

AMF Position – recommendation 2010-23 Guidelines on the obligation to report suspicious transactions to TRACFIN

Background regulations: Articles L.561-15, L.561-32, R.561-38 III and D.561-32 of the Financial and Monetary Code and Articles 315-51, 315-54, 315-55, 315-56, 321-31, 321-48, 321-57, 325-12, 550-9, 550-10, 550-11, 560-12, 560-13 and 560-14 of the AMF General Regulation.

The French anti-money laundering and counter terrorist financing (AML/CTF) system was recast with the transposition into French law of European Directive 2005/60/EC, known as the “Third Money Laundering Directive” and its Implementing Directive¹.

These Guidelines have been jointly prepared by the AMF and the SCN TRACFIN². Their purpose is to specify the conditions for implementing the legal and regulatory provisions pertaining to the fight against money laundering and terrorist financing, which must be complied with by establishments (hereinafter the professionals) subject to the supervision of the *Autorité des Marchés Financiers*, namely:

- **Asset management companies and management companies** as regards the investment services they provide or the marketing of units or shares in collective investment schemes for which they may or may not act as a manager²,
- **Financial investment advisers,**
- **Central Security Depositories and securities settlement systems managers.**

The prevention of money laundering and terrorist financing is based on a double set of complementary obligations: the obligation of to conduct due diligence using a risk-based approach and the obligation to report suspicious transactions to TRACFIN.

¹ Directive 2005/60/EC of 26 October 2006 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing – Directive 2006/70/EC of 1 August 2006 laying down the implementing measures for Directive 2005/60/EC of the European Parliament and of the Council as regards the definition of “politically exposed person” and the technical criteria for simplified customer due diligence procedures and for exemption on the grounds of a financial activity conducted on an occasional or very limited basis.

² SNC TRACFIN: Service à Compétence Nationale de Traitement du renseignement et action contre les circuits financiers clandestins

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1. Vigilance obligations

Vigilance obligations are incumbent upon the professionals mentioned above with regard to their customers. These obligations are set out in Articles L. 561-5 to L. 561-14-2 of the Monetary and Financial Code and clarified in Articles R. 561-1 to R. 561-38 of the Monetary and Financial Code.

Before entering into a business relationship with a new customer, professionals are required to identify the customer and, where appropriate, the beneficial owner in the business relationship. Professionals are also required to gather all of the relevant information about the purpose and the nature of the business relationship, subject to the provisions of Article L. 561-9 of the Monetary and Financial Code. Professionals are then required to exercise ongoing vigilance and examine transactions closely, making sure that they are consistent with their up-to-date knowledge of their customer. Professionals must show extensive and up-to-date knowledge of their customers to be able to detect any inconsistencies or anomalies in their customers' transactions.

Implementation of the vigilance obligations is modulated according to the professionals' level of exposure to AML/CTF risks. The new system enshrines a pragmatic risk-based approach in which financial institutions classify their business activities according to the levels of risk involved, with due consideration of the statutory classification of certain customers, products and business activities. Simplified vigilance can never be applied in a business relationship where there is a suspicion of money laundering or terrorist financing.

2. Situations requiring a report to Tracfin

The French AML/CTF system is not an automatic reporting system based on pre-defined objective criteria. Except in the special cases stipulated in IV and VI of Article L. 561-15 of the Monetary and Financial Code, where the law requires a report to be filed in certain situations and under certain conditions, the system is based on case-by-case analysis of the amounts and transactions, in relation to the profile of the business relationship and the risk classification established by the reporting entity.

Professionals subject to the AMF's supervision in this respect use a pragmatic and graduated approach derived from their expertise and experience and based on an internal system for detecting anomalies to fulfil their obligation to detect transactions that are not consistent with the profile of the business relationship and to file a suspicious transaction report, if a suspicion arises.

This assessment is based on the diligence of the reporting entities, which are required to detect transactions likely to give rise to a suspicious transaction report and to analyse them on a case-by-case basis in order to determine whether a report should be filed. It should be noted from the outset that, according to the case law of the Conseil d'Etat³, reporting entities must file a report if their analysis does not give them the certitude that the transaction is actually lawful.

