



**PROMOTING BEST PRACTICES IN THE MONEY OR  
VALUE TRANSFER SERVICES SECTOR  
G7 FRAMEWORK**

**G7 FM&CBGs MEETING  
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## **List of contents**

- A.** Foreword
- B.** License or registration of persons licensed or authorised to provide MVTs - Identification and sanctioning of unauthorised MVTs providers
- C.** Supervision (MVTs principals)
- D.** Supervision (MVTs agents)
- E.** Mechanisms for the exchange of supervisory and monitoring information
- F.** Best Practices and conclusions: final remarks and steps forward



## Acronyms

AMPs	Administrative Monetary Penalties
APCR	Autorité de Contrôle Prudentiel et de Resolution (France)
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (Germany)
Bol	Bank of Italy
EEA	European Economic Area
FCA	Financial Conduct Authority (United Kingdom)
FinCEN	Financial Crimes Enforcement Network (United States)
FINTRAC	Financial Transactions and Reports Analysis Centre of Canada
FSA	Financial Services Agency (Japan)
GDF	Guardia di Finanza (Italy)
HMRC	HM Revenue and Customs
ISF	International Supervisors Forum
IRS-CI	Internal Revenue Service – Criminal Investigation (United States)
IRS-SBSE	Internal Revenue Service – Small Business Self Employed (US)
MMET	Multi-State MSB Examination Taskforce (United States)
OAM	Organismo Agenti e Mediatori (Italy)



## A. Foreword

This Report takes stock of the respective frameworks of the G7 countries for Money or Value Transfer Services (MVTs) with a focus on: a) Supervision on financial intermediaries operating in the sector of money remitters which should be further improved; and b) Risk-based monitoring by competent Authorities aimed at increasing controls on agents where risks are higher in terms of channeling illicit flows or transactions related to the support of terrorists or terrorist groups.

Drawing upon the survey participated by all G7 Countries, this Report highlights relevant features of MVTs also taking into account the transnational nature of these financial services, and proposes Best Practices to address challenges associated with supervision of the Money or Value Transfer Services (MVTs) channel – consistently with a risk-based approach – and closely monitor remittance services.

These Best Practices will be endorsed by G7 Finance Ministers.

## **B. Authority responsible for licensing/registering natural/legal persons licensed and/or authorised to provide MVTs as a business – including principals and agents (e.g. corner shops, petrol stations, etc.)**

In France, Germany, Italy and UK, MVTs are subject to the authorisation or license by national relevant authorities<sup>1</sup>. These entities are not in charge of licensing European Payment Services Providers (PSPs), which are free to supply – under the European passporting regime – money transfer services in any EU / European Economic Area (EEA) Country. In such case, regulation

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<sup>1</sup> Respectively, Autorité de Contrôle Prudentiel et de Résolution (APCR), Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Bank of Italy (BoI), and HM Revenue and Customs or the Financial Conduct Authority.



and supervision are under the responsibility of the relevant authority in the home Member State<sup>2</sup>.

Agents operating in EU Countries may act, without host Country's authorisation, on behalf of a principal such as:

- a domestic Payment Institution (PI) or a domestic e-money institution;  
or
- a foreign PI or a foreign e-money institution established in the EU prior to notification by the home supervisor (passporting institutions).

In Germany, PIs are authorised to rely on agents upon condition they carry out fit-and-proper tests and report information on each of them to BaFin.

BaFin has also established a public register of all its supervised PIs including their agents and branches. The register, accessible on line<sup>3</sup>, includes home supervised subjects, but not passporting entities and their agents.

In the UK, subject to relevant individuals passing a fit-and-proper test, HM Revenue and Customs (HMRC) registers *non-bank* MVTs principal businesses; the Financial Conduct Authority (FCA) registers bank MVTs businesses. Principals identify their agents to their supervisor (primarily HMRC, as HMRC tends to be the supervisor of MSBs operating the principal-agent model). Currently, HMRC does not carry out fit-and-proper testing of agents. New arrangements for HMRC to oversee such testing at agency businesses are due – subject to Parliamentary approval – to be put in place in June 2017. The test will apply to beneficial owners, directors and senior managers of agents.

In Canada, Japan, United Kingdom and United States (US) such services are subject to registration as follows.

