casinos.
- Superintendency of Pensions.
- Superintendence of Social Security.
- Financial Analysis Unit (acts as Executive Secretariat).

Furthermore, the decree authorizes MILAFT to invite public institutions relevant to its work, such as the Central Bank of Chile, the Comptroller General of the Republic, the General Directorate of Pledge Credit and the Public Prosecutor's Office, which have been members since its creation, and other representatives of the financial and economic sectors of Article 3 of Law No. 19,913 and civil society organizations.

UPDATE OF THE MONITORING MECHANISM

Since its creation in 2016, MILAFT has generated a total of seven meetings over a period of 7 years (the last one in December 2023).

During the development of its mandate, MILAFT has identified obstacles to its continuity, most of which respond to its dependence on the EN action plans, and the need to expand its membership to other institutions.

In order to overcome these gaps, the SE, at the fifth meeting of MILAFT, in March 2023, proposed two modifications to the areas of participation and structure of this mechanism, in order to respond effectively to its mandate, and to give continuity to its work beyond the existence or not of an EN Action Plan.

The proposals that were approved by the members of MILAFT are:

Expansion of MILAFT members

Due to the need to expand the scope of national actions to prevent and combat ML/TF/PF, the incorporation of new institutions into this task was considered essential to strengthen existing inter-institutional coordination, making it more effective and efficient.

In this regard, and in accordance with the provisions of article 2, paragraph 5 of Decree No. 1,214/2016, the MILAFT plenary agreed to invite 9 new institutions to participate in its work:

- National Intelligence Agency.
- Organized Crime Investigation Brigade of the Investigative Police.
- State Defense Council.
- Supreme Court (as an observer).

- Police Intelligence Directorate of the Carabineros of Chile.
- Chilean Gendarmerie.
- Ministry of Economy, Development and Tourism.
- Ministry of Justice and Human Rights.
- Agricultural and Livestock Service.

It also agreed to analyze the incorporation of other institutions, either at the suggestion of any of its members or participants, or at the request of the public institutions themselves interested in forming part of MILAFT.

As of December 2023, and adding the incorporation of the Public Health Institute, the Civil Registry and Identification Service and the General Treasury of the Republic, 29 public institutions make up MILAFT.

Generation of a permanent technical instance

In order to give effectiveness to the mandate of MILAFT and continuity to the work of its members, beyond the existence or not of an EN Action Plan, MILAFT decided to create a new organic structure that would include not only the current formal body, housed in the same Roundtable, but also a permanent technical body, as can be seen in the following box:

ILLUSTRATION 1: Organic structure of MILAFT

ILUSTRACIÓN 1

Estructura orgánica de la MILAFT



Fuente: MILAFT.

Source: MILAFT.

2.1 Permanent technical working groups

In March 2023, MILAFT agreed to **create five permanent technical working groups (MT)** to continuously address the objective, mission and vision of the National AML/CTF/CPF Strategy and, through these, to create, implement and monitor the action plans.

This is how MILAFT established the **priority objectives** of each MT, and agreed that they should be made up of representatives of permanent institutions, who meet the technical profiles necessary to address the issues that each one is responsible for.

Each MT is coordinated by a representative from the UAF and another institution that participates in said MT. The coordinators of the tables are those who lead the work of the MT, make the calls to its members, draw up the minutes and records of the meetings, follow up and monitor the commitments acquired through the MT, coordinate joint actions with other MTs, propose adjustments to the initiatives of the MILAFT in order to improve its mandate/work, and respond to the SE's requirements within the time frames it indicates.

Regarding the **institutions that form the MT**, there are permanent members (those whose institutional mandate is directly linked to the objectives of the MT, or who have been directly convened by MILAFT) and invited members (institutions whose participation is focused and at the request of its members). Notwithstanding this, institutions that wish to participate in any MT without having been included as permanent members may submit a request to the SE, which will share it with the coordination of the respective MT, so that its suitability can be reviewed. Every institution that participates in the MT is considered a member of MILAFT.

The **MTs meet on a bi-monthly basis or at the request of the MT** coordination or one of its members. The coordination must report to the MILAFT SE on a bi-annual basis, during the months of June and December, on the work carried out during the period; for example, the progress in the implementation of the commitments of the Action Plan of the National Strategy.

The SE of MILAFT must facilitate coordination and communication between the different MTs, for which it convenes, upon request or ex officio, and at least once every semester, the **Coordination Committee**, which brings together the coordinators of all the MTs and a representative of the MH.

2.2 Mandate and integration of MTs

Legislative Update Working Group

Objective: To review the regulations of the Chilean legal system in the fight against ML/TF, with the aim of proposing improvements that should be implemented to make the system of prevention and criminal prosecution more effective.

In addition, this MT channels requests made by other MTs regarding legislative changes that need to be implemented to meet the objectives of the latter.

It also monitors international standards in order to propose actions that allow for legislative changes and close existing gaps in compliance.

Members: BCCh, CDE, CMF, MH, Minju, MinInterior and Segpres, MP, SII, SNA, SCJ, SRCEI and the UAF.

Supervision and Regulation Working Group

Objective: To increase the effectiveness and strengthen the frequency, intensity and scope of the supervision and regulation work, integrating an ML/TF/PF RBA into them.

It also monitors international standards in order to propose actions to improve gaps in supervision and regulation of ML/TF/PF and implement good practices in our National ML/CFT/CPF System.

Members: BCCh, CMF, ISP, Minecon, Minju, SII, SNA, SCJ, SP, Suseso and UAF.

ML/TF/PF Risks Working Group

Objective: To identify and assess the ML/TF/PF risks facing Chile, seeking to disseminate and understand them by the National ML/CTF/CPF System.

Furthermore, it seeks to implement international standards and best practices in strengthening the understanding of the risks of ML/TF/PF, as well as to expand the training and specialization of relevant actors in ML/TF/PF matters.

Members: CMF, Minrel, MinInterior, Segpres, MP, SII, SNA and the UAF.

Financial Intelligence Working Group

Objective: To generate the instances and mechanisms to facilitate the exchange and use of financial intelligence information, in the strategic and operational areas.

Furthermore, it seeks to delve deeper into emerging phenomena in the context of ML/TF and to analyse international standards regarding the use of financial intelligence for the detection of ML/TF/PF.

Members: ANI, Carabineros of Chile (O.S.7, O.S.9 and Dipolcar), Gendarmerie, MH, Ministry of the Interior, MP, PDI (Brilac and Brico), SII, SNA, SCJ, TGR, SRCEI and the UAF.

Criminal Prosecution Working Group

Objective: To develop and implement the actions necessary to generate a greater degree of effectiveness in the prosecution of ML/TF crimes.

Furthermore, it seeks to detect and generate actions that allow overcoming gaps in international standards, as well as to implement best practices among prevention, prosecution and criminal sanction agencies.

Members: Carabineros of Chile (O.S.7, O.S.9 and Dipolcar), CDE, CS (permanent observer), Dicrep, Directemar, Gendarmerie, Ministry of the Interior, MP, PDI (Brilac and Brico), SII, SNA and the UAF.

PART 4.

ACTION PLAN 2023 – 2027

CHALLENGES AT THE NATIONAL LEVEL

At the domestic level, the challenges to be considered in the development of the 2023–2027 Action Plan are:

- Take charge of the results and recommendations of the FATF contained in the 2021 Chile MER, and work to overcome the deficiencies detected regarding technical and effective compliance with the 40Rs of the FATF.
- Coordinate the implementation of EN actions that complement the axes and lines of work of the National Policy against Organized Crime (PNCO)³⁰.
- Implement actions/commitments to mitigate the risks identified in the 2023 NRAs for ML, TF and PF³¹.

1. Recommendations of the Gafilat contained in the Fourth Round MER of Chile³²

Chile's MEs correspond to the years 2006, 2010 and 2021. The latter was carried out within the framework of the Fourth Round of EMs of the Gafilat, whose process began in 2019. Thus, the period examined included the actions adopted by our country between 2015 and 2019, both years inclusive, to prevent and combat ML/TF, according to the new FATF Methodology (approved in 2012), which includes criteria for reviewing technical compliance with the 40Rs (the country's regulatory framework) and the actual effectiveness of the National AML/CTF System, based on a risk approach (measured through 11 I.O.s).

In July 2021, the Plenary of the Gafilat approved Chile's final MER, which was published in September of that year, coinciding with the final stage of the EN AML/CTF Action Plan 2018-2020 (2018-2021 due to the Covid-19 pandemic).

The results of this Report presented important challenges for Chile in the implementation of international standards on ML/TF/PF, highlighting the existing gaps and recommending concrete actions that will allow them to be overcome.

The 2021 Report left our country in a process of enhance follow-up , as in 2010, when it was evaluated in the Third Round, and from which it was able to exit in 2016.

A country undergoing enhanced follow-up monitoring is one that, according to the evaluation of its AML/CTF System, shows inadequate compliance with the 40Rs of the FATF (at the technical and effectiveness level). As a result, it must periodically report on the measures implemented to remedy the deficiencies detected in the evaluation. Thus, its removal from the list depends on the improvements it manages to prove to

³⁰ Disponible en <https://www.subinterior.gob.cl/politica-nacional-contra-el-crimen-organizado/>

³¹ Disponible en <https://www.uaf.cl/estrategia/evaluacion.aspx>

³² Disponible en <https://www.uaf.cl/ArchivoEstatico/InformeEvaluacionChile2021.pdf>

the FATF at the time of requesting the reclassification of those 40Rs or 11 Immediate Outcomes (I.O) evaluated with deficient compliance.

ILLUSTRATION 2

ILUSTRACIÓN 2

Calificaciones de Chile 2021. IEM IV Ronda



Fuente: Informe de Evaluación Mutua de la República de Chile.

Source: Mutual Evaluation Report of the Republic of Chile.

In the case of re-rating processes, the FATF only allows the technical compliance factor to be re-rated during the period prior to the next ME, and only for those 40Rs in which a “partially compliant” or “non-compliant” rating was obtained.

In terms of effectiveness, re-rating will only be possible during the Fifth Round of Mutual Evaluation process.

The FATF expects countries to overcome their technical deficiencies by the third year after the report is published, and their effectiveness deficiencies after five years of evaluation.

The coordination of the National AML/CTF/CPF System of our country, in charge of the UAF, must report on the progress in the implementation of the actions recommended by the Gafilat, and request any reclassification from its Mutual Evaluation Working Group (GTEM) and the Plenary of Representatives.

Below are the results obtained by Chile in the IV Round of ME of Gafilat.

Technical compliance

The Gafilat made a total of 101 recommendations to Chile, in order to technically comply with the international standard: 48 of them focus on improving 9 of the 40Rs

that were rated as “partially compliant” (with the possibility of requesting reclassification). In this last case, the evaluating body focused its recommendations on the implementation of the following actions:

1. Incorporate precious metals and precious stones traders, lawyers, independent accountants and corporate service providers as entities required to report suspicious transactions to the UAF³³.
2. Adjust the criminal classification of ML, expand the predicated offences, increase the penalties and apply full criminal liability to legal entities.
3. Adjust the criminal classification of TF, increase penalties and apply full criminal liability to legal entities.
4. Improve the implementation of UNSC Resolution 1373³⁴, in relation to the listing and delisting mechanism, inclusion criteria, among others.
5. Review the asset freezing mechanism in cases of matches on the lists of the UNSC terrorism and PWMD committees, specifically to implement it without delay, and improve the listing and delisting processes that are contemplated.
6. Raise awareness among NPOs about the risks and vulnerabilities they face in relation to TF, in order to be able to generate preventive actions to mitigate them.
7. Generate a BO registry containing updated and accurate information on them, which can be accessed in a timely manner by the competent authorities.
8. Implement regulations/obligations relating to assessing the risks associated with the development of new products and business practices, and the use of new technologies or technologies under development for new or existing products.

Effectiveness

Regarding the effectiveness factor, and to overcome the gaps detected, the evaluation team made a total of 56 recommendations to Chile related to the implementation of the 11 I.O.s

The Gafilat MER concluded that only 3 of the I.Os achieved substantial implementation, without obtaining any **high**.

The I.O.s rated as **moderately** compliant were 7, and **low**, only 1. In this sense, the recommendations that Gafilat made to Chile to improve the effectiveness of said I.O.s were 44 and are:

I.O. 3: Supervisors adequately supervise, monitor and regulate financial institutions and Designated Non-Financial Business and Professions (DNFBPs) for compliance with AML/CTF requirements in proportion to their risks – **MODERATE**.

- Increase the number of UAF staff to increase the scope of AML/CTF supervision of the DNFBP sectors.

³³ Los comerciantes de metales preciosos y piedras preciosas fueron incorporados como sujetos obligados a reportar a la UAF el 16 de junio de 2023 a través de la ley Disponible N° 21.575. Disponible en <https://www.bcn.cl/leychile/navegar?idNorma=1192530>

³⁴ Disponible en https://www.unodc.org/pdf/crime/terrorism/res_1373_spanish.pdf

- Increase the frequency of AML/CTF supervision of both financial institutions and DNFBPs.
- Strengthen the intensity of AML/CTF supervisions with respect to financial institutions. This could be achieved through more in-depth supervision of the ML/TF component by the CMF, or through an increase in the number of supervisions of the sector by the UAF (which would require an increase in supervisory staff).
- Improve operational cooperation and coordination between the CMF and the UAF, in order to guarantee effective supervision and compliance with the RBA of financial institutions in the banking, securities and insurance sectors.
- Improving prudential supervisors' understanding of TF risks.
- Evaluate the criteria for applying and proportionality of its sanctions, seeking to make them more dissuasive. Strengthen the application of sanctions regarding non-compliance with AML/CTF matters.
- Review and/or publish regulations that adequately address the issue of BO.
- Incorporate lawyers, accountants, corporate service providers and precious metal and stone dealers as OEs, so that they can be supervised in AML/CTF matters.

I.O. 4: Financial institutions and DNFBPs adequately apply AML/CTF preventive measures proportional to their risks and report suspicious transactions – **MODERATE.**

- Incorporate lawyers, accountants, corporate service providers and precious metals and stones dealers as OEs.
- Develop the regulatory framework on BO identification for DNFBPs.
- Expand efforts to improve the level of understanding of TF risks, and focus on training of OEs on the subject, with special attention to the issuance of STRs.
- Strengthen knowledge of AML/CTF obligations and implementation of preventive measures by OEs, particularly financial institutions and DNFBPs with greater exposure to risk and materiality.
- Strengthen feedback and training for OEs to improve the quality of STRs.

R5: Legal entities and other legal arrangements cannot be misused for ML/TF purposes, and information on their beneficial owners is available to competent authorities without hindrance – **LOW.**

- Establish the obligation to identify the BO for the DNFBP.
- Adapt the existing regulatory framework and ensure its full implementation in order to obtain and update the BO information of all legal entities.
- Adopt measures to strengthen access to updated, accurate and timely information on the BO by the competent authorities.

- Make greater efforts to obtain proportional and dissuasive sanctions that are effective against legal entities that do not update information with the SII and OEs that do not collect and update information with the BO.
- Continue training and dissemination of studies conducted by competent authorities to improve understanding of the risk of ML/TF and the vulnerabilities of legal entities.

R7: ML offenses and activities are investigated and offenders are prosecuted and subject to effective, proportionate and dissuasive sanctions – **MODERATE.**

- Strengthen the human and logistical resources of the specialized prosecutor's offices and the ULDDECO, so that they can more effectively deal with the workload corresponding to the cases entered into the system.
- Strengthen investigative capabilities and provide police forces with human and logistical resources to carry out effective parallel property investigations in investigations into the underlying crimes.
- Strengthen the development of parallel financial investigations by the MP, in order to increase mainly ML investigations in high-impact cases or higher-risk predicate crimes. In particular, improve cooperation and coordination between specialized units of the MP, mainly between ULDDECO, UNAC and UCOD, in order to promote to a greater extent parallel financial investigation in cases of high-impact predicate crimes.
- Strengthen the application of stricter sanctions against ML to ensure their effective, proportional and dissuasive nature.
- Reform the criminal classification of ML to address the identified technical deficiencies. In particular, expand the list of predicate offences to cover all categories required by the international standard, specifically incorporate the governing verbs not covered, and modify the legal provision that subjects the maximum penalty for the offence of ML to the penalty provided for the related predicate offence.

R8: The proceeds and means of crime are confiscated – **MODERATE.**

- Continue to strengthen the identification, seizure and forfeiture of the proceeds of crime, especially in cases of ML associated with high-impact predicate crimes beyond drug trafficking, corruption and smuggling.
- Establish mechanisms or adopt measures to ensure the correct management of seized and confiscated goods and assets.
- Promote the application of best practices at the various stages, from the identification, securing, sentencing and execution of confiscated assets, which involves clearly determining the roles of the bodies involved in each of them, or the designation of a central authority for this purpose.

- Adopt measures to ensure the effectiveness of the mechanisms for the execution of assets, especially real estate, and develop guidelines or protocols so that the competent authorities can carry out auctions effectively and dispose of the funds derived from them.
- Strengthen the analysis and investigation mechanisms of the DPTE, which mitigate the risk inherent in the cross-border transport of cash and allow the seizure of assets linked to ML/TF related to the crime.
- Establish a centralized and comprehensive statistical system that allows for the accurate collection and reporting of information on seized and confiscated assets.