2.1. Systematic reports or transmission of information to Tracfin

The systematic reporting or information system is based on objective criteria set by law and aimed at certain situations that are considered to be particularly critical:

- transactions where doubts remain about the identity of the payer or the payee or a settlor of a trust fund or any other asset management instrument, despite due diligence (Article L. 561-15 IV of the Monetary and Financial Code). In such cases a suspicious transaction report must be filed systematically.
- transactions on institutions' own account or carried out on behalf of third parties with individuals and corporate entities, including subsidiaries and branches domiciled, registered or established in one or more countries or territories where lax legislation or practices constitute an obstacle to the prevention of money laundering and terrorist financing. A decree makes it mandatory to report some of these transactions. The decree sets the minimum amount for reportable transactions (Article L. 561-15 VI of the Monetary and Financial Code). The report is automatic in such cases, but requires a system to be set up to detect such transactions.
- situations where the locally applicable laws do not make it possible to implement equivalent AML/CTF measures in foreign subsidiaries or branches of reporting entities. Tracfin must be systematically informed of such situations (Article L. 561-34 of the Monetary and Financial Code).

Except for these special cases, the suspicious transaction report is never automatic and is based on the reporting entity's assessment and decisions.

2.2. The suspicious transaction report filed with Tracfin

The suspicious transaction report is produced by means of an intellectual approach and based on the findings of an analysis that cannot be carried out using automated systems only. The analysis includes several steps to go from a customer relationship based on trust, to doubt and, ultimately to suspicion. The institutions' AML/CTF systems make it possible to detect anomalies. These anomalies must then be analysed in light of the in-depth knowledge that the institution should have of its customer.

If doubt still remains, then the institution must ask the customer for further information. The quality of the customer's answers and the customer's behaviour are very helpful clues in this respect. These approaches should raise or shape suspicions that the transactions involve sums that are the proceeds of an underlying offence or are to be used to commit an offence. If the suspicion is borne out, a report must be filed with Tracfin.

Position

Consequently, every report must include the facts that led to the suspicion. Formal compliance with this requirement should be the natural outcome of an in-depth analysis. Institutions should refrain from filing reports that are based solely on background information.

Consequently, the following types of reports do not meet the requirements set out in Article R. 561-31-I of the Monetary and Financial Code:

³ See CE 31 mars 2004 n° 256355, jurisdata n° 2004 - 066899 mentioned in point 1 What "know, suspect or have good reason to suspect" means.

- a succinct suspicious transaction report that merely states that a search warrant or a request for information from a government department has been received;
- a suspicious transaction report about a mere presumption relating to the customer's business activity, address or country of residence or registration, with no further information about the grounds for suspicion.

The same holds true for reports filed because of problems between the reporting institution and its customer or the customer's behaviour. A customer's behaviour may be a helpful clue, but it cannot be the sole grounds for filing a suspicious transaction report.

■ Grounds for filing a **suspicious transaction report**

There are two distinct cases:

- General case: suspicions about funds or transactions involving the proceeds of **offences punishable by a prison sentence of more than one year** or transactions involving terrorist financing (Article L. 561-15 of the Monetary and Financial Code).

It should be noted that the reporting requirement introduced by the Order of 30 January 2009 has been extended to cover virtually all forms of unlawful money-making activities. The seriousness of the offences is now measured by the severity of the potential penalties.

The requirement now covers such offences as breach of trust, misuse of company assets, fraud, counterfeiting, insider dealing and price manipulation.

We shall also look at Point 1, which discusses the meaning of “know, suspect or have good reason to suspect”, Point 2, which discusses the capacity “to detect anomalies and suspicious transactions and deal with them, and the due diligence required,” along with Point 3, which discusses “necessary actions in a suspicious situation”.

- Special case: suspicions about sums or transactions stemming from **tax fraud**

Article L. 561-15 II of the Monetary and Financial Code stipulates: “II. – By way of derogation to I, the persons mentioned in Article L. 561-2 shall report to the unit mentioned in I on any sums or transactions that they know, suspect or have good reasons to suspect stem from tax fraud if at least one criterion defined by the Decree is met.”

The offence of tax fraud is defined in Article 1741 of the General Tax Code. It consists of fraudulently evading or attempting to evade filing tax returns or evading or attempting to evade payment of some or all taxes due.

The following may constitute tax fraud:

- deliberately omitting to file tax returns by the prescribed filing deadlines;
- dissimulating taxable sums;
- fraudulent insolvency;
- or any other manoeuvres that obstruct tax collection.