In Canada, persons or entities offering MVTs are known as Money Services Businesses (MSBs). MSBs are required to register with the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) in order to operate. A list of agents, mandatories, and branches engaged in MSB

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<sup>2</sup> Home country supervisor - Member State in which the PSP registered office is situated, or whereby the PSP has, under its national law, no registered office, the Member State in which its head office is situated.

<sup>3</sup> [www.bafin.de](http://www.bafin.de).



services on behalf of the principal shall be submitted upon registration of the MSB with FINTRAC<sup>4</sup>.

Under Japanese law, a legal person other than a licensed depository institution, shall be registered with the Financial Services Agency (FSA) when engaging in the Funds Transfer Service<sup>5</sup>.

Under US law, all legal and natural persons that perform money transmission services, whether formal or informal, are considered MSBs and shall register with the Financial Crimes Enforcement Network (FinCEN), renewing every two years<sup>6</sup>. This requirement does not apply to a business that is a MSB solely because it serves as an agent of another MSB or a branch office of an MSB; an MSB is also required to maintain a list of its agents to be updated annually and provided upon request to FinCEN or law enforcement, and to include information on its branch offices, types of MSB services provided, ownership/controlling persons, and primary bank accounts in its registration.

## **B.1 Sanctioning of unauthorised MVTS providers and AML/CFT non-compliance**

HMRC and Financial Conduct Authority (FCA) undertake work to identify unregistered businesses, co-operating with law enforcement and other agencies. If unregistered businesses are identified, both civil and criminal sanctions are available to the authorities.

In Canada, France, Germany, Italy, UK and US providing unlicensed/unauthorised payment services is punished both by civil, administrative and criminal sanctions (including imprisonment and/or fines).

In Japan, those who engage in fund transfer services without the registration under the Payment Services Act or the license under the Banking Act, etc. shall be punished by imprisonment and/or a fine.

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<sup>4</sup> In addition to federal registration requirements, MSBs operating in the province of Quebec are required to obtain a license from the *Autorité des Marchés Financiers* (AMF), the provincial financial markets regulator.

<sup>5</sup> The business by the Registered Funds Transfer Service is limited to carrying out fund transfers whose amount is equivalent to 1 million yen or less.

<sup>6</sup> In addition to the federal registration process through FinCEN, 49 of 50 U.S. states as well as the District of Columbia, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands apply MSB state licensing requirements. Although not uniform, the requirements are broadly similar requiring credentialing, safe and sound operations, and AML protections.



FINTRAC has a built-in process for identifying individuals and entities that carry out MSB activities without registration. This includes searching advertisements and other open sources as well as via on-site visits. Additionally, MSBs whose registration status is revoked are still tracked to ensure they are not conducting business illegally. FINTRAC also uses other means to encourage compliance. For instance, FINTRAC may also publicly name the concerned MSBs.

Providing regulated services without authorisation is a criminal offence in France. Criminal prosecution remains under the responsibility of law enforcement and judicial authorities, and the public prosecutor's department has the authority to sanction unauthorised MVTs providers. The ACPR supports this activity by identifying unauthorised MVTs providers.

Conducting unauthorised payment services is a criminal offence also in Germany; prosecution is entrusted to public prosecutors. Furthermore, BaFin has set up an investigation department for identifying, *inter alia*, MVTs that carry out activities without authorisation. This includes the evaluation of various information sources such as STRs, whistleblowing, notes from prosecution authorities, searching advertisements and on-site visits. BaFin may issue a cease-and-desist order against enterprises as well as their shareholders and managers, and impose fines to deter further conduct of unauthorised business. BaFin may also publicly name unauthorised MVTs providers.

In Italy, Guardia di Finanza (GdF) is in charge of investigating possible unauthorised payment services. Criminal prosecution is pursued by Public Prosecutor Offices. The use of words such as “payment institution” or “provision of payment service” by unauthorised entities is prohibited. Italy’s AML law also provides for confiscation of tools used by agents performing MVTs to commit unauthorised payment services.