R9: TF crimes and activities are investigated and persons who finance terrorism are prosecuted and subject to effective, proportionate and dissuasive sanctions – **MODERATE.**

- Correct the technical deficiencies of the CTF regulatory framework, particularly those relating to the criminal classification of FT.
- Develop specific protocols that guarantee effective coordination and prioritization of the investigation of TF cases among law enforcement authorities.
- Promote greater coordination and cooperation between authorities, UAF, ANI, MP and others, with powers regarding the implementation of TF policies and strategies.
- Continue the training and specialization process for competent authorities in the field of TF. In particular, it is recommended to develop specific training in CTF aimed at the LEA and the Judiciary, where both the modalities that can be adopted and the relevant aspects for its effective investigation and prosecution are addressed.
- To deepen the level of understanding of the risk of TF by the competent authorities. In particular, it is recommended to increase the dissemination of typologies, warning signs and documents associated with TF risks.

R10: Terrorists, terrorist organizations and terrorist financiers are prevented from raising, transferring and using funds, and from abusing NPOs – **MODERATE.**

- Reform the regulatory framework to ensure the prompt implementation of TF TFS by all OEs. In particular, amend the regulations so that TFS can be implemented without delay, expand the scope of the freezing measures so that they apply generally and not only by the reporting entity, establish a general prohibition on the provision of funds or other assets to or for the benefit of designated persons or entities, extend the period of validity and address the other technical deficiencies identified in relation to Recommendation 6.

- Issue additional guidance and conduct outreach and feedback activities with all operating entities, especially DNFBPs, to ensure that they better understand their CTF obligations and properly verify UNSC lists.
- Strengthen coordination between the UAF and the regulatory authority of NPOs, in order to join forces to apply focused and proportional measures, as well as to guide the supervision processes for NPOs identified as having a higher risk of being used for TF.
- To further enhance training for NGOs to raise awareness of the TF problem and its impact.
- Raise awareness in the NPO sector, which, due to the nature of its activities, has a greater exposure to the risk of TF, as well as provide guidance regarding the CTF measures that should be applied.
- Establish a system that notifies or alerts OEs when there is a change in the UNSC lists.

R11: Individuals and entities involved in PWMD are prevented from raising, transferring and using funds, in line with relevant UNSC Resolutions – **MODERATE**.

- Reform the regulatory framework to ensure the prompt implementation of PF TFS by all OEs on an immediate basis. In particular: amend the regulations to allow TFS to be implemented without delay, expand the scope of the freezing measures to apply generally and not only by the reporting obliged entity, establish a general prohibition on the provision of funds or other assets to or for the benefit of designated persons or entities, extend the term of validity and address the other technical deficiencies identified in relation to Recommendation 7.
- Issue additional guidelines and create awareness and training mechanisms for financial institutions, especially DNFBPs, to encourage consultation of the UNSC lists on an ongoing basis. Work with non-financial financial institutions should be deepened so that they understand the importance of their role in preventing PF, as well as the role already played in preventing ML and TF crimes.
- Ensure that all OEs are subject to ongoing monitoring and sanctions for breaches of their obligations regarding the implementation of UNSC Resolutions on PF.
- Establish a system that notifies or alerts OEs when there is a change in the UNSC lists.

The 2023-2027 Action Plan of the EN aims to implement the actions recommended in the Gafilat MER, which allow for bridging the gaps with international standards and strengthen the National AML/CTF/CPF System.

At the same time, the country must maintain or improve those areas that stand out in terms of the implementation of standards, since a deterioration in current conditions could eventually mean a downward reclassification by the Gafilat, and a weakening of our National AML/CTF/CPF System.

2. National Policy against Organized Crime 2022 - 2027

In December 2022, the President of the Republic, Gabriel Boric, presented the first National Policy against Organized Crime (PNCO) 2022-2027, with the goal of *reducing the criminal activity of criminal organizations operating in Chile, through the planned and coordinated action of the State institutions that have a role in the prevention, control and prosecution of these.*

The PNCO is structured into 10 lines of action, which directly or indirectly impact the results of the National AML/CTF/CPF Strategy.

In this regard, an important challenge for MILAFT is to coordinate with the PNCO monitoring mechanism (the Advisory Council for Coordination and Action Unit on the Prevention and Control of Organized Crime) so that the priorities of the latter and the measures of the EN Action Plan complement each other, in order to unify criteria and generate synergies that allow effective results, also considering that both have an end date of 2027.

As an example, axis 2 of the PNCO, called **Disrupting the economy of organized crime**, *seeks to improve and strengthen the state response in the prevention, detection, criminal prosecution and seizure of the benefits obtained by organized crime and the fight against money laundering, in light of current threats and risks, achieving greater effectiveness.*

One of the lines of action of this axis indicates that: *Through the National Strategy to Prevent and Combat Money Laundering and Terrorist Financing and its respective action plans, implement measures that allow overcoming the gaps identified by the Financial Action Task Force of Latin America (Gafilat) in Chile in the prevention and combat of criminal organizations.*

For its part, axis 5, **Legislative agenda to improve the detection, investigation and prosecution of organized crime**, *aims to update the national regulatory framework for the prevention, investigation and prosecution of organized crime. One of its lines of action includes adapting current regulations to international standards regarding money and asset laundering, particularly with regard to bank secrecy/confidentiality and identification of beneficial owners of financial transactions.*

Axis 10, on the other hand, refers to **Promoting international cooperation and coordination**, *seeking to strengthen international cooperation bodies to optimize joint efforts at a multi-level for the prevention, control and prosecution of organized crime. One of its lines of action is to promote the implementation of joint international operations by multidisciplinary teams focused on money laundering, terrorist financing and asset tracing investigations to identify and dismantle transnational companies that serve as a front for transnational organized crime.*

3. National Strategy for Public Integrity 2023 - 2033³⁵

On December 4, 2023, the Government launched the first National Public Integrity Strategy (ENIP), a public policy instrument developed in a participatory manner,

³⁵ Disponible en: <https://www.integridadytransparencia.gob.cl/estrategia-nacional-de-integridad-publica/>

aimed at improving the standards of transparency, integrity and the fight against corruption in the country.

The document contains 210 measures grouped into five categories, with a ten-year horizon: Public Service, Public Resources, Transparency, Politics and Private Sector.

As with the PNCO, the MILAFT must establish coordinated and collaborative work with the body that monitors the implementation of the ENIP, so that the development and implementation of actions and measures to combat ML/TF/PF are efficient and effective.

As an example, in the Public Resources axis, the focus is on public spending, including areas for improvement in public purchases and transfers and public works, among others, which includes objectives such as: ensuring good use of public resources with better accountability and control mechanisms, and increasing transparency and understanding of the flow of public resources throughout the budget cycle.

In the Transparency axis, meanwhile, the objectives defined in this matter are relevant to the EN AML/CTF/CPF since they aim to increase the transparency standards of those who perform public functions, and improve the quality of the information made available to people and facilitate its usability.

In the Private Sector area, which includes all actors in the business world, both private and public companies, topics such as transparency in companies, compliance programs and the importance of having a registry of beneficial owners are highlighted. These topics fully coincide with some of the actions/commitments contained in the EN AML/CTF/CPF Action Plan 2023-2027.

4. Results of the NRA of LA, FT and PF

In line with international standards, in March 2017, Chile, through the UAF, in its capacity as coordinator of the National AML/CTF System, presented the National Risk Assessment of Money Laundering and Terrorist Financing (NRA ML/TF).

The document aimed to analyze the economic and legal threats and vulnerabilities that the country faced with ML/TF, and their subsequent impact, so that the authorities could design essential measures and policies to combat them, and exercise efficient prioritization and allocation of resources.

However, the phenomena of ML and TF constitute permanent and global threats, which require us to adapt our strategic vision to confront them.

For this reason, in March 2023, MILAFT commissioned the MT-R for ML/TF/PF to update the NRA, separating it into three documents that allow for an analysis of the country's vulnerabilities and threats to ML, TF and PF, which is a relevant input for the Third Action Plan of the EN ML/CTF/CPF. With this, and for the first time, Chile's risks to PF are addressed.

To achieve the above, the MT-R held **seven working meetings** in which representatives from the ANI, Carabineros de Chile (Dipolcar), CMF, Minrel, MinInterior, MP, PDI (Brilac and Brico), SII, SNA and the UAF participated.

It is noteworthy that, in the case of the update of the ML NRA, the MT-R determined the need to carry out a consultation with the public and private sectors, in which 181 entities participated.

TABLE 1 Query carried out for the NRA on Money Laundering

Sector	Total	Porcentaje
APNFD	67	37,0%
Sector Financiero	66	36,5%
APNF	26	14,4%
Sector Público	22	12,2%
Total	181	100%

Source: MILAFT.

Finally, in August 2023, the MT-R coordination presented three NRA documents to MILAFT, on ML, TF and PF, which were approved by said body.

It is important to highlight that, in the case of the NRA of PF, Chile is the first country in Latin America to have one of this type.

Below are the main results of each of them:

Results of the NRA on Money Laundering

TABLE 2: Results of the NRA on Money Laundering

CRIME	MONEY LAUNDERING RISKS	RISK LEVEL
Drug trafficking, smuggling and/or illicit associations	The country's extensive borders are used to physically transport assets or funds of illicit origin, with the objective of placing and/or entering them into the national financial system.	High
	The mechanisms associated with the creation of legal entities are used to move and/or mix cash funds of illicit origin and inject them into the financial system.	High
Corruption	Through mechanisms associated with the constitution/use of legal entities, to enter, move and/or mix funds of illicit origin, using the financial system or commercial operations.	High
Fraud and/or of an economic/financial nature	By creating/using legal entities to move and/or mix funds of illicit origin using the financial system or commercial operations.	Medium

Drug trafficking, smuggling and/or illicit associations	Free trade zones are used to import and/or move funds of illicit origin, mainly in cash, given their intensive use in these territories.	Medium
Vehicle theft with violence/intimidation and/or the illicit market in vehicles	Legal entities are created and/or used to receive, move and/or mix funds of illicit origin, using the financial system or commercial operations.	Medium
Commodity theft	Through the creation/use of legal entities to receive, move and/or mix funds of illicit origin, using the financial system or commercial operations.	Medium

Source: National Money Laundering Risk Assessment, 2023.

Results of the NRA on Terrorist Financing

TABLE 3: Results of the NRA on Terrorist Financing

THREAT	RISKS OF TERRORIST FINANCING	RISK LEVEL
Rural violence groups	Through NPO.	Medium
	By violating the border for the illegal transportation of money, drug trafficking and smuggling, among other crimes.	Medium
	Using new payment products and services.	Low
Anarchic groups	Through NPO.	Low
	Using new payment products and services.	Low
	By violating the border for the illegal transportation of money, drug trafficking and smuggling, among other crimes.	Low
Terrorist organizations originating in South America	Through NPO.	Very low
	Using new payment products and services.	Very Low
	By violating the border for the illegal transportation of money, drug trafficking and smuggling, among other crimes.	Very Low
International terrorist organizations with presence detected in South America	Through NPO.	Very low
	Using new payment products and services.	Very low
	By violating the border for the illegal transportation of money, drug trafficking and smuggling, among other crimes.	Very low

Source: National Terrorist Financing Risk Assessment, 2023.

Results of the NRA on Proliferation Financing of Weapons of Mass Destruction

The NRA of PF acts as an approximation to the phenomenon of proliferation and its financing in relation to Chile.

According to the document, regarding the threats, vulnerabilities and mitigating factors identified, no activities directly related to PF have been detected in Chile.

In this regard, the country has no history of cases or situations related to PF, whether suspicious operations, investigations or sentences, among others.

The estimated risk of PF in Chile is **low**, mainly determined by the activities of cyber-attacks registered in the country, and that could take advantage in the future, mainly, of those vulnerabilities related to understanding PF risk, IT infrastructure, cybersecurity and new payment products/services (including operations with virtual assets), the impact of which, while in the past it has not been relevant at an operational level nor in the impact of the financial infrastructure/technology involved, it is not possible to rule out a major effect on possible future events.

CHALLENGES AT INTERNATIONAL LEVEL

At a global level, the implementation of the 2023-2027 Action Plan must address two challenges throughout its implementation: the modification of the FATF standards and Chile's preparation for the Fifth Round of ME.

1. Modification of the FATF standards

During the implementation of the 2018-2020 AML/CTF Action Plan, the FATF made several modifications to its standards, some of them with cross-cutting impacts on the 40Rs and the 11 I.Os, which forced our country to address them within the Action Plan that was being implemented, since they were going to be considered within the mutual evaluation process that Chile would face in 2019-2021, within the framework of the Fourth Round.

Although international standards are rarely modified, in the case of the FATF they are constantly under review.

As an example, from June 2020 to October 2023, the FATF has made seven modifications to its standard, highlighting:

TABLE 4: FATF Standard Amendments 2020-October 2023.

DATE	TYPE OF MODIFICATION	PURPOSE OF THE MODIFICATION
2020	R1 y IN1	Demand countries, financial institutions and DNFBP identify and assess the risks of potential non-compliance, lack of implementation or evasion of TFS related to the PF, contained in the R7, and take actions to mitigate these risks.
2020	R2 and a new one IN2	Incorporation of PF into R2 in the context of national cooperation and coordination. A new IN is added that establishes the inter-institutional framework to promote cooperation, coordination and exchange of information at the domestic level.

2021	IN of the R15	Clarify the applicability of the PF NRA and mitigation requirements for VA and VASP activities.
2022	R24 and glossary	New definitions: Nominator and nominal shareholder or director, to strengthen the rules on BO of legal entities.
2023	R25 and glossary	Definitions of beneficial owner, beneficiary and legal structure to strengthen BO standards for legal structures.
2023	R4,30,31,38 and IN4, IN30, IN31, IN38, IN40 and glossary	Review of standards and glossary related to asset recovery.
2023	R8 and IN8	Clarification of the modifications to R8 and its IN to strengthen the implementation of measures with RBA aimed at the NPO.

Source: MILAFT.

The exercise of improving FATF standards is ongoing, so this challenge requires flexibility from countries in generating adjustments to the Action Plans of the National Strategies, which allows for the timely incorporation of modifications to the actions/commitments that were initially agreed upon. In this way, countries can effectively address the modification of a standard or the creation of a new one.

In this context, one of the agreements reached during the process of drawing up the Third Action Plan was to review, at least every 2 years, the necessary adjustments that must be made to the actions and commitments made by the members of MILAFT, in order to be able to face not only changes in realities at the domestic level, but also internationally.

2. Fifth Round of ME

Since joining Gafilat in 2003 (then Gafisud), Chile has faced three mutual evaluation processes (2006³⁶, 2010³⁷ and 2021³⁸), each with different and increasingly demanding evaluation methodologies.

With the conclusion of the Fourth Round of ME in 2024, the FATF and its regional groups, such as Gafilat, will initiate the Fifth Round of ME (starting in 2025), which brings with it a new assessment methodology that has not yet been published by the FATF.

At the time of writing this document, the schedule for the Fifth Round of Mutual Evaluations is expected to be submitted for approval by the plenary of the Gafilat in December 2023 and, preliminarily, points to a next evaluation of Chile in 2031, 10 years after the last Fourth Round report.

³⁶ Disponible en <https://www.gafilat.org/index.php/es/biblioteca-virtual/miembros/chile/evaluaciones-mutuas-3/89-chile-2nda-ronda-2006>

³⁷ Disponible en <https://www.gafilat.org/index.php/es/biblioteca-virtual/miembros/chile/evaluaciones-mutuas-3/90-chile-3ra-ronda-2010>

³⁸ Disponible en <https://www.gafilat.org/index.php/es/biblioteca-virtual/gafilat/documentos-de-interes-17/iem-del-gafilat/4110-informe-de-evaluacio-n-mutua-de-chile/file>

The Fifth Round methodology presents new implementation challenges for countries. The FATF has anticipated the existence of changes in the following areas:

- **Regarding technical compliance,** the review will be strictly limited to:
 - FATF Recommendations in which the country has made legal or regulatory changes to comply with said standard.
 - FATF Recommendations that have been amended.
- **Regarding risk and I.O.:**
 - There will be more mention of risk.
 - I.O.3 and I.O.4 will be reorganized.
 - R3 will cover supervision and compliance of financial institutions including VASPs.
 - R4 will cover the supervision and compliance of DNFBPs.

- **Risk Assessments:**

The following will begin to be required as essential NRA:

- Evasion of measures against the PF.
- Virtual assets.
- Legal entities and trusts.

Monitoring and integrating, within the Action Plan of the National Strategy, the requirements presented by the Evaluation Methodology of the Fifth Round of Mutual Evaluations, as well as the modifications made to the FATF standard, are key to being prepared for this process and, at the same time, strengthening the National AML/CTF/CPF System.

LIFTING OF THE ACTION PLAN 2023-2027

Once the MILAFT expansion and restructuring stage was completed, the mechanism tasked its MTs with drawing up the Third Action Plan of the National Strategy, based on 8 global objectives.

The objectives, proposed by the MILAFT SE, took into consideration the national and international challenges mentioned above in this document: Implementation of the actions recommended in the 2021 Gafilat MER, the National Policy against Organized Crime 2022-2027, the results of the 2023 ML, TF and PF NRAs, the modifications to the FATF standards, and the FATF ME Fifth Round Evaluation Methodology.