By way of derogation to the general reporting requirements set out above, suspicion of tax fraud alone is not enough to trigger reporting requirements. After carrying out due diligence to detect and analyse anomalies⁴, if the reporting entity suspects that the sums or transactions in question are related to tax fraud, it will only file a suspicious transaction report with Tracfin if at least one of the 16 criteria set out in Article D. 561-32-1 of the Monetary and Financial Code is met.

⁴ See points below, point 2: The capacity to detect anomalies and suspicious transactions and deal with them, and the due diligence that needs to be applied, and point 3: Necessary actions in a suspicious situation

However, it should be stressed that reports filed under the terms of Article L. 561-15 II of the Monetary and Financial Code must not be filed until after the giving rise to the suspicions has been detected and analysed. Regardless of whether the suspicious transaction report is filed under the terms of point I or point II of Article L. 561-15 of the Monetary and Financial Code, each reporting entity must carry out analysis of each unusual transaction detected in order to determine if at least one of the criteria defined in the Article is enough to indicate fraud, before it files a report, so that reports are not filed automatically.

The suspicious transaction report, in addition to including the information listed in Article R. 561-31 I of the Monetary and Financial Code, should mention whether one or more the criteria identified have been met.

- Other **grounds** for filing a suspicious transaction report
 - **Information that supplements** the initial report

“Any information that nullifies, confirms or changes the information in the report shall be **immediately** reported to the unit mentioned in Article L. 561-23”. (Article L. 561-15 V of the Monetary and Financial Code).

- When the reporting entity ends the business relationship

“When a reporting entity has not be able to identify its customer or obtain information about the purpose and the nature of the business relationship, it shall not execute any transaction by any means and shall not enter into or carry on any business relationship. If it has established a business relationship under the terms of II of Article L. 561-5, it shall end it. Where appropriate, the reporting entity shall file the report stipulated in Article L. 561-15” (Article R. 561-14 of the Monetary and Financial Code).

Once again, filing a suspicious transaction report with Tracfin is not automatic. The reporting entity needs to assess the situation “in concreto” to determine whether it should file a report on the basis of an examination of the information available to it.

- Following the enhanced scrutiny required by Article L. 561-10-2 III of the Monetary and Financial Code for any especially complex transactions, transactions involving unusually large amounts or transactions without any apparent business justification or lawful purpose, “the reporting entities shall file the report stipulated in I of this article, where appropriate.” (Article L. 561-15 III of the Monetary and Financial Code).

The report must be filed, if the mandatory enhanced scrutiny does not eliminate the suspicions.

3. The meaning of “suspect or have good reason to suspect”

Recommendation

There is no legal definition of suspicion. To understand the term “suspect”, it could be helpful to refer to the interpretation of the Conseil d’Etat in its Judgment of 31 March 2004⁵, which was handed down under the old regulations⁶. This judgment states that, if the information gathered by an investment undertaking, in accordance with due diligence under the applicable regulations, does not let the undertaking rule out any suspicion about the lawfulness of the transaction or the origin of the sums involved, and thus rule out the possibility that these sums are the proceeds of an underlying offence, it must file a report with Tracfin. There is no reason to think that the new regulations stemming from the 2009 reforms will change this case law.

⁵ CE 31 March 2004 256355, jurisdata n° 2004 - 066899

⁶ The old Article L. 562-2 of the Monetary and Financial Code required financial institutions to report sums or transactions involving sums “that could be the proceeds” of certain offences.

The expression “have good reason to suspect” supplements and expands the notion of suspicion. Financial institutions are not under any new requirement to specify the underlying offence. The decisive element is based on implementation of an adequate and effective internal AML/CTF system in every reporting entity, in accordance with the provisions of the AMF General Regulation to enable them to detect and analyse anomalies.

4. The capacity to detect anomalies and suspicious transactions and deal with them, and the due diligence required

The professionals' ongoing vigilance obligations have been enhanced and broadened, requiring them to identify customers and operators from the outset and stressing the duty ensure close supervision of the undertaking's activities and/or transactions (adequate, up-to-date knowledge).

4.1. Organisational structures, resources, internal procedures and supervision to detect anomalies and suspicious transactions

Detecting and handling anomalies and suspicious transactions are critical tasks for compliance with Tracfin reporting requirements. The reporting entity's organisational structure, internal procedures and control system should, consequently, enable it to meet these obligations.