Italy’s new system of administrative sanctions for violation of AML/CFT regulations by agents, which will be in effect as of June 2017, imposes the following penalties:

- 1) Moderate sanctions imposed on agents for minor violations, such as failing to conduct appropriate Customer Due Diligence (CDD);



- 2) More severe sanctions are imposed whereby serious breaches are identified. In the latter case, sanctions shall also be notified to the principal and recorded;
- 3) Sanctions are imposed on principals for repeated serious violations committed by the agent. Principal is indeed responsible for remedying illegal conducts carried out by agent/s. In such instances, when a principal decides to close down one of its agents for non-commercial purposes (i.e. for non-compliance with programmes and controls of the principal), such decision shall be communicated to the relevant authority.
- 4) In more serious cases, i.e. involvement of agent in serious offences, GdF could propose to promptly close down the agent's facility (corner shops, petrol station).
- 5) Organismo Agenti e Mediatori (OAM) will be in charge of maintaining a database where all information pertaining to agents will be collected and updated. Such information will be accessible to relevant authorities and private MVTS entities.

FinCEN has issued guidance highlighting that banks should file a Suspicious Activity Report (SAR) if they become aware that a customer is operating in violation of the MSB registration or State licensing requirement. FinCEN then monitors SAR reporting for such notification. FinCEN is responsible for pursuing civil enforcement action against unlicensed MSBs. FinCEN is also able to apply a range of enforcement actions, including civil money penalties and injunctions against a controlling owner that provides MSB services. Law enforcement agencies, primarily led by Internal Revenue Service – Criminal Investigation (IRS-CI) or the Justice Department, actively pursue criminal prosecution. State regulators also have authority to pursue civil and criminal enforcement actions.

### **C. Authorities in charge of AML/CFT supervision and/or monitoring responsibility for MVTS principals**



In the UK, HMRC is the AML/CTF supervisor of *non*-bank MVTS businesses; FCA is for bank MVTS businesses.

In Canada and in the US, FINTRAC and FinCEN, respectively, are responsible for federal AML/CFT supervision of money services businesses (MSB) principals (and their agents), either directly or upon delegated authority. In Canada, provincial jurisdictions may impose further regulatory obligations (e.g., Autorité des marchés financiers in Quebec). The MSB sector is subject to regulation by both federal and state authorities in the USA.

In Canada, FINTRAC uses its legislated authorities to examine of records and inquiries into the business and affairs of persons or entities that provide MSB services. At the same time, MSBs are accountable for their agents, mandatories, and branches with respect to AML/CFT compliance. This includes developing and implementing a compliance programme and ensuring that transaction reporting, record keeping, and client identification are performed appropriately. MSBs are subject to criminal sanctions or Administrative Monetary Penalties (AMPs) for non-compliance with AML/CFT regulations, also including activities performed by their agents, mandatories, and branches.

In the USA, FinCEN is the federal AML/CFT regulator and has sole federal civil enforcement authority for MSB principals and agents. FinCEN delegates to the Internal Revenue Service – Small Business Self Employed (IRS-SBSE) the examinations of MSBs (both principals and agents) to assess their compliance with AML/CFT requirements. The frequency and depth of examinations is determined by the level and nature of risks associated with the entity. In coordination with FinCEN and IRS-SBSE, State financial regulators also examine MSBs for compliance with prudential requirements, as well as AML rules and regulations<sup>7</sup>. In order to improve cooperation and coordination among State regulators, the Multi-State MSB Examination Taskforce (MMET) was established approximately four years ago. The MMET is charged with coordinating and facilitating multi-State supervision of MSBs. FinCEN meets with the MMET and additional State regulators on a quarterly basis to review/compare examination schedules, and on a semi-annual basis

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<sup>7</sup> FinCEN and IRS have jointly published an MSB Examination Manual that not only establishes guidelines for the conduct of IRS examinations, but also provides guidance and assistance to MSBs (see <https://www.fincen.gov/msb-examination-materials>).



to generally review process and effectiveness of the supervisory regime for MSBs. Additionally, in January 2014 FinCEN's authority to rely on examinations conducted by State supervisory agencies was formally authorized by statute. This will increase the effectiveness of overall supervision and better allow FinCEN to rely on State licensing and supervision data, including MSB licensing information gathered through the Conference of State Bank Supervisors (CSBS) Nationwide Multistate Licensing System (NMLS)<sup>8</sup>.

In Italy, the BoI is in charge of supervision on PIs (including Italian branches of EU PIs), and could also delegate GdF to carry out AML/CFT inspections on them.