In this way, the global objectives express the problems of greatest public interest that were prioritized, the purpose of the plan and the main results to be achieved during the 5 years of its execution.

Global objectives

Under the proposal of the SE of MILAFT, and at its fifth meeting on March 6, 2023, the following global objectives of the 2023-2027 Action Plan of the National AML/CTF/CPF Strategy were agreed:

1. Overcome the technical compliance and effectiveness gaps identified in Chile's MER by Gafilat in 2021.
2. Address threats and vulnerabilities detected through the ML, TF and PF NRAs.
3. Strengthen institutional capacities in the analysis, prevention and detection of sectoral risks and the implementation of mitigating factors.
4. Establish and promote inter-institutional coordination in the area of supervision of ML/TF/PF.
5. Establish and promote inter-institutional coordination to share timely and effective intelligence information among the relevant institutions.
6. Generate intelligence focused on dismantling organized crime, combating ML and its preceding crimes, and TF.
7. Strengthen the capacities of actors involved in the criminal prosecution of ML/TF crimes.
8. Cooperate in generating knowledge on new criminal trends associated with ML/TF/PF, and coordinated actions to address them.

Additionally, it was agreed that the Third Action Plan would cover the period 2023-2027, so, due to its 5-year extension, MILAFT instructed that it be subject to a review every 2 years, in order to make the necessary adjustments, allowing for the incorporation of modifications and new actions for the effective achievement of the global objectives, among others.

Working methodology

Following the instructions of MILAFT, the 29 participating institutions, through the MT, prepared to work on the global objectives of the Action Plan to generate lines of work composed of strategic initiatives and their respective actions/commitments.

For its advancement, and under the proposal of the SE, a 2023 Schedule was agreed upon, in order to outline the work of raising the III Action Plan.

Table 5: 2023 timeline for the implementation of the Third EN Action Plan.

ROAD MAP	RESPONSIBLE	PERIOD OF EXECUTION
Fifth meeting of MILAFT a. Change in the permanent organic structure of MILAFT. b. EN Update. c. Design of the Third EN Action Plan.	MILAFT	March 6, 2023
Preparation of the NRA for LA, TF and PF, 2023.	MT-R	March – August 2023
Analysis of national and international challenges.	MT	March – July 2023
Analysis of the overall objectives of the Third Action Plan.	MT	March – July 2023
Formulation of work proposals.	MT	March – July 2023
Formulation of action/commitments.	MT	July - October

Lifting of the Third Action Plan.	MT and Coordination Committee	March - October 2023
Sixth meeting of MILAFT <ol style="list-style-type: none"> Approval of the NRA of LA, FT and PF. Approval of the text of the Interinstitutional Agreement. 	MILAFT	August 10, 2023
Start of the process of signing the Interinstitutional Agreement.	SE	September – November 2023
Submission of proposals by MTs for the generation of the Action Plan.	MT	November 1, 2023
Systematization and harmonization of MT proposals and generation of the Third EN Action Plan.	UAF and Coordination Committee	November 2023
Seventh meeting of MILAFT <ol style="list-style-type: none"> Approval of the updated text of the EN and Action Plan 2023-2027. 	MILAFT	December 7, 2023
Closing of signatures of the Interinstitutional Agreement.	SE	December 12, 2023
Launch of the Third Action Plan of the National Strategy.	MILAFT	December 21, 2023

Source: MILAFT.

MILAFT meetings

During 2023, MILAFT held three sessions:

- March 6, 2023:** 50 authorities representing 26 public institutions participated.
Topics addressed:
 - Decree MH No. 1,724/2016 creating MILAFT.
 - Results of the EN AML/CTF Action Plans.
 - Change in the permanent organic structure of MILAFT.
 - Update of the National AML/CTF Strategy.
 - Design of the Third Action Plan of the National AML/CTF/CPF Strategy.
 - Outlining the lines of work of the Third Action Plan.
 - Interinstitutional Agreement formalizing the update of the EN and the Third Action Plan.
- August 10, 2023:** 63 authorities representing 29 public institutions participated.
Topics discussed:
 - MILAFT technical working groups (first semester 2023).
 - Raising and approving the inputs for the Action Plan generated by the MT.
 - Approval of the NRA of LA, TF and PF.

- Text of the Interinstitutional Agreement of the EN AML/CTF/CPF and Action Plan 2023-2027.
- **December 7, 2023:** 68 authorities representing 29 institutions attended, and the following points were discussed:
 - Approval of the text of the EN AML/CTF/CPF.
 - Approval of the EN AML/CTF/CPF Action Plan 2023-2027.
 - Status of the signature of the Interinstitutional Agreement of the EN AML/CTF/CPF and Action Plan 2023 - 2027.
 - Coordination of the launch of the EN Action Plan 2023-2027.

MT meetings

In order to comply with the mandate given by MILAFT, the MTs began their meetings in April 2023, with the support of the SE.

Each MT was in charge of developing a work proposal that would feed into the Third Action Plan. To do so, each one had in mind the national and international challenges already mentioned, the particular mandates of each MT (technical specialty) and the global objectives agreed by MILAFT for the Third Action Plan.

In 2023, MILAFT MTs held **65 meetings with 85% participation** from member institutions and involving **159 officials from 60 divisions, departments or agencies**³⁹.

Other institutions were also involved and, due to their specialized skills, were invited to specific sessions.

ILLUSTRATION 2

MILAFT MT meetings. 2023.



Note: Bilateral meetings are included.

Source: MILAFT.

Coordination Committee Meetings

The MILAFT Coordinating Committee met three times during 2023 to reconcile the work of preparing the Third Action Plan entrusted to the MTs: April 19, June 20 and September 9.

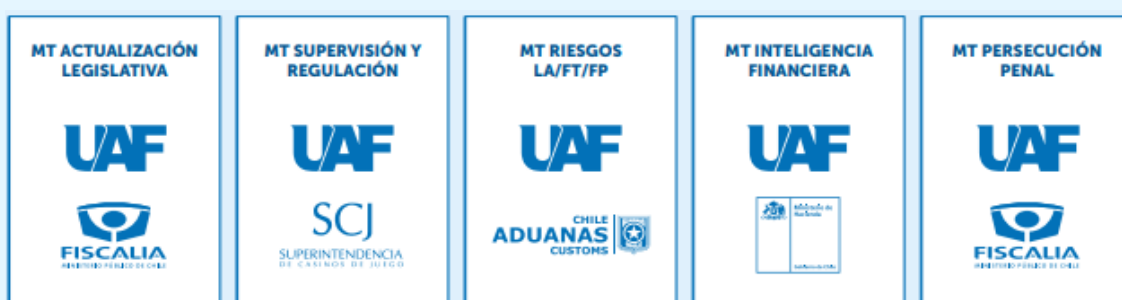
³⁹ Ver Anexo N°2

The purpose of these meetings was to report on the progress of the work proposals to be submitted to MILAFT and the signing of the Interinstitutional Agreement. In addition, the MT coordinators provided feedback, agreed on cross-cutting actions for the Action Plan, and reported on parallel processes. In general, the meetings served as a channel of communication and coordination.

During 2023, the MILAFT MT coordinations had as representatives an official from the following institutions:

ILLUSTRATION 3

MILAFT MT Coordinations in 2023.



Note: During the first half of 2023, the co-coordination of the MT-SyR was shared by the UAF with the SP and, subsequently, between the UAF and the SCJ.

Source: MILAFT.

At the last meeting of the Committee, the MT coordinators presented the work proposals raised by their members and guests. The meeting was attended by the UAF's Dissemination and Studies Area team, which the SE entrusted with the task of systematizing and harmonizing the proposals and consolidating the 2023-2027 Action Plan.

Consolidation of MT proposals

Following the last meeting of the Coordination Committee, the UAF team reviewed and processed the inputs that each MT provided to the SE, and which were presented during said session.

Additionally, and during the month of November 2023, the UAF team convened **8 bilateral meetings** with the coordinators of each of the MTs, interviewed **3 members of MILAFT** (ANI, Minrel and SNA), made **2 written consultations** (to the MP and the Ministry of the Interior) and **met on 4 occasions with the SE**.

This exercise made it possible to clarify certain actions, define some criteria and harmonize the proposed Action Plan 2023-2027 with the established global objectives and the national and international challenges identified.

Finally, the Third Action Plan of the National Strategy was structured under 7 lines of work, each of them with strategic initiatives that lead to specific actions/commitments.

Interinstitutional Agreement for the implementation of the 2023-2027 Action Plan of the EN AML/CTF/CPF⁴⁰

Since its creation, the EN AML/CTF/CPF has generated two Interinstitutional Agreements, with the same objective: to commit the participating institutions to the implementation of the EN and its Action Plans. The first of these was signed on December 13, 2013⁴¹, and the second on December 27, 2018⁴².

With the aim of renewing these agreements and incorporating the EN into new institutions, on August 10, 2023, the MILAFT plenary approved the text of a new instrument, beginning its signature process by the highest authorities of the 29 member entities⁴³.

The commitments of this new Agreement include:

- Periodically evaluate the operation of the National AML/CTF/CPF System, in order to propose actions necessary for its improvement.
- Cooperate in agreeing, adopting, implementing and executing, within the scope of its powers, each of the actions and goals of the Action Plan, in the manner and within the timeframes established by said instrument.
- Participate permanently or at the request of the MILAFT MTs.
- Report to MILAFT, at least once a year, the progress in the implementation and monitoring of the Action Plan.

⁴⁰ Anexo N°1: Acuerdo Interinstitucional para la implementación del Plan de Acción 2023-2027 de la EN para prevenir y combatir el LA/FT/FP

⁴¹ Disponible en <https://www.uaf.cl/estrategia/estrategia.aspx>

⁴² Disponible en <https://www.uaf.cl/estrategia/estrategia2018-2020.aspx>

⁴³ La Corte Suprema, con fecha 4 de diciembre de 2023 (AD-413-2022), resolvió abstenerse de firmar el acuerdo invocando para ello el principio de imparcialidad constitucional del Poder Judicial, pero manifestando su voluntad de seguir participando como colaborador u observador en esta instancia.

PART 5.

ACTION PLAN 2023 – 2027

ACTION PLAN 2023–2027: LINES OF WORK

Line 1: Monitoring, analysis and proposals for legislative updates

Having an efficient and effective National AML/CTF/CPF System requires that the regulations that govern this body be up-to-date and respond to the challenges that the country presents in its fight against ML/TF/PF.

For the development of this line of work, the observations and recommendations to Chile made by Gafilat in its 2021 MER were considered, as well as the requirements of various public services in the country, whose knowledge and experience have contributed to the definition of topics for the preparation of reports and eventual regulatory proposals, which must be worked on by the entities involved.

The above, for the continuous improvement of the National AML/CTF/CPF System beyond the observations made by international evaluators, which will require permanent monitoring of the various bills, and efforts to align the various initiatives with the National AML/CTF/CPF Strategy.

Strategic initiatives:

1.1 Promote the legal changes necessary to strengthen and make the system for the prevention and prosecution of ML/TF criminals more effective, in line with international standards.

This strategic initiative includes the monitoring, analysis and evaluation of proposed bills or amendments that have a cross-cutting impact on the National AML/CTF/CPF System, as well as the development of regulatory proposals.

Actions to be implemented:

- Collaborate in the processing of the bill that creates an Economic Intelligence Subsystem, Bulletin No. 15,975-25, through:
 - Instructions for amending Law No. 19,913, considering the observations of the MER of the Gafilat (new obliged entities, classification of ML/TF) and the updates to the FATF standards.
 - Instructions exempting the Public Prosecutor's Office, police and other agencies from restrictions contemplated in Law No. 19,628 on the protection of privacy or other, and instructions to draft laws, such as Bulletin No. 11144-07, which regulates the protection and processing of personal data and creates the Personal Data Protection Agency.
 - Amendments to the Tax Code to allow police access to tax information.
- Collaborate in the drafting of a bill that defines the crime of false accounting.
- Collaborate in the dissemination and processing of a bill that creates a National Registry of Beneficial Ownership of persons and legal structures.

- Review and propose an amendment to Decree No. 214 (2020) of the Ministry of Foreign Affairs, which establishes measures that implement the UNSCRs for the prevention and repression of direct and indirect financing of activities that affect international peace and security.
- Analyze in the MILAFT MT-AL the feasibility of generating a change in the catalog of base ML crimes.

Line 2: Strengthening the effective criminal prosecution of ML/TF crimes

Taking into account the National Risk Assessments of ML, TF and PF, the proposals and actions recommended by the Gafilat in the 2021 Chile MER and the results of the Second Action Plan of the National AML/CTF Strategy, this strategic line promotes concrete initiatives to strengthen the capacities for detection, investigation and prosecution of ML/TF crimes.

The actions described below target specific areas where there are areas for improvement to overcome identified gaps, especially in the area of asset investigation, real precautionary measures, seizures and confiscation of assets from both ML and its underlying crimes. They also aim to generate detection capabilities that allow for timely action to freeze assets linked to TF.

In this way, the aim is to promote relevant changes in the key actors of the National AML/CTF/CPF System, especially greater effectiveness of the powers and competences of the police and the Prosecutor's Office in terms of timely detection and investigation of AML/CTF.

To this end, improvements must focus on achieving greater effectiveness in the prosecution and trial of relevant cases in the Courts of Justice, and improving the proactivity, timeliness and depth of investigations.

In this context, to extend the capabilities for timely detection of ML/TF cases within the National AML/CTF System, the generation of new police work methodologies and within the Prosecutor's Office is required, especially oriented towards asset investigation.

Thus, the proposed actions seek to expand the patrimonial and financial work from the beginning of the investigation of the basic crimes of ML/TF, with the aim of securing in a timely manner the assets that are detected, as well as carrying out an effective management and liquidation of the same.

Strategic initiatives:

2.1 Improve investigative and criminal prosecution capabilities in ML/TF matters.

It is important to delve deeper into measures that have concrete effects on greater effectiveness of police and prosecutorial capabilities for timely and thorough detection and investigation of suspicions of ML/TF.

Improvements should focus not only on police and prosecutorial advances to develop more timely, proactive and in-depth investigations, but also on greater effectiveness in the judicialization and prosecution of cases before the Courts of Justice.

Actions to be implemented:

- Develop a procedure to freeze assets for TF and disseminate it among all relevant institutions.
- Generate an investigation procedure for ML and its underlying crimes, which takes into account legal and administrative obstacles, to determine the form of collaboration between the different public bodies.
- Conduct simulations to activate Article 38 of Law No. 19,913 and the expanded application of Decree No. 214 (2020) of the Ministry of Foreign Affairs.

2.2 Strengthen mechanisms related to heritage research.

To expand the capabilities for early detection of ML/TF hypotheses, it is essential to generate extensive early police and prosecutorial work routines in the area of asset investigation.

The actions seek to expand the work on assets from the beginning of the investigation of basic ML crimes, to timely secure the assets that are detected and to carry out an effective subsequent management and liquidation of them, after convictions.

Actions to be implemented:

- Update the Guide for Asset tracing Investigation in ML and Preceding Crimes, and disseminate it among the competent institutions.
- Create a centralized data registry (statistical system) of seized, confiscated and confiscated assets and goods (in the area of ML/TF), which includes information from all relevant institutions.
- Generate a protocol between relevant institutions for the identification of goods and assets related to the investigation of ML base crimes.
- Generate a diagnosis or inventory of the available information and existing mechanisms used by the relevant institutions regarding the seized, confiscated and confiscated assets and goods (in the area of ML/TF).

2.3 Strengthen knowledge and understanding of the criminal prosecution of ML/TF.

The National AML/CTF System was created in 2003 by Law No. 19,913. It is essential to continue working with the public and private sectors on the risks and effects of these crimes on Chilean society and economy, and it is necessary to increase initiatives that reduce gaps and strengthen public-private capacities in this area.

Actions to be implemented:

- Generate a communication plan and disseminate the results obtained in the criminal prosecution of ML/TF.
- Include topics related to criminal prosecution of ML/TF in the institutional training curricula of the relevant entities of the National ML/CFT/CPF System.

Line 3: Identification and evaluation of ML/TF/PF risks

An effective AML/CTF/CPF system requires that the nature and extent of the country's ML/TF/PF risk factors be identified, understood and incorporated.

The strategic initiatives presented below seek to enable the actors of the National AML/CTF/CPF System to identify and assess the ML/TF/PF risks that Chile faces, and to deepen the appropriate understanding of its risks, integrating this knowledge into actions aimed at mitigating them, seeking its dissemination and understanding by the institutions that comprise it.

This is why we seek to address the country's threats and vulnerabilities in terms of ML/TF/PF, and overcome the gaps identified by the Gafilat in its 2021 MER for Chile, by strengthening the understanding of ML/TF/PF risks.

It is expected that, through the development and prioritization of AML/CTF/CPF policies and activities, the capacities for prevention, detection and criminal prosecution will be strengthened, through inter-institutional cooperation and the generation of knowledge on new criminal trends associated with AML/CTF/CPF and actions to address them.

In this context, this line of work includes two strategic initiatives, with their respective actions to be implemented.