Position

More specifically, a portfolio management company should implement procedures for tracking and analysing its business relationships, detecting and analysing suspicious transactions and, as appropriate, providing information to the Tracfin reporter or correspondent, according to their respective competence in such matters.

The resources devoted to detecting suspicious transactions and handling them must be adequate for the reporting entity's specific circumstances (size, organisational structure, type of business activities, risks identified in the AML/CTF risk classification, etc.)

The use of automatic detection systems, which are not required by the laws or regulations, may be appropriate or even necessary, depending on the circumstances, but such systems are not sufficient in themselves. Reporting entities must devote human resources to this function.

Employees in functions related to activities involving exposure to AML/CTF risk (e.g. employees in contact with customers) should use their intelligence and their judgment, seeking answers to relevant questions and asking customers these questions. Similarly, action by employees with adequate skills, experience and training, along with access to helpful internal information, will be required to analyse the anomalies detected. Adequate training and information for these employees are key factors for the effectiveness of the system stipulated by law (Article L. 561-33 of the Monetary and Financial Code).

The compliance and internal control officer (RCCI) should pay very special attention to all of the obligations for filing reports with Tracfin, and to the system for detecting and handling anomalies and suspicious transactions.

4.2. Detecting suspicious transactions

These systems are based on the entity's knowledge of its customers and adapted to its business activities, organisational structure and the risks identified in the classification.

Detecting anomalies and suspicious transactions is everyone's business in an institution and not just that of the anomaly detection system, which may be automated. It relies on implementation of the vigilance measures stipulated in Articles L. 561-5 to L. 561-14 of the Monetary and Financial Code, and more specifically, knowledge of customers and business relationships, which needs to be tracked and analysed in light of the classification of AML/CTF risks in order to be genuinely useful.

Customer identification and up-to-date knowledge of the customer and the business relationship are critical factors, without which detection of suspicious transactions would be impossible. Article L. 561-6 of the Monetary and Financial Code further stipulates that reporting entities “exercise ongoing vigilance with regard to the business relationship, within the limits of their rights and obligations, and conduct careful examination of the transactions executed, making sure that they are consistent with their up-to-date knowledge of their customer”⁷.

Proper knowledge of the customer and the customer’s environment at the start of the business relationship and throughout the course of the relationship are prerequisites for understanding the customer’s transactions.

The information listed in the Order of 2 September 2009, issued for the purposes of Article R. 561-12 of the Monetary and Financial Code may turn out to be especially decisive for assessing suspicions:

“1° As regards knowledge of the business relationship:

- the amount and nature of the transactions planned;
- the origin of the funds;
- the destination of the funds;
- the economic justification given by the customer or the planned operation of the account.

2° As regards knowledge of the customer’s professional, economic and financial situation and, where appropriate, the beneficial owner:

a) For individuals:

- proof of current address on the day when the information is obtained;
- current occupation;
- income or any other helpful information for estimating other resources;
- any helpful information for assessing net worth;
- for the individuals mentioned in I, II and III of Article R. 561-18, functions or any other information making it possible to assess the ties between said individuals;

b) For legal entities:

- proof of address of the registered office;
- articles of association;
- mandates and powers;
- any helpful information for assessing the financial situation;

c) For unincorporated asset management structures, a trust or any comparable legal arrangement under foreign law, a document proving the division of rights to the capital or profits of the entity for which the opening of a new account or the execution of a transaction is being sought.”

Gathering this information enables reporting entities to produce satisfactory suspicious transaction reports and, if problems are encountered, to report the efforts made to obtain information to Tracfin.

5. Necessary actions in a suspicious situation

Once the unusual nature of the transaction has been established, the reporting entity needs to conduct a specific in-depth **analysis** that enables it to determine whether the transaction is suspicious. There can be no relevant suspicion without a complete analysis.

Under these circumstances, the reporting entity should arrive at a personal conviction about the facts, relying on its experience and knowledge of the facts to throw light on the situation. It should use all of the information that it has and may conduct inspections, cross checks and further investigations.

⁷ It is noteworthy in this respect that the exemptions from the vigilance obligations stipulated in Articles L. 561-5 and L. 561-6 of the Monetary and Financial Code (II of Article L. 561-9, R. 561-15 to R. 561-17) and the reduction of the measures stipulated in Article L. 561-6 (I of Article L. 561-9) concern very specific cases and are subject to the absence of any money laundering or terrorist financing risk, or low risks, respectively.