In EU Countries, with respect to the supervision of passported PIs, the home supervisor is responsible for AML/CFT oversight of authorised PIs operating under the free provision of services regime. If the host supervisor identifies concerns related to AML/CFT compliance in its territory, it should inform the home supervisor, which can take action to address deficiencies, including by delegating supervisory powers to the host authority. When a PI operates under the freedom of establishment in the host country, AML supervisory competences belong to the host supervisor.

In Japan, the FSA is the Authority in charge of supervision over Funds Transfer Service Providers; in practice, Local Finance Bureaus having jurisdiction over the headquarters of the providers are delegated to supervise and monitor providers supervised by the Local Finance Bureaus.

In France, the ACPR is the competent AML/CFT authority that supervises French and European PSPs including branches and agents of European and Third Countries' PSPs providing money transfer services in France. The ACPR also conducts on-site and off-site inspections towards branches and agents<sup>9</sup> of European PSPs providing money transfer services in France.

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<sup>8</sup> On April 18, 2017, CSBS announced the creation of a new MSB Call Report for state licensed MSBs. So far, 18 states have joined this effort. State-licensed MSBs will report transactional and other information on a regular basis for inclusion in the NMLS (See <https://www.csbs.org/news/press-releases/pr2017/Pages/041817.aspx>).

<sup>9</sup> Instruction n. 2013-I-08 of the ACPR on information to provide by permanent representatives of agents of European PSPs foresees that the identity and address of "permanent representatives", statistical reporting must be provided every year.



In German, BaFin is in charge of AML/CFT supervision for PIs authorised by BaFin (including MVTs principals) and uses both internal and external auditors and own staffs to verify AML/CFT compliance. BaFin receives the auditor's reporting on a regular annual basis and may, on an *ad-hoc* basis, request additional reporting or conduct on-site and/or off-site inspections. In case of non-compliance, PIs are subject to administrative monetary penalties and/or appropriate supervisory measures, and sanctions. Specifically, PIs are accountable for their agents and branches with respect to AML/CFT compliance. This includes developing and implementing compliance procedures and ensuring that CDD measures, transaction reporting, and record-keeping requirements are appropriately fulfilled.

#### **D. Authority in charge of AML/CFT supervisory and/or monitoring responsibility for MVTs agents, with explanation of responsible party for agents controlled by a foreign principal**

In the UK, HMRC supervises all registered *non*-bank MVTs businesses. This includes supervision of principals and their agents, including visits and related supervisory activity (scrutiny of records, etc.) to agents carrying out their business<sup>10</sup>. The FCA supervises any bank MVTs and their agents, although the numbers in this category are and have been very low, with the vast majority of MVTs businesses being supervised by HMRC.

In Canada, MSB principals are accountable for their agents, mandatories, and branches. FINTRAC's examinations on MSBs with a network of agents will include an assessment of the fit-and-proper test conducted by the MSB principal along with an agent interview to test training. FINTRAC has released three Operational Alerts related to MSBs along with a *Risk-Based Approach Workbook* specifically designed for MSBs and their agents, mandatories, and branches. Furthermore, FINTRAC has the authority to conduct compliance examinations of foreign MSB principals based overseas but actively conducting activities in Canada. Canada is developing regulations to bring into force legislation that prohibits Financial Institutions (FIs) from

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<sup>10</sup> HMRC is not aware of any agency businesses operating in the UK that are controlled by a foreign principal.



maintaining an account or having a correspondent banking relationships (including providing services such as international electronic funds transfers, cash management, payment settlements, and cheque clearing) with foreign MSBs that failed to register with FINTRAC<sup>11</sup>.

In the United States, FinCEN, IRS-SBSE, and the States have examination authority over MSB principals and agents. FinCEN has sole federal civil enforcement authority over principals and agents. Within MSB principal examinations, the IRS-SBSE and state financial regulators review the MSB principal's monitoring of its agents<sup>12</sup>. When irregularities are identified through this process, agents are prioritised for examination. Unique examinations of agents (separate from examination as a part of the principal's examination) also occur on a risk-based basis. Certain States require MSB principals to report a list of agents upon a quarterly basis. Such agent information is shared with FinCEN for review and agent examinations.