Strategic initiatives:

3.1 Generate knowledge about criminal phenomena and trends for understanding ML/TF/PF.

In response to the need for a better understanding of the phenomenon of ML/TF/PF and new criminal trends, this initiative aims to carry out various studies and define priorities for the generation of knowledge by the competent entities, seeking to encourage the exchange of ideas that will allow the promotion of better standards that strengthen anti-money laundering barriers and against the financing of terrorism and proliferation. In this context, through joint work, the objective is to generate various documents through the analysis and detail of different phenomena.

Actions to be implemented:

- Prepare studies or analyses to characterize the risk of ML/TF/PF in:
 - Non-profit organizations (NPOs).
 - Illegal timber trade.
 - Persons and legal structures (profit and non-profit).
 - Free zone users.
 - Online gambling (casinos) and sports betting.
 - Trade of medicinal products.
- Prepare characterization studies or analyses (of a confidential nature) related to:
 - Economic crimes and their assets.
 - Corruption crimes and their assets.
 - Organized crime and its assets.
 - Sector dedicated to the purchase and sale of gold and merchants of precious metals and stones.

- Information contained in the Cash Transport and Shipping Declarations.

3.2 Develop joint collaborations between the competent authorities, with the goal of identifying the available information and that which can be shared, to strengthen the analysis, characterization or study processes related to TF/PF.

The competent institutions handle relevant information on organized crime; therefore, the aim is to develop permanent collaborative work to exchange information, within the legal framework, which will allow the National AML/CTF/CPF System to be nourished.

Actions to be implemented:

- Generate a survey and/or diagnosis of the available information held by each relevant institution, and analyze the form of exchange or flow in order to identify possible TF/PF risk phenomena.

Line 4: Supervision and Regulation of AML/CTF/CPF within the framework of inter-institutional coordination and cooperation

Exposure to financial flows originating from and/or linked to illicit activities can affect the integrity of the economic and financial sectors. This is why the EN AML/CTF/CPF supervisory authorities identified the need to strengthen their oversight, regulation and/or monitoring capacities regarding these illicit acts.

MILAFT, through the work of the members of the MT-SyR, agreed and committed, on the basis of timely inter-institutional coordination and cooperation in the area of supervision and regulation based on ML/TF/PF risks, to positively impact the prevention and detection capabilities of the obliged sectors.

For this purpose, an Inter-institutional Coordination and Cooperation Policy⁴⁴ was designed, which establishes the concepts and areas of action that gave rise to a common basis for understanding between the institutions. In this context, through bilateral meetings between the members of the MT-SyR, a work plan was agreed upon with operational actions differentiated by regulation and supervision⁴⁵.

The Policy includes the precepts contained in the regulations on smaller companies (which have regulatory standards for their initiation, operation and termination, depending on their size and degree of development⁴⁶) and cooperatives (which have special regulations in terms of their constitution, organization and operation)⁴⁷.

⁴⁴ Revisar Anexo N°3, "Política de coordinación y cooperación interinstitucional en materia de supervisión y regulación ALA/CFT/CPF".

⁴⁵ Para el año 2024 se acordaron 53 acciones operativas, de las cuales 46 corresponden al ámbito de supervisión y 7, al de regulación.

⁴⁶ Ley N°20.416, de 2010, fija normas especiales para las empresas de menor tamaño.

⁴⁷ Ley N°21.470, de 2022, modifica el DFL N°5, de 2003, del Ministerio de Economía, Fomento y Reconstrucción, que fija texto refundido, concordado y sistematizado de la Ley general de cooperativas.

Regarding regulation⁴⁸, the identified actions were agreed upon within the scope of cooperation and coordination of the processes of updating or designing AML/CTF/CPF regulations, which will be addressed in line with international standards and the risks identified in the current NRAs on AML, FT and PF.

Regarding supervision, the body was established as a mechanism to promote, based on the current risk of ML/TF/PF, coordinated and cooperative action⁴⁹ among the members of the MT-SyR⁵⁰, for the adequate and efficient monitoring and control of the sectors obliged to implement the ML/CFT/CPF regulations and other sensitive economic activities⁵¹.

Due to its nature and operation, the formulation and execution of the actions linked to this line are of an annual nature⁵², agreed upon under the principles of flexibility and re-evaluation.

Strategic Policy Initiative:

4.1 Develop a policy of inter-institutional coordination and cooperation on AML/CTF/CPF supervision and regulation.

In order to increase the effectiveness and reinforce the frequency, intensity and scope of the supervision and regulation work, with an approach based on the risk of ML/TF/PF, a policy will be generated as a common basis for understanding, coordination and cooperation between the institutions that are members of the MT-SyR of MILAFT⁵³.

Actions to be implemented:

- Approve a policy of inter-institutional coordination and cooperation on AML/CTF/CPF supervision and regulation.

Strategic Regulatory Initiatives⁵⁴:

4.2 Update the specific AML/CTF/CPF regulations of sectors that have such regulations.

It is established as an instance to cooperate and/or coordinate the regulatory update processes regarding supervised sectors, for which regulations have been issued.

Actions to be implemented:

- Evaluate and/or update AML/CTF/CPF regulations in sectors that have such regulations.

⁴⁸ La MT-SyR constituye una instancia de cooperación y coordinación que es complementaria al deber de coordinación entre los organismos del Estado (Ley N°19.880) y los compromisos o acuerdos de entendimiento que existan entre los distintos organismos que conforman las mesas.

⁴⁹ En el marco de las facultades y limitaciones que afecten la reserva de cada organismo, y los alcances que definan los(as) jefes(as) de Servicio.

⁵⁰ Integrantes actuales: BCCh, CMF, ISP, Minecon, Minju, SII, SNA, SCJ, SP, Suseso y la UAF.

⁵¹ Corresponden a sectores sensibles a las medidas de LA/FT/FP producto del riesgo al que están expuestos en el ámbito de sus operaciones.

⁵² Revisar Anexo N°4, Detalle "Plan de trabajo" operativo 2024 de la línea de Supervisión y regulación ALA/CFT/CFP en el marco de la coordinación y cooperación interinstitucional".

⁵³ Integrantes actuales: BCCh, CMF, ISP, Minecon, Minju, SII, SNA, SCJ, SP, Suseso y la UAF.

⁵⁴ Revisar Anexo N°4, Detalle "Plan de trabajo operativo 2024 de la línea de Supervisión y regulación ALA/CFT/CFP en el marco de la coordinación y cooperación interinstitucional".

4.3 Issue specific AML/CTF/CPF regulations for sectors that do not yet have them.

It is established as an instance to cooperate and coordinate in the processes of issuing regulations regarding sectors that do not have regulation.

Actions to be implemented:

- Evaluate the incorporation of specific AML/CTF/CPF regulations for sectors that do not have such regulations.
- Generate instances of collaboration in the regulatory field associated with sectors that do not have specific AML/CTF/CPF regulations.

Strategic Supervision Initiatives⁵⁵:

4.4 Develop and implement supervisory actions through joint, coordinated or cooperative oversight⁵⁶, and based on ML/TF/PF risks.

It includes the development of actions for the coordination, planning and execution of joint audits⁵⁷. It also provides for the generation of instances for⁵⁸: i) feedback on risk approaches for the preparation of audit plans⁵⁹ in the Services; ii) feedback on the results of the execution of the respective audit plans, and iii) follow-up of the results (findings).

It also considers other actions in the area of supervision that, due to their characteristics and/or specificity, cannot be grouped into other categories. These are instances of evaluation, collaboration and exchange of information.

Actions to be implemented:

- Carry out joint monitoring actions.
- Generate actions for the exchange of information, feedback and training between institutions with oversight powers.
- Carry out other actions within the scope of supervision.

Line 5: Facilitate the exchange and use of financial information to strengthen intelligence processes

In order to achieve a good case analysis and the effective development of financial intelligence tasks, it is important to have sufficient information to allow the early detection of ML/TF/PF situations and to continue strengthening the prevention of these illicit acts. That is why instances and mechanisms must be created to facilitate

⁵⁵ Revisar Anexo N°4, Detalle "Plan de trabajo operativo 2024 de la línea de Supervisión y regulación ALA/CFT/CPF en el marco de la coordinación y cooperación interinstitucional".

⁵⁶ Las modalidades de fiscalización conjunta, coordinada y en cooperación se encuentran definidas en el Anexo N°3, "Política de coordinación y cooperación interinstitucional en materia de supervisión y regulación ALA/CFT/CPF".

⁵⁷ Los aspectos operativos de cada acción conjunta serán definidos, caso a caso, por las instituciones que participen de ella.

⁵⁸ Se incorporan elementos mínimos que deben estar presentes en la modalidad, sin perjuicio de que los alcances de estos serán definidos, caso a caso, por las instituciones que participen de ella.

⁵⁹ Se entenderá por "plan de fiscalización" cualquier modalidad que implemente el Servicio participante en el cumplimiento de sus objetivos de fiscalización.

the exchange and use of financial intelligence information, in the strategic and operational areas. This includes the timely detection of gaps and barriers that must be resolved jointly.

In order to achieve efficient and effective information exchanges, it is necessary to coordinate actions between participating institutions, not only in terms of data transfer. Work must also be done to standardize the use of standards and good practices in government and in the secure management of data.

On the other hand, work must be done on the exchange of knowledge that allows for the improvement and widespread use of methodologies and practices for data exploitation, and that these are transformed into quality information for preventive intelligence analysis, research and other purposes.

Strategic initiatives:

5.1 Facilitate the exchange of relevant information between the different competent authorities, to strengthen their financial analysis processes linked to the prevention and detection of ML/TF or associated underlying crimes.

The exchange of relevant information between the MT-IF member institutions is necessary so that the system for the prevention and detection of ML/TF/PF can not only continue to be strengthened, but also to identify the signs and risks of these illicit acts, in order to obtain higher quality intelligence analysis, measured in terms of content and response times. To facilitate this exchange, it is important to detect early the barriers and gaps that must be resolved to expand the sources of information and avoid duplications.

Actions to be implemented:

- Generate and update a cadastre:
 - With the information needs required by the relevant institutions in order to carry out AML/CTF/CPF financial intelligence.
 - Existing cooperation or collaboration agreements between institutions related to the transfer of information, to strengthen the processes of detecting ML/TF or underlying crimes.
- Identify gaps for the effective exchange of financial intelligence information.
- Generate a diagnostic and recommendations document that addresses the main barriers to establishing information exchange agreements or bilateral projects to strengthen financial intelligence processes.

5.2 Standardize the formats of relevant information received by competent authorities to mitigate difficulties regarding the integration, management and use of third-party data.

The application of standards in the government and in the management of data in each institution participating in the MT-IF will allow for continuous improvement in the quality of data and thus the massive exploitation of it. This must be done in conjunction with the guidelines that are being developed by the corresponding instances in the State, and in accordance with current legislation, such as Law No.

21,180 on the Digital Transformation of the State, Law No. 19,628 on the protection of privacy, cybersecurity and interoperability standards, among others.

Likewise, working on standardizing data in terms of formats and access will allow for more timely management of the data and will reduce interconnection costs in relation to the development of data validations that will allow working with the corresponding information bases.

Actions to be implemented:

- Develop a guide to good practices on data governance standards and implementation, with common mechanisms and standards for formats and data, to facilitate the exchange of information for the prevention and detection processes of ML/TF or underlying crimes, aligned with the National Data Strategy of the Digital Government Division (or any strategy that replaces it).

5.3 Strengthen financial analysis processes by promoting the exchange of information, knowledge and financial intelligence techniques among the relevant institutions.

The timely and efficient exchange of experiences, in terms of information obtained through the application of operational intelligence by members of the National AML/CTF/CPF System, as well as specific knowledge and investigative techniques, allow for the development of preventive procedures and early warning of possibly illegal activities, and facilitate the investigation and prosecution of crimes in an effective, comprehensive and competent manner.

The above requires establishing mechanisms and procedures that would facilitate such instances of exchange between the members, such as the development of joint work, ways of reviewing and communicating new operational knowledge obtained from national and international experience, and the mutual enrichment of the members of the National Strategy.

Actions to be implemented:

- Analyze the establishment of a comprehensive inter-institutional, bilateral or multilateral coordination mechanism, which analyzes the instances of cooperation or coordination between the institutions that make up the National AML/CTF/CPF System.
- Sign bilateral or multilateral agreements to carry out internship actions between institutions that participate in the National AML/CTF/CPF System, and inter-institutional training on AML/CTF issues.
- Carry out review and communication actions or activities between relevant participants of the National AML/CTF/CPF System regarding information related to new trends, typologies, findings and unusual patterns of criminality.
- Collect, review and communicate to relevant counterparts international experiences and recommendations on new trends related to ML/TF/PF.

Line 6: Training to strengthen understanding and capabilities to prevent, detect and prosecute ML/TF/PF

This strategic line seeks to strengthen the knowledge, guidelines and recommendations required by the actors of the National AML/CTF/CPF System so that the prevention and detection of ML/TF/PF is efficient, and to provide the necessary tools so that they can integrate what they have acquired.

Through dissemination, inter-institutional cooperation, deepening and extending the understanding of ML/TF/PF, we seek to influence the development and prioritization of actions, activities or generate new knowledge in matters associated with ML/TF/PF.

The dissemination and delivery of relevant information on such illegal acts will allow beneficiary entities to acquire the necessary knowledge to comply with AML/CTF/CPF regulations.

Strategic initiatives:

6.1 Carry out actions and/or training activities for the actors of the National AML/CTF/CPF System.

In order to deepen the understanding of ML/TF/PF and minimize the gaps that exist in this area, we seek to generate a plan that includes the necessary subjects so that the competent entities can be trained efficiently, through dissemination and feedback, and promoting better standards that strengthen AML/CTF barriers.

Actions to be implemented:

- Develop and implement an Annual Training Plan on ML/TF/PF risks.
- Conduct a seminar on the subject of money laundering risk associated with the basic crime of human trafficking.

6.2 Disseminate information related to the topic of ML/TF/PF.

The importance of disseminating the issue of ML/TF/PF is fundamental for the National AML/CFT/CPF System. For this reason, through dissemination initiatives, we will seek to raise awareness of the problem, contributing to generating a culture of responsibility and prevention of these illicit acts. This will be done through virtual campaigns, or through their inclusion in existing initiatives developed by the different members of the National Strategy.

Actions to be implemented:

- Create a site, portal or banner with information to publicize:
 - To the persons or entities designated under UNSCR 1267/1989, the existence of the Office of the UN Ombudsperson, so that they are aware of the existing mechanisms for removal from such lists.
 - For persons or entities designated under the UNSCRs on PF, the existing mechanisms for removal from said lists, specifically through requests for removal to the United Nations Focal Point, in accordance with the criteria established in UNSCR 1730/2006.
- Disseminate information sent by the Chilean Embassy Network related to international threats associated with ML/TF/PF.

Line 7: National and international coordination and/or cooperation

ML/TF/PF encompasses not only a variety of commission dynamics, but also a varied and diverse spectrum of financial and economic activities in which it acts and influences; therefore, for an effective fight against it, the union of the different specialties and functions of all the entities of the National AML/CTF/CPF System is required, in order to carry out an accurate preventive analysis, a correct detection and an efficient and effective criminal prosecution.

Consequently, in order to efficiently coordinate the National AML/CTF/CPF System, the collaboration of private and public entities is needed to generate processes that allow the signing of cooperation agreements or conventions, allowing for an effective exchange of information.

In this way, this strategic line seeks to consolidate the coordination of the institutions that participate in the National AML/CTF/CPF System, through the development of products and processes that impact greater effectiveness in the prevention, detection and criminal prosecution of AML/CTF.

To this end, existing channels of coordination and cooperation with international entities dedicated to the prevention, detection and prosecution of ML/TF/PF will also be strengthened.

Strategic initiatives:

7.1 Strengthen joint work initiatives between institutions involved in the prevention, detection and prosecution of ML/TF crimes.

The diversity of the types of ML/TF/PF that are manifested, the multiplicity of ways in which their threats are expressed, and the broad catalogue of financial and economic activities that they can have an impact on, requires the institutions that participate in the National AML/CTF/CPF System to develop processes and methodologies for analyzing current and emerging threats that anticipate the new criminogenic scenarios of ML/TF and related crimes, of a permanent and inter-institutional nature.

These actions seek to develop precisely these products, projects and analysis processes, with the distinctive seal of multidisciplinary inter-institutional dialogue.

Actions to be implemented:

- Generate inter-institutional coordination actions with the priorities of the National Strategy for Public Integrity and the institutions linked to the implementation of the National Policy against Organized Crime, in order to align the measures adopted in each of them.
- Generate inter-institutional coordination actions for the exchange of intelligence information on ML/TF/PF with national institutions.
- Generate coordination actions for the exchange of intelligence information on ML/TF/PF matters with foreign institutions.

7.2 Promote national and international cooperation.

Inter-institutional cooperation is a central aspect of the National AML/CTF/CPF System due to the requirements of the FATF Recommendations and the international nature of ML/TF crimes. In this regard, the following actions seek to strengthen cooperation between the relevant actors and their international counterparts.

Actions to be implemented:

- Generate coordination instances between the monitoring mechanisms of the National AML/CTF/CPF Strategy and the National Policy against Organized Crime.
- Generate coordination instances between members of the National AML/CTF/CPF System and international organizations/agencies dedicated to the prevention, detection and prosecution of ML/TF/PF.
- Promote the signing of agreements or collaboration agreements between institutions that participate in the National AML/CTF/CPF System.
- Promote the signing of agreements or instruments of international cooperation to strengthen the National AML/CTF/CPF System.