It may ask the customer about the origin and destination of the funds and ask the customer to provide other helpful information, followed by an assessment of the plausibility of the explanations given.

In-depth analysis of the facts will help the reporting entity to decide whether it is dealing with a suspicious transaction and whether it is required to file a suspicious transaction report.

Position

It is not up to the reporting entity to provide evidence of the offence or to qualify the offence; these functions are the sole responsibility of the courts.

On the other hand, in addition to identifying the customer and describing the transactions in question, the suspicious transaction report should mention the analysis that gave rise to the suspicion.

The approach is similar for offences committed in other countries.

6. Content and form of the suspicious transaction report

6.1. Content

Article R. 561-31 I of the Monetary and Financial Code now stipulates the content of the report:

“I. - The duly signed report filed for the purposes of Article L. 561-15, should include information to identify and contact the empowered persons in accordance with the provisions of Article R. 561-23.

The report shall mention customer identification and knowledge information and, where appropriate, the identity of the beneficial owner, the purpose and nature of the business relationship, a description of the transactions in question, and the information analysed that led the person mentioned in Article L. 561-2 to enter into this relationship. It shall be accompanied by any documents or evidence that could help the unit mentioned in Article R. 561-33 in processing the report.

When the report filed for the purposes of Article L. 561-15 relates to a transaction that has yet to be executed, it shall indicate the execution deadline, if any. If the report relates to attempted money laundering, it shall include the identity of the customer and any other information that may have been gathered.”

Strict compliance with these provisions is critical for Tracfin’s processing of the report. It is also very important for the information in the report to be presented clearly, concisely and accurately.

The report must also be made in good faith, which assumes that the suspicion is grounded, documented and based on reliable and verifiable information.

The report shall be substantiated by the information used to detect the anomalies and the in-depth analysis that gave rise to the suspicion.

Examples of information to be put in the report include:

- background description (customer identification and knowledge and, where appropriate, the beneficial owner’s identity, purpose and nature of the business relationship, any other relevant information that reveals the unusual character of the transaction or the customer’s behaviour in relation to the customer’s profile);
- information identifying the persons involved in the transaction;
- detailed description of the facts and the anomalies that gave rise to the suspicion (e.g. services and transactions concerned, date, amount, parties to the transactions (payer, beneficial owner) account numbers and account types concerned, origin and destination of the funds, execution deadlines in the case of transactions not yet executed, etc.);
- information gathered as part of the reporting entity’s in-depth analysis;

- information characterising the suspicion, its nature and the grounds for it resulting from the analysis carried out. The report may also mention the money laundering step concerned and the presumed underlying offence;
- if the suspicion relates to laundering of tax fraud proceeds, the criterion or criteria defined in the Decree of 16 July 2009 met by the case in point and the information that led the reporting entity to apply the said criterion or criteria;
- documents and evidence.

In the case of **transactions that have yet to be executed or attempted money laundering**, Paragraph 3° of Article R. 561-31 of the Monetary and Financial Code stipulates that:

“Where the report filed for the purposes of Article L. 561-15 relates to a transaction that has yet to be executed, it shall indicate the execution deadline, if any. If the report relates to attempted money laundering, it shall include the identity of the customer and any other information that may have been gathered.”

In the case of attempted money laundering, the requirements for the content of the report are more lax since the knowledge of the business relationship may be less detailed, if the relationship has not been established, and the details of the transaction may be less specific than if it actually took place.

In the case of reports relating to **old incidents**, must included all of the information listed above so that Tracfin can process them.

A report may relate to an **isolated transaction**, which is reported because it is unusual or unexplained. This information must be supplemented by information as to why the transaction is suspicious or why the suspicion cannot be lifted.

Position

The report must absolutely include the grounds for the suspicion. Background information is a helpful supplement, but it is not enough on its own to file a report.

However, this background information, may lead the reporting entity to step up its vigilance based on its assessment of the risk incurred. Some examples of this include:

- a search warrant, the nature of the customer’s business or the customer’s address;
- the customer’s nervous or threatening behaviour.

6.2. Reporting procedures

Suspicious transaction reports may be filed orally or in writing. Financial institutions must file written suspicious transaction reports using the report form that can be downloaded from the Tracfin website at the following address: <http://www.tracfin.bercy.gouv.fr/>. The form has two separate lines for reports filed under I or II of Article L. 561-15 of the Monetary and Financial Code. Financial institutions use a third line on the form to inform Tracfin that, in addition to tax fraud according to at least one of the criteria mentioned in the Decree of 16 July 2009, they suspect that the reported transactions should also be covered by provisions of I of the same Article (i.e. I and II of Article L. 561-15 of the Monetary and Financial Code).