In 2017, Italy will establish, at OAM a Register of national and foreign agents, including both individuals and legal persons. Therefore, all agents operating in Italy shall be registered at OAM. By June 2017, foreign agents (i.e. agents authorised in a foreign jurisdiction) shall appoint a central contact point, on behalf of their principal FI, in order to ensure compliance with AML/CFT obligations. BOI will be in charge of the supervision on the central contact point. GdF is the authority in charge of risk-based AML/CFT monitoring of agents. In order to carry out its function, GdF can access the OAM database, and examine and study the overall map of money transfer stores and companies (i.e. market), match such information with police information and STRs and other information, and schedule inspections where greater risks are identified.

Since 2016, as part of an initiative focused on combating TF, this has included determining whether customers have a police record or are listed

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<sup>11</sup> FINTRAC will have authority to impose an administrative monetary penalty on the financial entity that holds the unauthorised account/relationship.

<sup>12</sup> FinCEN issued clarifying guidance on existing AML Program Rule compliance obligations for MSB principals with respect to agent monitoring in March 2016 (see <https://www.fincen.gov/resources/statutes-regulations/guidance/guidance-existing-aml-program-rule-compliance-obligations>). In conjunction with IRS and State outreach and educational efforts, FinCEN provides detailed guidance and other assistance for MSBs via its website (<https://www.fincen.gov/resources/financial-institutions/money-services-businesses>) and a dedicated call centre.



on anti-terrorism lists and verifying that proper documentation has been collected for transactions carried out by agents.

Agents located in France acting on behalf of PSPs to provide money transfer services are not obliged entities. Therefore ACPR does not supervise them<sup>13</sup>. Agents remain under the “supervision” of PSPs on behalf of which they act. However, ACPR performs on-site inspection among agents to verify whether PSPs on behalf of which they act comply with French AML/CFT regulations<sup>14</sup>. If not, depending on the gravity and seriousness of the failure identified, sanctions could be taken against the PSPs by the Sanctions Committee, following a decision by the ACPR’s supervisory college to initiate a disciplinary proceeding. The ACPR’s supervisory college could also decide to take an administrative policy measure.

BaFin is in charge of AML/CFT supervision of agents established in Germany irrespective where the principal is domiciled and notwithstanding that the home supervisory authority of the principal may as well attend to its agents’ conduct abroad. Agents themselves are obliged entities under German AML law. BaFin uses own staff to examine agents’ AML/CFT compliance mainly through direct monitoring, contact by on-site and off-site inspections. Monetary penalties are imposed in case of infringements. Agents are not subject to on-going reporting obligations, but only to reporting upon request. BaFin is in charge of AML/CFT supervision in respect of foreign principals as far as they are authorised as per the German Payment Services Supervision Act (ZAG) or operating in Germany on their right of establishment – i.e. operating with a branch.

As per the Japanese legislation, whereby a Funds Transfer Service Provider (i.e. principal) entrusts the Funds Transfer Service to a third party, the Funds Transfer Service Provider shall provide guidance to the third party and take other measures necessary for ensuring proper and secure

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<sup>13</sup> The ACPR could however extend its on-site inspections of European PSPs to its agents as regards their activity in France.

<sup>14</sup> The ACPR can also take provisional measures (administrative policy measures) against agents acting on behalf of EU/EEA PSPs in case obvious shortcomings or serious lack of vigilance or a serious shortcoming in the organisation of its internal control or its monitoring system or an uncontrolled exposure to ML-TF risk have been identified/detected by the ACPR.



provision/conducting of said service. The FSA may, within the limit necessary, order a person to whom business has been entrusted to submit reports or materials that will be helpful for understanding the business or property of said Funds Transfer Service Provider. The FSA is in charge of monitoring such subjects also on the basis of off-site monitoring and on-site inspections (e.g. request and obtain information on the business status, or inspect books and documents or other items). A Foreign Funds Transfer Service Provider who does not register under the Payment Services Act or is licensed under the Banking Act, etc. shall not solicit persons in Japan for exchange transactions or fund transfers. Therefore, MVTs agents controlled by foreign principals that are not under the supervision of the FSA are not entitled to engage in fund transfer services in Japan.

#### **E. Mechanism/s for exchange of supervisory and monitoring information with foreign supervisory/monitoring authorities in supervision/monitoring of multi-national MVTs networks**

HMRC and FCA can disclose information to an overseas AML/CTF supervisor where it aids their discharge of AML functions.