DETAILS OF THE ACTION PLAN 2023-2027

Line 1: Monitoring, analysis and proposals for legislative updates

Strategic initiative	Actions	Responsible	Term
Promote the legal changes necessary to strengthen and make the criminal system of prevention and prosecution of LA/TF more effective, in line with international standards.	1. Collaborate in the processing of the bill that creates an Economic Intelligence Subsystem, Bulletin No. 15975-25, through: Indications to modify Law No. 19,913, considering the observations of the MER of Gafilat (new obligated entities, basic definition of ML/TF) and updates to the FATF standards; indications exempting the Public Prosecutor's Office, police and other agencies from restrictions contemplated in Law No. 19,628 on the protection of privacy or other, and indications to draft laws, such as the Bulletin N° 11144-07, which regulates the protection and processing of personal data and creates the Personal Data Protection Agency; and amendments to the Tax Code to allow police forces to access tax information.	UAF, MP, Carabineros, PDI, SII	2024-2027
	2. Collaborate in the drafting of a bill that defines the crime of false accounting.	Segpres, MP	2024
	3. Collaborate in the dissemination and processing of a bill that creates a National Registry of Beneficial Ownership of persons and legal structures.	MP, Segpres, UAF, SII, MH	
	4. Review and propose an amendment to Decree No. 214 (2020) of the Ministry of Foreign Affairs, which establishes measures that implement the UNSCRs for the prevention and repression of direct and indirect financing of activities that affect international peace and security.	Minrel, UAF	2025
	5. Analyze in the MT-AL of the MILAFT the feasibility of generating	MT-AL	2024-2025

	a change in the catalog of base crimes of ML.		
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Line 2: Strengthening the effective criminal prosecution of ML/TF crimes

Strategic initiative	Actions	Responsible	Term
Improve investigative and criminal prosecution capabilities in matters of ML/TF.	6. Develop a procedure to freeze assets for TF, and disseminate it among all relevant institutions.	UAF, MP	2024
	7. Generate a research procedure for the ML and its underlying crimes, which takes into account legal and administrative obstacles, to determine the form of collaboration of the different public bodies.	MP, police officers	
	8. Conduct simulations to activate Article 38 of Law No. 19,913 and the expanded application of Decree No. 214 (2020) of the Ministry of Foreign Affairs.	UAF, MP	
Strengthen mechanisms related to heritage research.	9. Update the Guide for Heritage Research in ML and Preceding Offenses, and disseminate it among the competent institutions.	MP, UAF	2025
	10. Create a centralized data registry (statistical system) of seized, confiscated and confiscated assets and goods (in terms of ML/TF), including information from all relevant institutions.	Coordinators Committee	
	11. Generate a protocol between the relevant institutions for the identification of goods and assets related to the investigation of base crimes ML.	Coordinators Committee	2024
	12. Generate a diagnosis or inventory of the available information and existing mechanisms used by the relevant institutions regarding the seized, confiscated and confiscated assets and goods (in terms of ML/TF).	MP, police officers	
Strengthen knowledge and understanding of criminal prosecution ML/TF.	13. Generate a communication plan and disseminate the results obtained	MP, police officers, UAF	2024-2027

	in terms of criminal prosecution of the ML/TF.		
	14. Include topics of criminal prosecution in the field of ML/TF in the institutional training curricula of the relevant entities of the National System AML/CTF.	MP, police officers	

Line 3: Identification and evaluation of risks of ML/TF/PF

Strategic initiative	Actions	Responsible	Term
Generate knowledge about criminal phenomena and trends for the understanding of ML/TF/PF.	15. Prepare a risk characterization study or analysis of ML/TF/PF of the NPO.	UAF	2026
	16. Prepare a risk characterization study or analysis of ML/TF/PF related to the clandestine timber trade.		2025
	17. Prepare a risk characterization study or analysis of ML/TF/PF of persons and legal structures (for profit and non-profit).		
	18. Prepare a risk characterization study or analysis of ML/TF/PF of free zone users.	UAF, SNA	2026
	19. Prepare a risk characterization study or analysis of ML/TF/PF online gambling (casinos) and sports betting.	UAF	2024
	20. Prepare a risk characterization study or analysis of ML/TF/PF from the trade of medicinal products.	ISP, UAF	2027
	21. Prepare a characterization study or analysis (of a confidential nature) related to economic crimes and their assets.	MP	2026
	22. Prepare a characterization study or analysis (of a confidential nature) related to corruption crimes and their assets.		2025
	23. Prepare a characterization study or analysis (of a confidential nature) related to organized crime and its assets.		2024

	24. Prepare a characterization study or analysis (of a confidential nature) related to the sector dedicated to the purchase and sale of gold and merchants of precious metals and stones.	UAF, SNA	2025
	25. Prepare a characterization study or analysis (of a confidential nature) related to the information contained in the DPTE.		2024
Develop joint collaborations between the competent authorities, with the objective of identifying the available information and that which can be shared, to strengthen the analysis, characterization or study processes, related to the TF/PF.	26. Generate a survey and/or diagnosis of the available information held by each relevant institution, and analyze the form of exchange or flow in order to identify possible risk phenomena of TF/PF.		

Line 4: Supervision and regulation of AML/CTF/CPF within the framework of inter-institutional coordination and cooperation

Strategic initiative	Actions ⁶⁰	Responsible	Term
Develop a policy of inter-institutional coordination and cooperation in matters of supervision and regulation AML/CTF/CPF.	27. Approve a policy of inter-institutional coordination and cooperation in matters of supervision and regulation AML/CTF/CPF.	MILAFT	2023
Update specific regulations AML/CTF/CPF of sectors that have such regulations.	28. Evaluate and/or update the regulations AML/CTF/CPF and sectors that have such regulations.	Coordination MT-SyR	2024-2027
Issue specific AML/CTF/CPF regulations in sectors that do not yet have them.	29. Evaluate the incorporation of specific regulations AML/CTF/CPF for sectors that do not have such regulation.		
	30. Generate instances of collaboration in the regulatory field associated with sectors that do not have specific regulation AML/CTF/CPF.		

⁶⁰ El detalle del "Plan de trabajo operativo 2024 de la línea de Supervisión y regulación ALA/CFT/CFP en el marco de la coordinación y cooperación interinstitucional" se encuentra disponible en el Anexo N°4.

Develop and implement supervisory actions through joint, coordinated and/or cooperative oversight ⁶¹ , and based on the risks of ML/FT/PF.	31. Carry out joint inspection actions.		
	32. Generate actions for the exchange of information, feedback and training between institutions with oversight powers.		
	33. Carry out other actions within the scope of supervision.		

Line 5: Facilitate the exchange and use of financial information to strengthen intelligence processes

Strategic initiative	Actions	Responsible	Term
Facilitate the exchange of relevant information between the different competent authorities, to strengthen their financial analysis processes linked to the prevention and detection of ML/TF or associated base crimes.	34. Generate and update a registry with the information needs required by the relevant institutions in order to carry out financial intelligence AML/CTF/CPF.	Secretariat of Modernization , MH	2024-2027
	35. Generate and update a registry of existing cooperation or collaboration agreements between institutions related to the transfer of information, to strengthen the detection processes of ML/TF or base crimes.	Coordination MT-IF	
	36. Identify gaps for the effective exchange of financial intelligence information.		
	37. Generate a diagnostic and recommendations document that addresses the main barriers to establishing information exchange agreements or bilateral projects to strengthen financial intelligence processes.		2024
Standardize the formats of relevant information received by competent authorities to mitigate difficulties regarding the integration, management and use of third-party data.	38. Develop a guide to good practices on data governance standards and implementation, with common mechanisms and standards for formats and data, to facilitate the exchange of information for the prevention and detection processes of ML/TF or underlying crimes, aligned with the	Modernization Secretariat, MH, in coordination with the Digital Government Division (or	2025

⁶¹ Las modalidades de fiscalización conjunta, coordinada y en cooperación se encuentra definidas en el anexo N°3, "Política de coordinación y cooperación interinstitucional en materia de supervisión y regulación ALA/CFT/CPF".

	National Data Strategy of the Digital Government Division (or any strategy that replaces it).	the one that replaces it)	
Strengthen financial analysis processes by promoting the exchange of information, knowledge and financial intelligence techniques among relevant institutions.	39. Analyze the establishment of a comprehensive inter-institutional, bilateral or multilateral coordination mechanism, which analyzes the instances of cooperation or coordination between the institutions that make up the National AML/CTF/CPF System.	Coordinators Committee	2024-2027
	40. Sign bilateral or multilateral agreements to carry out internship actions between institutions that participate in the National AML/CTF/CPF System, and inter-institutional training on ML/TF issues.		
	41. Carry out review and communication actions or activities between relevant participants of the National AML/CTF/CPF System regarding information related to new trends, typologies, findings and unusual patterns of criminality.	MT-IF Coordination	2025-2027
	42. Collect, review and communicate to relevant counterparts international experiences and recommendations on new trends related to LA/TF/PF.		2024

Line 6: Training to strengthen understanding and capabilities to prevent, detect and prosecute ML/TF/PF

Strategic initiative	Actions	Responsible	Term
Carry out actions and/or training activities for the actors of the National AML/CTF/CPF System.	43. Develop and implement an Annual Training Plan on ML/TF/PF risks.	MT-R Coordination	2024-2027
	44. Conduct a seminar on the subject of money laundering risk associated with the basic crime of human trafficking.	MISP, UAF	2024
Disseminate information related to the topic of ML/TF/PF.	45. Create a site, portal or banner with information to inform persons or entities designated under UNSCR 1267/1989 of the existence of the UN Ombudsperson's Office, so that they are aware of the existing	Minrel, UAF	

	mechanisms for removal from such lists.		
	46. Create a site, portal or banner with information to inform persons or entities designated under the UNSCRs on PF, the existing mechanisms for removal from said lists, specifically through requests for removal to the United Nations Focal Point, in accordance with the criteria established in UNSCR 1730/2006.		
	47. Disseminate information sent by the Chilean Embassy Network related to international threats associated with ML/TF/PF.	Minrel	2024-2027

Line 7: National and international coordination and/or cooperation

Strategic initiative	Actions	Responsible	Term
Strengthen joint work initiatives between institutions involved in the prevention, detection and prosecution of LA/TF crimes.	48. Generate inter-institutional coordination actions with the priorities of the National Strategy for Public Integrity and the institutions linked to the implementation of the National Policy against Organized Crime, in order to align the measures adopted in each of them.	UAF	2024-2027
	49. Generate inter-institutional coordination actions for the exchange of intelligence information on ML/TF/PF with national institutions.	ANI, UAF	
	50. Generate coordination actions for the exchange of intelligence information on ML/FT/PF matters with foreign institutions.		
Promote national and international cooperation	51. Generate coordination instances between the monitoring mechanisms of the National AML/CTF/CPF Strategy and the National Policy against Organized Crime.	MILAFT	
	52. Generate coordination instances between members of the National AML/CTF/CPF System and international organizations/agencies dedicated to the prevention, detection and prosecution of ML/TF/PF.		

	53. Promote the signing of agreements or collaboration agreements between institutions that participate in the National AML/CTF/CPF System.		
	54. Promote the signing of agreements or instruments of international cooperation to strengthen the National AML/CTF/CPF System.		

INSTITUTIONS PARTICIPATING IN MILAFT

1. National Intelligence Agency⁶²

According to Law No. 19,974, the National Intelligence Agency (ANI) is a centralized, technical and specialized public service that is related to the Presidency of the Republic through the Ministry of the Interior and Public Security. The ANI is part of the State Intelligence System, together with other agencies, and its main objective is to produce intelligence aimed at advising the Presidency of the Republic and the various higher levels of State leadership. Among its functions is to request information within its jurisdiction from the intelligence agencies of the Armed Forces and the Law Enforcement and Public Security Forces, as well as from the National Gendarmerie Directorate.

2. Central Bank of Chile⁶³

The Central Bank of Chile (BCCh) was created on August 21, 1925. In accordance with Article 108 of the Political Constitution of the Republic and the provisions of Article 1 of Constitutional Organic Law (LOC) No. 18,840, the BCCh is an autonomous and technical body of constitutional rank, whose purpose is to ensure the stability of the currency and the normal functioning of internal and external payments, which has an impact on maintaining a low and stable inflation rate over time, and safeguarding the stability and efficiency of the financial system, in accordance with the terms set forth in the LOC. In order to fulfill its objectives, the BCCh has, among other powers, the power to regulate the amount of money and credit in circulation, which represents the determination and exercise of monetary policy, as well as the issuance of rules on monetary, credit, financial and international exchange matters.

3. Carabineros of Chile⁶⁴

In accordance with its Constitutional Organic Law, the Carabineros of Chile is a technical and military police institution that is part of the public force and exists to enforce the law. Its purpose is to guarantee and maintain public order and internal public security throughout the territory of the Republic and to fulfill the other functions entrusted to it by the Constitution and the Law. It depends on the Ministry of the Interior and Public Security, with which it is administratively linked through the Undersecretariat of the Interior. Within the framework of this National Strategy, it is worth mentioning the participation of the following departments:

- Drugs Department (O.S.7) whose mission is to combat drug trafficking activities and the criminal organizations that carry them out.
- Department of Investigation of Criminal Organizations (O.S.9) whose mission is to investigate crimes of greater socio-police significance and those illicit acts associated with criminal organizations, to scientifically study criminal phenomena and technically supervise the dependent sections in the country's police stations.

⁶² Ley N°19.974.

⁶³ Ley Orgánica Constitucional del Banco Central de Chile.

⁶⁴ Ley Orgánica Constitucional de Carabineros de Chile

- Police Intelligence Directorate (Dipolcar) responsible for carrying out police intelligence for Carabineros, within the framework of Law No. 19,974.

Financial Market Commission ⁶⁵⁶⁶

The Financial Market Commission is a decentralized public service of a technical nature, endowed with legal personality and its own assets, which is related to the Presidency of the Republic through the Ministry of Finance. Its main objectives include ensuring the correct functioning, development and stability of the financial market, facilitating the participation of market agents and promoting the protection of public trust; in addition to ensuring that the persons or entities inspected, from their initiation to the end of their liquidation, comply with the laws, regulations, statutes and other provisions that govern them.

4. State Defense Council ⁶⁷

The State Defense Council (CDE) is a decentralized public service, endowed with legal personality, under the direct supervision of the President of the Republic and independent of the various ministries. Its main objective is the judicial defense of the interests of the State. Among its functions is to exercise criminal action in the case of crimes that could cause economic damage to the treasury or State agencies, and in the case of crimes committed in the performance of their duties or jobs by public officials or employees of State agencies, the State Administration, regional governments, municipalities, or institutions or services that are functionally or territorially decentralized.

5. Office of the Comptroller General of the Republic ⁶⁸

The Office of the Comptroller General of the Republic is a higher oversight body of the State Administration, contemplated in the Political Constitution, which enjoys autonomy from the Executive Branch and other public bodies. It is essentially an entity that controls the legality of the acts of the State Administration and safeguards the correct use of public funds, independently of the Executive Branch and the National Congress. Its work is eminently oversight of a legal, accounting and financial nature, aimed at safeguarding the principle of legality; that is, verifying that the organs of the State Administration act within the scope of their powers, subject to the procedures contemplated by law and using public resources efficiently and effectively.

6. Supreme Court ⁶⁹

The Supreme Court (SC) is a collegiate court that exercises jurisdiction over the entire territory of the Republic and is composed of the number of members assigned to it by law. According to the current constitutional order, it is located in the chapter

⁶⁵ <https://www.cmfchile.cl/portal/principal/613/w3-propertyvalue-25539.html>

⁶⁶ El Consejo de la CMF hace presente su Resolución Exenta N° 9823, del 18 de diciembre de 2023, adoptada en Sesión Ordinaria N°370, de 14 de diciembre de 2023, que autoriza la suscripción de la Estrategia Nacional para Prevenir y Combatir el Lavado de Activos y el Financiamiento del Terrorismo y el de la Proliferación de Armas de Destrucción Masiva y su Plan de Acción 2023-2027.

⁶⁷ <https://www.cde.cl/el-consejo/>

⁶⁸ <https://www.contraloria.cl/web/cgr/que-hacemos>

⁶⁹ <https://www.pjud.cl/docs/download/9666#:~:text=Su%20misi%C3%B3n%20se%20traduce%20en,re cursos%20contemplados%20en%20la%20legislaci%C3%B3n>

that addresses the Judicial Branch, where its functions are related to the directive, corrective and economic supervision of all the courts of the Nation (exceptions to this rule are the Constitutional Court, the Electoral Qualifying Court and the regional electoral courts). In this way, it is positioned at the top of the pyramid of the justice system in Chile and ensures compliance with the Constitution.

7. General Directorate of Pledge Credit ⁷⁰

The General Directorate of Pledge Credit (Dicrep) is an autonomous institution that interacts with the State through the Ministry of Labor and Social Security. The Dicrep has a social and economic role, which aims to grant pledge credit in a simple and timely manner, safeguarding the goods delivered as collateral. It also acts in support of the State in fiscal auctions and as an auxiliary body of Justice in the implementation of the actions demanded of it. All of the above, within the framework of modern, efficient, transparent and clearly user-oriented management processes.