Using the report form is critical for speedy and automated processing of written reports, without prejudice to the use of the TélÉDS system.

The form can also be used to file reports under the provisions of IV of Article L. 561-15 of the Monetary and Financial Code (remaining doubts about the identity of the payer, beneficial owner, settlor of a trust fund, etc.) and VI of Article L. 561-15 (transactions with individuals or legal entities, including their subsidiaries and branches located in countries or territories where lax legislation or practices constitute an obstacle to the prevention of money laundering and terrorist financing).

Under the terms of Articles L. 561-18 and R. 561-31 III of the Monetary and Financial Code, suspicious transaction reports may also be filed orally. But oral reports should only be used when warranted by the circumstances relating to the preparation or execution of the transaction in question. More specifically, if the report relates to a transaction about to be executed, the correspondent from the institution concerned will have to go to the Tracfin offices to hand in the documents related to the report just filed.

7. When reports should be filed

The principle laid down in the first paragraph of Article L. 561-16 of the Monetary and Financial Code states that the suspicious transaction report should be filed before the transaction is executed to give Tracfin enough time to exercise its right to oppose the transaction. This means that reporting entities must refrain from executing any transactions that it suspects are related to money laundering or terrorist financing.

Nonetheless, reports may relate to transactions that have already been executed (paragraph 2 Article L. 561-16 of the Monetary and Financial Code):

- when it was impossible to postpone execution;
- when postponement could have impeded ongoing investigations;
- or if the suspicion arose after the transaction in question was executed.

Such reports should be filed with Tracfin immediately (Article R. 561-16 of the Monetary and Financial Code), even if the information provided needs to be supplemented later by means of a further filing with Tracfin.

8. Record-keeping obligations for reports filed

Reporting entities retain records and documents relating to reports filed with Tracfin for five years after the end of the business relationship in question (Article L. 561-12 of the Monetary and Financial Code). This obligation covers retention of the following records:

- a copy of the report and any attachments;
- in the case of a report filed orally, the name of the filer, the date of filing and copies of the records handed over to Tracfin;
- the acknowledgement of receipt of the report;
- documents relating to transactions;
- documents noting the characteristics of the transactions mentioned in IV of Article L. 561-10 of the Monetary and Financial Code.

9. Confidentiality of reports and information exchanged inside and outside the group

Article L. 561-19 I of the Monetary and Financial Code makes suspicious transaction reports confidential. This confidentiality covers both the existence and the content of the reports, which, along with any follow-up actions, cannot be disclosed to the object of the report or any third party. Article L. 574-1 of the Monetary and Financial Code provides for a fine of 22,500 euros for failure to comply with this ban on disclosure. It should be noted that a suspicious transaction report is never spontaneously handed over to the judicial authorities to back up briefing notes, in which the source or sources are always blacked out.

The confidentiality of the report does not stop information about the reports from being disclosed to supervisory authorities and, more specifically, to the AMF.

There is also provision for exchanges of information by the financial institutions mentioned in these guidelines, financial companies and financial holding companies, between entities in the same group or network, about the existence and content of the reports. The information exchanged must be necessary

for AML/CTF vigilance within the group or network and it can only be used for this purpose. The information may only be disclosed to an institution located in France (or in the European Union) or to an equivalent third country if the handling of the information in those countries “ensures a sufficient level of protection for privacy and fundamental human rights” (Article L. 561-20 of the Monetary and Financial Code).

Subject to certain restrictions, such exchanges of information are also possible between financial institutions that do not belong to the same group or network, between the entities mentioned in 1° to 6° of Article L. 561-2 of the Monetary and Financial Code, between the entities mentioned in 1°b of the same Article that primarily provide funds transfer services or between bureaux de change (7° of Article L. 561-2). The entities concerned are subject to equivalent professional secrecy obligations. They have a location in France or in the European Union or in an equivalent third country. As in the case of exchanges of information within a group or a network, such exchanges may only be made for AML/CTF purposes and the handling of the information disclosed, if it takes place in a third country, must ensure a sufficient level of protection for privacy and fundamental rights and freedoms (Article L. 561-21 of the Monetary and Financial Code).