8. Directorate General of Maritime Territory and Merchant Marine⁷¹

The General Directorate of Maritime Territory and Merchant Marine (Directemar) is the high-level body of the Chilean Navy whose mission is to ensure compliance with current laws and international agreements, to ensure the safety of navigation, protect human life at sea, preserve the aquatic environment, marine natural resources and supervise the activities that take place within the maritime area of its jurisdiction, with the purpose of contributing to the maritime development of the Nation.

9. Chilean Gendarmerie ⁷²⁷³

Based on its Organic Law, the Chilean Gendarmerie is a public service dependent on the Ministry of Justice, whose purpose is to care for, monitor and contribute to the social reintegration of people who, by resolution of competent authorities, are detained or deprived of liberty. In this way, its mission is to guarantee the effective fulfillment of preventive detention and custodial or restrictive sentences for those determined by the courts, providing those affected with conditions and benefits, in accordance with their status as persons and human rights standards, developing social reintegration programs that tend to reduce the probability of criminal recidivism and promoting the elimination of criminal records as part of the reintegration process.

10. Institute of Public Health⁷⁴

The Public Health Institute of Chile (ISP) is a public service with management autonomy and is endowed with legal personality and its own assets. It depends on the Ministry of Health for the approval of its policies, regulations and general plans of activities, as well as for the supervision of their execution. The ISP is the State's reference body that promotes and protects the health of the population, strengthening health control through surveillance, authorization, oversight, research and technology transfer; with a focus on gender, territoriality and interculturality;

⁷⁰ <https://www.dicrep.cl/quienes-somos/>

⁷¹ ¹ <https://www.directemar.cl/directemar/organizacion/mision-y-vision>

⁷² <https://www.gendarmeria.gob.cl/historia.html>

⁷³ DL. 2859, Ley Orgánica de Gendarmería de Chile.

⁷⁴ <https://www.ispch.gob.cl/quienes-somos/>

complying with high standards of quality, transparency, innovation and a human team committed to public service.

11. Ministry of Economy, Development and Tourism ⁷⁵

The Ministry of Economy, Development and Tourism (Minecon) is the State Secretariat that has the mission of promoting a new model of productive development in the country, which addresses the challenges associated with the climate crisis and the generation of quality jobs, through a comprehensive decentralized strategy with a gender perspective, to promote innovation and technological change, entrepreneurship and digital transformation of MSMEs and cooperatives. These changes seek to increase the productivity and competitiveness of the national economy, and in which knowledge, science, and technology play a primary role, in order to drive economic progress and increase the well-being of society.

12. Ministry of Finance⁷⁶

The Ministry of Finance (MH) is the State Secretariat responsible for efficiently managing public resources through a modern State at the Service of citizens, generating conditions of stability, transparency and competitiveness in an internationally integrated economy that promote sustainable and inclusive growth. Its strategic objectives, among others, are: to conduct fiscal policy, managing public finances with responsibility, transparency, equity and a medium-term perspective; to reduce the volatility of the economy, both in terms of activity and employment as well as inflation and financial variables, resorting to mechanisms for prevention and mitigation of shocks; to increase potential growth through public and private investment, local and external, ensuring efficient use of resources and a beneficial insertion in the global economy, from a perspective of sustainable, inclusive development, with gender equality and responsible with the environment; Promote efficient, transparent, inclusive management of public sector resources with a gender perspective that considers the value of ecosystems and biodiversity, through the use of regulations, incentives, technology, data, modernization processes and communication.

13. Ministry of Justice and Human Rights⁷⁷

The Ministry of Justice and Human Rights (Minju) is the State Secretariat whose mission is to contribute to the development of the country through the modernization of the justice system, promoting norms and public policies aimed at facilitating access and protection of the rights of people, social reintegration and citizen security, all within a framework of respect for human rights.

14. Ministry of Foreign Affairs⁷⁸

The Ministry of Foreign Affairs (Minrel) is the State Secretariat responsible for collaborating with the Presidency of the Republic in the design, planning, prospecting, management, coordination, execution, control and information of the foreign policy that it formulates, proposing and evaluating policies and plans aimed at

⁷⁵ <https://www.economía.gob.cl>

⁷⁶ <https://www.hacienda.cl/ministerio/mision-y-objetivos>

⁷⁷ <https://www.minjusticia.gob.cl/mision/>

⁷⁸ <https://www.minrel.gob.cl/minrel/ministerio/mision-objetivos-y-valores>

strengthening the international presence of the country, and safeguarding the interests of Chile, with the purpose of raising the quality of development, security and national well-being.

15. Ministry of the Interior and Public Security⁷⁹

The Ministry of the Interior and Public Security (MinInterior) is the State Secretariat that, among others, proposes to the Presidency of the Republic the norms and actions on internal policies aimed at maintaining public order, security and social peace; applies, through the authorities of the Interior Government, the norms issued for this purpose; coordinates the ministries in charge, in their respective spheres of competence, of public and citizen security; promotes and drives regional, provincial and local development policies, evaluating their execution; oversees compliance with legal, regulatory and technical norms and instructions issued for the civil administration of the State, in matters related to the areas of regional development, modernization and administrative reform; proposes to the President of the Republic the migration policies, and assumes the judicial representation of the Government in all cases indicated by law and, in general, fulfills and exercises the powers entrusted to it by the President of the Republic or the law; reviews and substantiates administrative summaries and summary investigations; and drafts and sponsors waivers, complaints and requests that the Ministry presents to the courts of justice for violations of the State's internal security laws, arms control, anti-terrorism and other legal provisions.

16. Public Prosecutor's Office⁸⁰

The Chilean Public Prosecutor's Office or Ministerio Público (MP) is an autonomous body whose function is to direct the investigation of crimes, bring the accused to court, if appropriate, and provide protection to victims and witnesses. It is organized into a National Prosecutor's Office and 19 Regional Prosecutors' Offices, which work in collaboration with Carabineros de Chile, the PDI, the Gendarmería de Chile, Directemar and auxiliary agencies such as the Legal Medical Service, the SRCEI and the ISP. Criminal investigation and prosecution are carried out by specialized prosecutors, with the internal technical support of ULDDECO, UNAC, UCOD and INFIPAT.

17. Ministry of the General Secretariat of the Presidency⁸¹

The Ministry of the General Secretariat of the Presidency (Segpres) is the State Secretariat whose purpose is to facilitate and coordinate the development and fulfillment of the programmatic and legislative agenda of the government. One of its main tasks is to advise the President of the Republic and Ministers of State on political, legal and administrative matters and on the government's relations with the National Congress, political parties and social organizations. The Segpres must ensure the achievement of effective general programmatic coordination of the government's management, and participates in the development of the legislative agenda and the monitoring of the processing of bills. It should be noted that the Segpres houses the Presidential Advisory Commission for Public Integrity and

⁷⁹ <https://www.interior.gob.cl/funciones-ministeriales/>

⁸⁰ <http://www.fiscaliadechile.cl/Fiscalia/quienes/index.jsp>

⁸¹ <https://www.minsegpres.gob.cl/conoce-nuestro-ministerio>

Transparency, which among its functions advises the President of the Republic on matters of public integrity, probity and transparency in the exercise of public office and, through him, the different organs of the State Administration.

18. Chilean Investigative Police ⁸²⁸³

According to its Constitutional Organic Law, the Chilean Investigative Police (PDI) is a professional, technical and scientific police institution that is part of the law enforcement forces, whose personnel will be subject to a strict hierarchical and disciplinary regime. Its actions will be oriented towards the specialized investigation of all crimes, especially those that are complex and related to organized crime, helping to prevent the perpetration of criminal acts and acts that threaten the stability of State agencies. In addition, it must control the entry and exit of people into the national territory, supervise the stay of foreigners in it and carry out other functions entrusted to it by law. It depends on the Ministry of the Interior with which it is administratively linked through the Undersecretariat of the Interior. Within the framework of this Strategy, it is worth mentioning the participation of the following brigades:

- Money Laundering Brigade (Brilac) whose mission is to carry out police and financial investigations of individuals and criminal organizations engaged in money laundering activities arising from some of the basic crimes indicated in Article No. 27 of Law No. 19,913, as well as to comply with orders and requests issued by the competent judicial authorities, in accordance with the Law.
- Anti-Narcotics Brigades (Briant) and against Organized Crime (Brico) that focus on prevention and investigation against organized crime, as well as against the production, processing, trafficking and consumption of narcotics and dangerous drugs, maintaining permanent contact with analogous international organizations in their field of specialty.

19. Agricultural and Livestock Service ⁸⁴

It is an agency that is related to the Presidency of the Republic through the Ministry of Agriculture. It is responsible for supporting the development of agriculture, forests and livestock, through the protection and improvement of animal and plant health. To prevent the introduction from abroad of diseases or pests that may affect animals or plants and seriously damage agriculture, phytosanitary and zoosanitary Border Controls have been established. These Controls operate at the points of entry into the country, whether by land, air or sea. There, products, means of transport, passenger luggage, crew and commercial loads of forestry and agricultural products (fruit, milk, cheese, etc.) are inspected to verify that they comply with the established health regulations.

⁸²DL. 2460, Ley Orgánica de Policía de Investigaciones de Chile.

⁸³ <https://www.pdichile.cl/instituci%C3%B3n/unidades/antinarc%C3%B3ticos-crimen-organizados>

⁸⁴ <https://www.sag.gob.cl/quienes-somos/que-es-y-que-hace-el-sag>

20. Internal Revenue Service⁸⁵

The Internal Revenue Service (SII) is an agency that is related to the Presidency of the Republic through the MH. Its mission is to ensure that each taxpayer fully complies with their tax obligations, applying and supervising internal taxes in an effective and efficient manner, in strict adherence to current legislation and seeking to facilitate compliance, within the framework established by the principles of integrity, equity and transparency, in a work environment that fosters the comprehensive development of officials, to achieve excellent performance that contributes to the progress of the country.

21. Civil Registry and Identification Service⁸⁶

The Civil Registry and Identification Service (SRCEI) is an agency that is related to the Presidency of the Republic through the Minju, serving all citizens living in the country, establishing the identity of each one of them and issuing the documents that accredit it. In addition, it records and accredits a series of events that affect their civil status and assets over the course of their lives. For example, it is responsible for registering births, deaths, identity, passports, disabilities, non-profit legal entities, among others.

22. National Customs Service⁸⁷

The National Customs Service (SNA) is an agency that is related to the Presidency of the Republic through the MH. Its mission is to supervise and facilitate foreign trade, to contribute to tax collection, economic development, competitiveness and the protection of the country and its people, through synergistic, effective and transparent processes, supported by strategic and intelligent management of data and information. To this end, it has established, among others, strategic objectives aimed at strengthening the institutionality through an efficient and effective management system, which allows prioritizing and directing the strategic changes of the SNA; with emphasis on continuous improvement, innovation, good use of resources and the delivery of quality services.

23. National Service for the Prevention and Rehabilitation of Drug and Alcohol Consumption⁸⁸

The National Service for the Prevention and Rehabilitation of Drug and Alcohol Use (Senda) is an organization that is related to the Presidency of the Republic through the Ministry of the Interior. According to current regulations, Senda is responsible for developing and implementing policies for the prevention of drug and alcohol use; implementing policies on treatment, rehabilitation and social integration of people affected by drug and alcohol use; and developing a national drug and alcohol strategy. Among the tasks it executes is the administration of the fund established by article 46 of the Drug Law (Law No. 20,000).

24. Superintendence of Gambling Casinos⁸⁹

⁸⁵ https://www.sii.cl/sobre_el_sii/mision.html

⁸⁶ <https://www.registrocivil.cl/principal/quienes-somos/que-hacemos>

⁸⁷ <https://www.aduana.cl/definiciones-estrategicas/aduana/2007-08-03/091411.html>

⁸⁸ <https://www.senda.gob.cl/senda/quienes-somos/>

⁸⁹ <https://www.scj.gob.cl/acerca-de-la-scj>

The Superintendency of Gambling Casinos (SCJ) is an autonomous body with legal personality and its own assets that represents the State in the exercise of the functions of supervision and inspection for the installation, administration and operation of gambling casinos authorized under Law No. 19,995. It is related to the Presidency of the Republic through the MH. Its functions include granting, denying, renewing and revoking operating permits for gambling casinos, as well as gambling licenses and related services, in accordance with the provisions of the Law, and also supervising the activities of gambling casinos and their operating companies, in the legal, financial, commercial and accounting aspects, for the due fulfillment of the obligations established by this law and its regulations.

25. Superintendency of Pensions ⁹⁰

The Superintendency of Pensions (SP) is the supervisory body that represents the State within the Chilean pension system. It is an autonomous entity, which is related to the Presidency of the Republic through the Ministry of Labor and Social Security, via the Undersecretary of Social Security. Its mission is to protect the pension rights of people, contributing to the proper functioning of the pension system and unemployment insurance, with quality regulation and supervision and the timely delivery of clear and reliable information.

26. Social Security Superintendence⁹¹

The Social Security Superintendence (Suceso) is an autonomous State body that is related to the Presidency of the Republic through the Ministry of Labor and Social Security. It is responsible for monitoring compliance with social security regulations and ensuring respect for the rights of individuals, especially workers, pensioners and their families.

27. General Treasury of the Republic ⁹²

The General Treasury of the Republic (TGR) is an organization that is related to the Presidency of the Republic through the MH. It is the institution responsible for collecting, distributing and safeguarding the resources of the Public Treasury, through excellent, reliable, close, inclusive and innovative management, which facilitates interaction with citizens, contributing to the development of the country.

28. Financial Analysis Unit ⁹³

The Financial Analysis Unit (UAF) is a decentralized public service, with legal personality and its own assets, which is related to the Presidency of the Republic through the Ministry of Finance. It was created by Law No. 19,913, which was published in the Official Gazette on December 18, 2003. The objective of the UAF is to prevent and impede the use of the financial system, and other sectors of Chilean economic activity, for the commission of money laundering and terrorist financing crimes. To do so, it conducts financial intelligence, issues regulations, oversees compliance, imposes administrative sanctions, trains and disseminates public information, and develops inter-institutional cooperation actions. The above,

⁹⁰ <https://www.spensiones.cl/portal/institucional/594/w3-propertyvalue-5990.html>

⁹¹ <https://www.suseso.cl/601/w3-propertyname-542.html>

⁹² <https://www.tgr.cl/sobre-tgr/>

⁹³ <https://www.uaf.cl/acerca/quehacemos.aspx>

following the 40R of the FATF, the results of the evaluations of Chile by the Gafilat, and the guidelines of the Egmont Group of Financial Intelligence Units. As Chile's representative before the Gafilat, the UAF coordinates the National Anti-Money Laundering, Counter-Terrorist Financing and Counter-Proliferation Financing of Weapons of Mass Destruction System (AML/CTF/CPF).

ANNEXES

ANNEX 1: INTERINSTITUTIONAL AGREEMENT TO IMPLEMENT THE THIRD ACTION PLAN OF THE NATIONAL STRATEGY TO PREVENT AND COMBAT MONEY LAUNDERING AND THE FINANCING OF TERRORISM AND PROLIFERATION OF WEAPONS OF MASS DESTRUCTION, 2023-2027



INTERINSTITUTIONAL AGREEMENT

TO IMPLEMENT THE THIRD ACTION PLAN OF THE NATIONAL STRATEGY TO PREVENT AND COMBAT MONEY LAUNDERING AND THE FINANCING OF TERRORISM AND PROLIFERATION OF WEAPONS OF MASS DESTRUCTION, 2023-2027

In Santiago, August 10, 2023.

CONSIDERING:

1. That, on July 25, 2012, the Ministry of the Interior and Public Security, together with the Ministry of Finance and the Financial Analysis Unit (UAF), signed a Strategic Alliance that kicked off the development of a National Strategy to prevent and combat Money Laundering and the Financing of Terrorism (ML/TF).
2. That, in December 2013, with the support of the International Monetary Fund and the Inter-American Development Bank, 20 public agencies in the country, coordinated by the UAF, launched the National Strategy for the Prevention and Combat of ML/TF, with an Action Plan to be developed between 2013 and 2017, which responded to the commitment made through a mandate from the Presidency of the Republic to generate a state policy against money laundering and the financing of terrorism.
3. That, as a result of the implementation of the commitments of the First Action Plan of the National Strategy, the Intersectoral Advisory Commission on the Prevention and Fight against Money Laundering and the Financing of Terrorism (hereinafter Intersectoral Board or MILAFT) is created, through Decree 1724 of

2016 of the Ministry of Finance, and whose mission is to advise the President of the Republic in the coordination of actions, plans and programs of the different institutional actors in matters of prevention, detection and prosecution of ML/TF, which includes monitoring the progress of the objectives set forth in the National AML/CTF Strategy.

4. That, the culmination of the II Action Plan 2018-2020 of the National AML/CTF Strategy, the actions recommended by the Financial Action Task Force of Latin America (Gafilat) as a result of the 4th round of Mutual Evaluation to which Chile was subjected, the need to update the national risk assessments of money laundering and terrorist financing, as well as generating the first national risk assessment of proliferation financing, constitute milestones that trigger the need to initiate a new process of review and strengthening of the National AML/CTF System.
5. That, in March 2023, MILAFT convened its permanent members and invited other relevant institutions for the National AML/CTF System to participate, and where it was agreed to expand the mission, vision and objectives of the National Strategy and its action plans to the phenomenon of financing the proliferation of weapons of mass destruction (PF), in accordance with FATF standards. Additionally, MILAFT incorporated five permanent technical tables into its organic structure: Legislative Update; Supervision and Regulation; ML/TF/PF Risks; Financial Intelligence; and Criminal Prosecution; in order to guarantee continuity in the work of the National Strategy beyond the development and implementation of the action plans.

That the prevention and control of ML/TF/PF require a permanent strengthening of coordination and cooperation between the different public institutions with responsibility in the National AML/CFT System.

1. That, in this effort, the institutions comprising the National AML/CTF/CPF Strategy, coordinated by the UAF, undertook during 2023 the challenge of designing and generating a new roadmap for the current challenges in preventing and combating ML/TF/PF.
2. That the implementation of the 2023-2027 Action Plan of the National AML/CTF/CPF Strategy aims to organize and coordinate efforts to prevent, detect and prosecute these phenomena, respond to the actions recommended by Gafilat in the 2021 Mutual Evaluation Report of Chile, overcoming the gaps detected and strengthening those actions and policies that have contributed to strengthening the National AML/CTF System.
3. These efforts also require coordinated articulation with other plans, actions and strategies promoted or generated through other ministries, including: the National Strategy for Public Integrity, the State Modernization Agenda 2022-2026 and the National Policy against Organized Crime.
4. That, Article 5 of Law No. 18,575, Constitutional Organic Law of General Bases of the State Administration, provides that the organs of the State Administration must fulfill their duties in a coordinated manner and strive for unity of action. It should be noted that, jointly with the organs of the State administration, other organizations that are not part of the aforementioned Administration and that are endowed with constitutional autonomy or independence have participated in the meetings of the National Strategy, and have participated as guests.

5. That, for all the above, it has been deemed appropriate to approve the following Interinstitutional Agreement:

FIRST: Background.

The National Intelligence Agency, the Central Bank of Chile (a constitutionally autonomous body, as a guest body and supporting entity), Carabineros of Chile, the Financial Market Commission, the State Defense Council, the Comptroller General of the Republic (a constitutionally autonomous body, as a guest body and supporting entity), the Supreme Court (observer), the General Directorate of Pledge Credit, the General Directorate of Maritime Territory and Merchant Marine, the Gendarmerie of Chile, the Public Health Institute, the Ministries of Economy, Development and Tourism, Finance, Justice and Human Rights, Foreign Affairs, Interior and Public Security and the General Secretariat of the Presidency, the Public Prosecutor's Office (a constitutionally autonomous body, as a guest body and supporting entity), the Chilean Investigative Police, the Agricultural and Livestock Service, the Internal Revenue Service, the National Customs Service, the National Service for the Prevention and Rehabilitation of Drug Use and Alcohol, the Civil Registry and Identification Service, the Superintendencies of Casinos, Pensions and Social Security, the General Treasury of the Republic and the Financial Analysis Unit, are part of the National AML/CTF System and interact, permanently, in the prevention, detection and criminal prosecution of ML/TF, within the scope of their respective legal powers, hereinafter, the Parties.

SECOND: Commitments.

Within the framework of the National AML/CTF/CPF Strategy, the Parties will periodically evaluate the functioning of the National AML/CTF System, in order to propose actions necessary for its improvement. Likewise, and with the purpose of protecting the country from the damage caused by these illicit acts, especially in the economy and the financial system, the Parties will contribute to strengthening the National AML/CTF System, through the approval of the National Strategy to Prevent and Combat ML/TF/PF and its Action Plan 2023-2027, and they undertake to:

- a. Cooperate in agreeing, adopting, implementing and executing, within the scope of its powers, each of the actions and goals of the Action Plan in the manner and within the timeframes established by said instrument.
- b. Participate permanently or at the request of the technical panels of the **Intersectoral Panel on Prevention and Combating Money Laundering and Terrorism Financing (MILAFT)**, directed and convened by the Financial Analysis Unit, as Executive Secretariat of said organization, in compliance with Decree No. 1,724 of 2016 of the Ministry of Finance. To this end, the signatory institutions undertake to propose, evaluate and implement the actions contained in the National Strategy and others that may arise in the course of its execution, designating a representative for this purpose (in the case of the Supreme Court, an observer) and facilitating the necessary conditions for their participation.

- c. Report to MILAFT, at least once a year, the progress in the implementation and monitoring of the Action Plan of the National AML/CTF/CPF Strategy in the sessions convened by the Executive Secretariat of said organization.

THIRD: New commitments.

The commitments made by the parties under this Agreement do not exclude the possibility of making new commitments within the framework of the work of the technical committees.

FOURTH: Evaluation and monitoring of the Action Plan.

The signatory parties of this Agreement will meet at the MILAFT technical tables to qualitatively evaluate the implementation of the Action Plan of the National Strategy, with the periodicity established for each one, or at the request of the Executive Secretariat, and will update, when appropriate, the content of said Action Plan, on the expiration date of this for the following period, reporting the above to MILAFT.

FIFTH: Validity.

This Agreement shall enter into force upon signature. Its duration shall be indefinite or until all parties decide to terminate it. However, any of the parties may renounce the Agreement for a justified reason, and the Agreement shall cease to have effect for the renouncing party after sixty calendar days from the presentation of the written resignation to the Executive Secretariat of MILAFT. In this event, the parties shall ensure that the activities being carried out under this Agreement shall be concluded in a manner that does not cause harm to their development.

SIXTH: Modifications.

This Agreement may be modified by mutual agreement between the Parties, and the new conditions must be recorded in writing by signing an Addendum.

SEVENTH: Annexes.

The following are annexes to this Agreement and are considered an integral part thereof: The National Strategy to Prevent and Combat Money Laundering, the Financing of Terrorism and the Financing of the Proliferation of Weapons of Mass Destruction and its Action Plan 2023-2027 and the subscription received under clause ELEVENTH.

EIGHTH: Constancy.

The Parties to the Agreement expressly state that this act does not imply any special budgetary commitment. Its execution will be implemented without transfer of resources and each institution will guarantee its execution with an institutional operating budget if necessary for compliance with this Agreement.

Likewise, the parties expressly point out that the provisions of this Agreement will in no way affect the responsibility of each of them in fulfilling the respective powers and functions granted to them by their respective organic laws.

NINTH: Copies.

This Agreement is signed in one copy, which remains in the possession of the Executive Secretariat of MILAFT, as well as the signatures of those who sign it in accordance with clause ELEVENTH.

TENTH: Legal representations.

The aforementioned legal entities are not included because they are known to the Parties. For this reason, their inclusion in this instrument has been deemed unnecessary.

ELEVENTH: Subscription.

Permanent and invited members of MILAFT will send Annex No. 1 of this agreement to the Executive Secretariat of MILAFT, which must be signed by its highest authorities and forwarded through the State's official communications platform (DocDigital) or to the email address: estrategiaantilavado@uaf.gob.cl.

Annex 2: Participating institutions, according to their division, department or dependency⁹⁴

Institution	Division / Department / Dependency
National Intelligence Agency	Organized Crime Analysis Department
	Department of Global Security
Central Bank of Chile	Regulatory area of the prosecution
Carabineros of Chile	Drug Department
	Department of Investigation of Criminal Organizations
	Police Intelligence Directorate
Financial Market Commission	Legal Department
	Bank Supervision Division
	Regulatory Coordination Division
	Insurance Supervision Division
State Defense Council	Specialized Coordinating Unit for Municipal Matters
	Department of Consulting and Studies of the Legal Division
Supreme Court	Directorate of Studies Supreme Court
	Legal Department
General Directorate of Pledge Credit	Credit Department
	Legal Department
Directorate General of Maritime Territory and Merchant Marine	Maritime Police Investigations Division
Chilean Gendarmerie	Criminal Investigation Department
	Legal Department
Institute of Public Health	National Trade Control
	Health Analysis and Surveillance Unit
Ministry of Economy, Development and Tourism	Legal Division
	Division of Associations and Cooperatives
Ministry of Finance	Legislative Coordination

⁹⁴ La CGR, el SENDA y el SAG participan en la MILAFT, pero aún no han sido convocados por las MT; por lo tanto, no integran la lista de este Anexo.

	Secretariat for State Modernization
Ministry of Justice and Human Rights	Ministerial Audit
	Department of Finance and Budget
	Legal Entities Department of the Legal Division
Ministry of Foreign Affairs	Department of International and Human Security Division
Ministry of the Interior and Public Security	Organized Crime Department
Public Prosecutor's Office	Anti-Corruption Unit, Internal Integrity and Associated Money Laundering Crime
	Specialized Unit for Illicit Trafficking of Narcotics and Psychotropic Substances
	Specialized Unit in Economic Crimes, Environmental Crimes, Cybercrime and Money Laundering Associate
Ministry of the General Secretariat of the Presidency	Public Integrity and Transparency Commission
Investigative Police	Anti-Narcotics Brigade
	Organized Crime Investigation Brigade
	Money Laundering Investigation Brigade
Internal Revenue Service	Compliance Officer at the UAF
	Legal Department
	Criminal Defense Department
	Department of Procedure Design
	International Risk Department
Civil Registry and Identification Service	
National Customs Service	Sub-directorate of Inspection
	Customs Intelligence Department
	Department of Tax Evasion Control and Customs Enforcement
Superintendence of Gambling Casinos	Division of Supervision
	Legal Division
	Authorization Division
	Unit of Studies

Superintendency of Pensions	Social Security Department of the Public Prosecutor's Office
	Supervision of Public and Private Providers
	Institutional Control Division
Superintendencia de Seguridad Social	Department of Supervision and Inspection
	Regulatory Department
General Treasury of the Republic	Strategic Management Division
Financial Analysis Unit	Address
	Legal Division
	Division of Oversight and Compliance
	Financial Intelligence Division
	Technology and Systems Division
	Strategic Intelligence Area
	Area of Diffusion and Studies

Annex 3: Policy on inter-institutional coordination and cooperation in the area of supervision and regulation against money laundering and the financing of terrorism and the proliferation of weapons of mass destruction (AML/CTF/CPF).

The AML/CTF/CPF system in its preventive pillar establishes the obligation, for certain financial and economic sectors, to implement risk mitigation mechanisms that their products and/or services could eventually be misused by their clients for AML/CTF/CPF purposes.

In this sense, the supervisory function⁹⁵ over these sectors is key to ensure that these financial and economic agents correctly implement the essential prevention measures that allow protecting the integrity of these activities and, in the event of detecting suspicious operations, they are promptly reported to the UAF.

Understanding that exposure to financial flows linked to criminal activities may affect the integrity of a sector and/or the agents participating in it, the respective supervisory authorities are required to strengthen their AML/CTF/CPF regulatory, oversight and/or monitoring capabilities through timely coordination and cooperation, with the aim of positively impacting the prevention and detection capabilities of the obliged sectors.

Therefore, the members of MILAFT, through the MT-SyR, undertake to participate in the coordination and cooperation actions agreed upon in their Annual Operational Work Plan, with the priority objective of increasing effectiveness and reinforcing the frequency, intensity and scope of their supervisory and regulatory work, while integrating an approach based on the risk of ML/TF/PF. The current members of the MT-SyR are:

1. Central Bank of Chile.
2. Financial Market Commission (CMF).
3. Department of Legal Entities of the Undersecretary of Justice, Ministry of Justice and Human Rights.
4. Public Health Institute (ISP).
5. Internal Revenue Service (SII).
6. National Customs Service (SNA).
7. Superintendency of Pensions (SP).
8. Superintendency of Gaming Casinos (SCJ).
9. Social Security Superintendency (Suseso).
10. Financial Analysis Unit (UAF).
11. Undersecretariat of Economy and Small and Medium-sized Enterprises, Ministry of Economy, Development and Tourism.

⁹⁵ Para el trabajo de la Línea 4 se entenderá por supervisión el ejercicio de las facultades de regulación, fiscalización y sanción sobre los sectores obligados.

The agreed actions are detailed below⁹⁶. For the purposes of their treatment, these have been differentiated between regulation, with the aim of addressing AML/CTF/CPF regulations, and risk-based oversight mechanisms.

I. Regulatory Matter⁹⁷:

- 1.** An instance is established⁹⁸ to cooperate and coordinate the processes of updating or designing AML/CTF/CPF regulations that the members of the MT-SyR propose. These processes must be aligned with international standards (40 FATF Recommendations) and the risks identified in the National Risk Assessments ("NRAs"⁹⁹).
 - a.** Processes identified to date:
 - Update of the UAF general rule.
 - Update of specific AML/CTF/CPF regulations for sectors that, to date, have such regulations.
 - Issuance of specific AML/CTF/CPF regulations for sectors that do not yet have them.
- 2.** An instance is established¹⁰⁰ for the exchange of information on cases, analyses and/or typologies that allow identifying and understanding the exposure to ML/TF/PF risks in regulated or non-regulated sectors, with the objective of evaluating the need for regulatory adjustments or the implementation of other measures that allow mitigating said risks.
- 3.** An instance is established to identify regulatory adjustments that allow strengthening the National AML/CTF/CPF System, including:
 - a.** Detect other types of sectoral regulatory needs¹⁰¹ that allow strengthening the National AML/CTF/CPF System¹⁰².
 - b.** Detect legal loopholes that prevent or hinder coordination and/or collaboration under the terms established in this work plan, and report them to the Technical Committee for Legislative Update.
 - c.** Detect legal provisions that prohibit disclosure of information to third parties, hindering or preventing the cooperative and coordinated work of the institutions participating in the National AML/CTF/CPF Strategy, and report this to the Technical Committee for Legislative Update.

⁹⁶ En materia de fiscalización y dictación de normativa respecto cooperativas es preciso considerar el principio de proporcionalidad en atención a las características y particularidades que tiene el sector. Esto en conocimiento de las competencias respectivas de la Comisión para el Mercado Financiero y del Departamento de Cooperativas del Ministerio de Economía, Fomento y Turismo.

⁹⁷ Referida a normativa que puedan gestionar los servicios en el ámbito de sus facultades (dictación de circulares, instrucciones, normas de carácter general, entre otras), respecto de los sectores bajo su supervisión.

⁹⁸ La Mesa Técnica de Supervisión y Regulación constituye una instancia de cooperación y coordinación que es complementaria al deber de coordinación entre los organismos del Estado (Ley 19.880) y los compromisos o acuerdos de entendimiento (MoU) que existan entre los distintos organismos que conforman las mesas.

⁹⁹ Las Evaluaciones Nacionales de Riesgos (3 ENR) en materias de Lavado de Activos, Financiamiento del Terrorismo y Financiamiento de la Proliferación de ADM y, fueron aprobadas el 10 de agosto de 2023 por el pleno de la MILAFT.

¹⁰⁰ Más que un mecanismo, la mesa se constituye como una instancia para intercambiar información no reservada, en el marco de las facultades legales de cada institución que conforman la mesa.

¹⁰¹ Distintas a las de prevención y/o detección.

¹⁰² Se refiere a normativas que puedan ser ajustadas o emitidas por cada Servicio

II. Subject of Audit:

1. A mechanism is established to promote, based on the risk of ML/TF/PF, coordinated and cooperative action between institutions with oversight powers¹⁰³. This is for the purpose of adequate and efficient monitoring and control of the sectors required to implement the ML/CFT/CPF regulations and other sensitive sectors¹⁰⁴, through one of the following methods:
 - a. **Joint Audit.** Action for the coordination, planning and execution of joint audits¹⁰⁵.
 - b. **Coordinated Audit.** This involves generating the instances for¹⁰⁶: i) feedback on the risk approaches for the development of the audit plans¹⁰⁷ of the Services; ii) feedback on the results of the execution of the respective audit plans and; iii) follow-up of the results (findings).
 - c. **Audit in Cooperation.** This implies a degree of cooperation¹⁰⁸ in the stage prior to annual planning and an instance of feedback on the results of the execution of the respective audit plans.
2. Information on supervisory records. Promote the exchange of information and background information on agents in the obliged sectors, contained in the supervisory records¹⁰⁹. These accesses must be carried out securely by technological means (for example, the PISEE 2 interoperability platform). Additionally, share information regarding the global oversight coverage achieved by this mechanism.
3. Sanctioning processes for non-compliance with AML/CTF/CPF matters. Promote a coordination instance on the operational aspects of the sanctioning processes derived from the audit actions carried out. Define applicable regulations, supervisor who initiates the sanctioning process, sanctioning criteria, among others. In this sense, the aim is to evaluate the establishment of a general Sanctioning Policy regarding violations of the joint circulars with the UAF, in order to homogenize criteria and sanctions, independent of the body in charge of the previous audit carried out in which the respective findings have been verified.

¹⁰³ En el marco de la facultades y limitaciones que afecten la reserva de cada Organismo, y los alcances que definan los jefes de Servicio.

¹⁰⁴ Corresponden a sectores sensibles a las medidas de LA/FT/FP producto del riesgo que están expuesto en el ámbito de sus operaciones.

¹⁰⁵ Los aspectos operativos de cada acción conjunta serán definidos, caso a caso, por las instituciones que participen de ella.

¹⁰⁶ Se incorpora elementos mínimos que deben estar presente en la modalidad, sin perjuicio de que los alcances de estos serán definidos, caso a caso, por las instituciones que participen de ella.

¹⁰⁷ Se entenderá por "plan de fiscalización" cualquier modalidad que implemente el Servicio participante en el cumplimiento de sus objetivos de fiscalización.

¹⁰⁸ Compartir información sobre enfoques de riesgo y otros antecedentes de interés sobre el sector o agentes a fiscalizar.

¹⁰⁹ En el marco de las facultades y limitaciones de reserva que afectan a cada Organismo.

Annex 4: Details of the 2024 Operational Plan of Line No. 4 of AML/CTF/CPF Supervision and Regulation within the framework of inter-institutional coordination and cooperation.”

Regulation:

N°	Strategic Initiative Third Action Plan EN	Actions/ Commitments	Operational action detail	Institution
1	Update the specific AML/CTF/CPF regulations for sectors that have such regulations.	Evaluate and/or update AML/CTF/CPF regulations in sectors that have such regulations.	In the context of the publication of the Updated Compilation of Regulations (RAN) by the UAF (estimated for the first half of 2024), SP committed to its review, with the aim of evaluating both the needs for regulatory adjustments of its faculty, as well as the identification of important aspects to strengthen. This review process includes, on the part of the UAF, the explanation and development of the criteria and expectations that the implementation of the RAN entails.	SP
2			In the context of the UAF RAN, SCJ committed to an evaluation of the measures to be considered in relation to the joint circular it maintains with the UAF. This, considering that, in September 2023, the SCJ put a compendium of its circulars up for consultation. From this milestone, actions to follow will be identified.	SCJ
3	Issue specific AML/CTF/CPF regulations for sectors that do not yet have them.	Evaluate the incorporation of specific AML/CTF/CPF regulations for sectors that do not have such regulations.	In the context of the process of updating the regulations on cooperatives, Minecon will evaluate, with a focus on the particularities of the sector, the incorporation of AML/CTF/CPF regulations.	Minecon
4			In the context of the development of regulations aimed at regulating the Fintec sector in Chile, CMF and UAF will evaluate the incorporation of ML/TF/PF prevention measures in accordance with the UAF RAN process.	CMF
5			In the context of the UAF's RAN, Suseso and UAF will evaluate the need to issue special regulations for the compensation funds sector. This action pays special attention to the financial products and services offered by compensation funds.	Suseso
6			In the context of the RAN, UAF will evaluate how to incorporate the	Minecon

			characteristics of savings and credit cooperatives into the AML/CTF/CPF regulations.	
7		Generate instances of collaboration in the regulatory field associated with sectors that do not have specific AML/CTF/CPF regulations.	Based on its experience, the UAF will provide guidelines to the ISP regarding the documentation that, within the scope of its powers, may be required for the purposes of complementing the measures against ML/TF/PF. As an example, the implementation of CDD, requests for asset information, among others, were cited.	ISP

Supervision:

Nº	Strategic Initiative III Action Plan EN	Actions/Commitments	Operational action detail	Institution
8	Develop and implement supervisory actions through joint, coordinated or cooperative ¹¹⁰ oversight, and based on ML/TF/PF risks.	Carry out joint monitoring actions.	Suseso and UAF agreed to carry out two joint audits on the compensation funds sector. This measure aims to address the particularities of the sector and share supervisory perspectives from both institutions. Furthermore, the action pays special attention to the financial products and services offered by the compensation funds.	Suseso
			To this end, an operational meeting will be held to implement the measure.	
9			In order to continue with the joint audits, a coordination meeting will be held to plan the actions for 2024. This includes holding an operational coordination meeting prior to each joint audit in accordance with what was planned in the meeting.	SCJ
10			A coordination session will be held to assess the continuity and scope of the joint inspection plan for free trade zone users (UZF) for 2024, in line with what was implemented in 2023.	SNA

¹¹⁰ Las modalidades de fiscalización conjunta, coordinada y en cooperación se encuentra definidas en el Anexo N°3, "Política de coordinación y cooperación interinstitucional en materia de supervisión y regulación ALA/CFT/CFP".

11	Develop and implement supervisory actions through joint, coordinated or cooperative oversight, and based on ML/TF/PF risks.	Generate actions for the exchange of information, feedback and training between institutions with oversight powers.	Bilateral feedback instance based on the joint audit carried out by the SNA, SII and UAF, during October 2023.	SII
12			Instance of feedback regarding the joint audits carried out.	SCJ
13			Conduct a feedback meeting regarding joint oversight of the Iquique Free Trade Zone, and plan new joint oversight actions in the sector. The instance is established to convene other institutions of interest that could contribute to oversight, and to address emerging issues arising from operations in the sector (an example is given of subjects who operate with the identity of deceased natural persons).	SNA
14			An exchange of information will be carried out with the UAF regarding reports from the compensation funds. Specifically, the UAF will present an analysis of the reporting of the funds linked to the quality of ROS, timeliness, consistency, among other attributes. In this way, patterns associated with the obligations that the compensation funds sector maintains with the UAF can be identified, aspects which will be considered as input by Suseso for the construction of its 2024 audit plan.	Suseso
15			Instances will be established for the exchange of findings obtained from joint audits. As a proposal, the MT-SyR coordination will propose to the CMF the possibility of sharing the findings (because they are linked to financial products and services).	Suseso
16	Develop and implement supervisory actions through joint, coordinated or cooperative oversight, and based on ML/TF/PF risks.	Generate actions for the exchange of information, feedback and training between institutions with oversight powers.	UAF will train Suseso inspectors in the operational framework of the supervision of ML/TF/PF prevention measures, with a particular focus on compensation funds.	Suseso
17			ISP will share with UAF the database of inspected agents for the purpose of providing feedback based on their risk in terms of ML/TF. For such purposes, UAF will perform an analysis (cross-referencing) aimed at identifying the riskiest agents based on the detection of attributes (inconsistencies in assets, companies, among others). At the request of ISP, based on its health approach, the feedback from UAF should guide the relevant actions and documentation required by ISP from inspected agents.	ISP
18			In the context of the authorization and supervision of electronic sites, the ISP requested the collaboration of the SCJ in	ISP

			order to analyze the implementation of this power (based on its experience with electronic betting sites), since health regulations allow them to carry out this action. SCJ offered the contact of the professionals working on the bill filed in the Undersecretariat of Telecommunications that regulates electronic sites.	
19			The ISP requested the collaboration of the SII in the framework of health compliance. This was done through tax information, provided by the SII, on agents inspected by the ISP, which would allow for improving the registration processes (opening of business and validation by the ISP) and inspection (tax findings). The ISP raised the possibility of providing feedback to the SII regarding possible findings that imply indications of tax non-compliance.	ISP
20	Develop and implement supervisory actions through joint, coordinated or cooperative oversight, and based on ML/TF/PF risks.	Generate actions for the exchange of information, feedback and training between institutions with oversight powers.	UAF provided feedback to the ISP regarding the STRs sent, highlighting the completeness of the information and the support provided. In addition, it pointed out the summary of the report.	ISP
21			UAF has committed to inform the SP regarding the parameters and elements of analysis regarding the STRs received from the sector it oversees. Based on this input, the criteria that the SP could potentially consider in its audits within its area of competence will be analyzed. Subsequently, a meeting will be held with the purpose of analyzing the actions or measures to be considered in terms of auditing.	SP
22			Following the publication of the RAN by the UAF, the SP will proceed to identify the gaps in the implementation and, along with this, the definition of the scope of its supervision in AML/CTF/CPF matters (preliminarily for the second half of 2024, but subject to the publication of the regulations). The SP will share these aspects operationally with the UAF, referring to possible gaps and the scope of the supervision.	SP
23			In the context of the incorporation of the automotive sector as an obligated subject of Law No. 19,913, inspection actions will be scheduled, which are consistent with the associated risk and defined by the institutions involved, within the scope of cooperation based on three annual milestones or meetings (at the beginning, middle and end of the year). The first will address planning through the exchange of information on inspection planning, risk analysis and findings obtained from	SII

			<p>inspections or other actions carried out on the sector. If necessary, the action includes extraordinary meetings.</p> <p>This action does not exclude the evaluation of other sectors of economic activity based on risk criteria or cross-referencing of information, both by the SII and the UAF, which allow for the identification of actors that are more complex to audit.</p>	
24	Develop and implement supervisory actions through joint, coordinated or cooperative oversight, and based on ML/TF/PF risks.	Generate actions for the exchange of information, feedback and training between institutions with oversight powers.	UAF requested the SII to instruct its audit team from an operational perspective, in the face of possible findings or inconsistencies in tax matters for the development of supervisory actions in various sectors. Based on the above, and based on the Collaboration Agreement in force between the institutions, the UAF could share with the SII the information of interest generated from the audit processes.	SII
25			Within the framework of the analysis and/or assessment of assets carried out by the MT-SyR institutions, the SII will make a presentation with the objective of explaining how a payroll is constructed and the structured/unstructured information that it comprises (for example, high net worth).	SII
26			In the context of the incorporation of AML/CTF/CPF regulations into the Minecon regulation (RAE process), the UAF will train the inspectors of that Ministry with a special focus on the identification of unusual patterns and/or operations aimed at complementing the information that, eventually, could be contained in the reports of suspicious operations.	Minecon
27			<p>The SCJ requested statistical information from the UAF regarding suspicious operations linked to the gambling casino sector. In the first instance (milestone 1), general figures of these operations linked to gambling casinos will be addressed, particularly the number of ROS by operating company. This, with the purpose of being presented within the framework of the SCJ's annual inspection plan, which is generated in November.</p> <p>These elements are established as relevant input for both joint audits and those that the SCJ will carry out individually.</p>	SCJ
28	Develop and implement supervisory actions through joint, coordinated or cooperative	Generate actions for the exchange of information, feedback and training between institutions with oversight powers.	Thematic meetings will be held with a supervisory focus on operational risks identified by the SCJ in gambling casinos (for example, PEP, large players, groups of players, territoriality of gambling casinos, among others). For such purposes, a characterization of the problem will be	SCJ

	oversight, and based on ML/TF/PF risks.		carried out based on the context, evidence, warning signs and other relevant elements that allow identifying trends and/or risk patterns.	
29			The SCJ requested statistical information from the UAF regarding suspicious transactions linked to the gambling casino sector. In the second instance (milestone 2), through a presentation, the UAF will process information regarding the quality of the STRs generated by gambling casinos and the risk associated with the geographical factor in which they operate. These elements are established as relevant input for both joint audits and those that the SCJ will carry out individually.	SCJ
30			Exchange of information with the SNA. The ISP requested collaboration from the SNA in association with agents dedicated to the importation of drugs and/or medicines. The request is aimed at evaluating specific actions to identify assets in the sector due to the reporting of suspicious operations to the UAF or the raising of unusual behaviors that are subject to monitoring. To this end, a coordination meeting will be held to assess the viability of the measure.	ISP
31	Develop and implement supervisory actions through joint, coordinated or cooperative oversight, and based on ML/TF/PF risks.	Generate actions for the exchange of information, feedback and training between institutions with oversight powers.	Instance to share information regarding the inspection plan, risk analysis, among other factors of interest with the purpose of developing inspection actions.	SNA
32			In the context of illicit activities in international trade through the creation of export companies, an operational instance was proposed for the evaluation of supervisory actions on subjects of the financial system that are used by the export sector for its transactions. For such purposes, the UAF proposed supervisory actions regarding money transfer companies, securities agents and stockbrokers that could potentially be employed by agents of the export sector. The UAF will share the findings with the SNA, which, based on its records, will carry out the analysis of the subjects in order to identify operational and/or financial inconsistencies. For this purpose, UAF will share the planning of its audits and, at the end of the process, a feedback session will be held.	SNA
33			The SNA will provide training to UAF inspectors on operational aspects of the export sector. This is intended to provide the UAF with basic knowledge of the sector with a focus on the inspections it will carry out on	SNA

			money transfer companies, securities agents and stockbrokers.	
34			SNA will evaluate the submission to the UAF of information on service exporting agents that, according to their background, present inconsistencies. To this end, the SNA will carry out an analysis of these agents to establish the patterns and/or behaviors relevant to their referral to the UAF.	SNA
35	Develop and implement supervisory actions through joint, coordinated or cooperative oversight, and based on ML/TF/PF risks.	Generate actions for the exchange of information, feedback and training between institutions with oversight powers.	General feedback instance on the measures implemented during the period.	CMF
36			CMF has indicated its willingness to hold a training session with members of the MT-SyR, as well as with other institutions participating in the National Strategy (police, for example), with the aim of explaining the role of the CMF, addressing financial products and the role of banks in the system, and the information that can be shared with other institutions. This action will be coordinated by the MT-SyR.	CMF
37			CMF will hold a training session for members of the MT-SyR, with the aim of explaining the development of Fintec (including virtual assets) in Chile and the norm aimed at regulating the sector. The event contemplates that the CMF will have regulations issued with the purpose of developing its implementation. This action will be coordinated by the MT-SyR.	CMF
38			General feedback instance on the measures implemented during the period.	SUSESO
39			UAF and Minju agreed to collaborate by exchanging financial and accounting information on the NPOs under supervision. To this end, Minju referred to the context of cases associated with arms trafficking (hunting, fishing and shooting clubs) and corruption (foundations) that constitute a common interest with UAF. To this end, Minju will share with UAF an individualized list of NPOs for analysis and, subsequently, receive feedback focused on ML/TF/PF risks.	Minju
40	Develop and implement supervisory actions through joint, coordinated or cooperative oversight, and based on ML/TF/PF risks.	Generate actions for the exchange of information, feedback and training between institutions with oversight powers.	Minju and UAF will hold an operational session with a special focus on the criteria for identifying suspicious and unusual operations and inconsistencies in NPOs. To this end, UAF will invite personnel from the Service's Operational Intelligence Service to the session.	Minju
41			In the context of the incorporation of subjects required to report to the UAF, Minju will send an individualized list with current organizations registered as shooting,	Minju

			hunting and fishing clubs. With this, UAF will carry out the registration request procedures.	
42			Based on the application for registration and analysis of shooting, hunting and fishing clubs, UAF will inform the Minju of the progress of the process. In addition, specific oversight actions by Minju and the UAF will be evaluated.	Minju
43			An instance of cross-training between UAF and Minju will be evaluated with special focus on the statutory universe of NPOs and the regulatory changes that have been made to them.	Minju
44			Minecon will train UAF inspectors with a special focus on the operation and particularities of savings and credit cooperatives. This, in order to strengthen understanding and knowledge regarding the sector in the area of supervisory actions.	Minecon
45			UAF will conduct training for SNA inspectors on operational aspects of the following sectors: money transfer companies, stockbrokers and securities agents. This is to ensure that Customs has a basic knowledge of these activities, focusing on the inspections it will carry out on companies that operate with foreign trade products (Comex operations).	SNA
46	Develop and implement supervisory actions through joint, coordinated or cooperative oversight, and based on ML/TF/PF risks.	Generate actions for the exchange of information, feedback and training between institutions with oversight powers.	In order to effectively cover the savings and credit cooperative sector, Minecon and the UAF will exchange information on audit planning, risk analysis and findings obtained from audits carried out. The coordination of these actions will be carried out in line with Minecon's quarterly planning (four times per year).	Minecon
47			Instances of feedback regarding the measures implemented by Minecon and the UAF, in particular, in connection with consultations within the framework of supervision.	Minecon
48			UAF raised the possibility of sharing the findings, whether reports or results, obtained from the audits carried out on the gambling casino sector. This, regardless of the type of procedure (joint or individual audit). For its part, SCJ will corroborate the feasibility of implementing the same measure. This action aims to make audit coverage more efficient. Based on shared planning, institutions address subjects that have not	SCJ

			been audited and share the findings obtained.	
49			CMF and UAF will exchange information regarding the audit planning and the list of agents subject to supervision within the framework of the Collaboration Agreement signed between both entities. This measure aims to cover more efficiently the supervised subjects that both institutions have in common.	CMF
50	Develop and implement supervisory actions through joint, coordinated or cooperative oversight, and based on ML/TF/PF risks.	Generate actions for the exchange of information, feedback and training between institutions with oversight powers.	Once the audit actions have been implemented, within the framework of the Collaboration Agreement signed between both entities, the institutions will maintain coordination instances through which they will share the findings obtained. For this reason, UAF raised the possibility of making the findings available in a secure manner through its Reporting Entities Portal. This same instance will be used to discuss operational aspects of the audits (for example, a potential refusal by an auditee to request delivery of certain information).	CMF
51			Coordinate actions for the exchange of information that both institutions receive from their counterpart in Peru, related to companies that operate in both countries, regarding which that country periodically inquiries about sales operations to and from our country.	SNA
52		Carry out other actions within the scope of supervision.	SP identified the need to address legal changes that would allow it to share information and carry out joint audits, among other actions, within the framework of the development of the National AML/CTF/CPF Strategy.	SP
53			Minecon requested the collaboration of the SII within the framework of the current Collaboration Agreement, through which the SII provides them with tax information on cooperatives, where they particularly request records of the constitution. This would allow improving the analysis and inspection processes (tax findings).	Minecon