FINTRAC has signed a compliance MoU with AUSTRAC, FinCEN, and New Zealand (the latter to be countersigned) to exchange relevant information, including on an on-going basis, compliance information on operational processes, risk models and examination plan strategies<sup>15</sup>. FINTRAC is also a member of the International Supervisors Forum<sup>16</sup> (ISF).

FinCEN has entered into Memoranda of Understanding (MOU) with AML/CFT supervisory agencies in Canada and Mexico in order to facilitate information exchange on a variety of industries, including MSBs and their networks. FinCEN is a member of the ISF and is in the process of negotiating MOUs

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<sup>15</sup> In September 2014, FINTRAC provided information to AUSTRAC, which included general information as well as the results of examinations into two large MSBs also operating in Australia.

<sup>16</sup> The ISF was established in late 2013 to provide a venue for sharing information and Best Practices between international regulators. The forum is composed of executive level representation from the AML regulators/supervisors of Canada, United Kingdom, United States, Australia, and New Zealand. Law enforcement is also represented. The ISF provides a venue to share information and operational practices, and develop common performance indicators with a goal to establish Best Practices and harmonise collective processes wherever possible. For example, as a result of this forum, FINTRAC and FinCEN initiated a bilateral training exchange.



with other similar foreign supervisory agencies, beginning with fellow ISF members from the UK, Australia, and New Zealand. As FINTRAC noted, FinCEN and other ISF members meet regularly to exchange MSB best-practice approaches and supervisory trend information.

In Italy, OAM will be responsible for keeping and updating information on registered subjects. National and foreign authorities may request and obtain data and/or information on registered subjects held by OAM. Among relevant information held within the register, the principal FI shall inform OAM in case of termination of the relationship with controlled agent/s due to non-commercial reasons (i.e. for non-compliance with programmes and controls of the principal).

In France, the ACPR is responsible for keeping and updating information on registered subjects. Foreign authorities may request and obtain data and/or information on registered subjects held by the ACPR.

As no principal of a MVTs network is residing in Germany, BaFin has been seeking bilateral contact with EEA home supervisory authorities of passporting principals and participating in a supervisory college initiated by a home supervisory authority. Since operating cross-border MVTs from third countries would be looked upon in Germany as unauthorised payment services, no regular contact with supervisory authorities from third countries have been initiated so far.

In Japan, no particular mechanism exists; at the same time, authorities do not find impediment to information exchange.



## **F. Best Practices and conclusions: final remarks and steps forward**

In light of the results of the exercise highlighted above, the following Best Practices can be brought to the attention of Countries and other international fora:

1. Based upon information provided by G7 Countries, improvements should be made as to the collection of updated information on entities acting as agents for a principal, as well as exchange of supervisory information. G7 Countries should improve the ability of supervisors and/or MVTs principals to maintain updated information on agents.
2. Unauthorised payment service providers' non-compliance with AML/CFT regulations and illicit conducts are vulnerabilities to be addressed by G7 Countries. In order to safeguard the legitimate behavior of relevant stakeholders and protect the international financial system from abuse, including by terrorists or terrorist groups, G7 Countries should continue to effectively and, on a risk-basis, supervise and monitor MVTs, including their agents. G7 Countries should apply criminal and/or administrative sanctions for violations of law and implemented. We recognise that conducting regular reporting or maintaining updated information relating to the admission of agents into the MVTs sector are good practices to share.  
G7 MVTs competent authorities should further collaborate to develop Best Practices that can assist them in coping with the issues identified above.
3. Some G7 Countries apply a high level of ongoing scrutiny on MVTs operators by using practices such as regular reporting of information relating to the admission of agents into the MVTs sector. In Italy, all agents, both national and "passport agents", shall be registered and be properly assessed through a fit-and-proper test and agents authorised in a EU jurisdiction shall appoint a "central contact point" in order to ensure, on behalf of the appointing institution, compliance



with AML/CFT obligations. FINTRAC has released a workbook (Risk-based Approach Workbook) to be used by MSBs, their agents, mandatories, and branches. In the US, an AML/CFT examination manual for MSBs has been issued publicly. In Japan, FSA formulates *Guidelines for Administrative Processes for Funds Transfer Services Providers* that prescribe administrative procedures and supervisors' focus etc. to conduct supervisory activities in a standardized and predictable manner among relevant supervisory staff. FSA also publishes the Guidelines to motivate Funds Transfer Services Providers to improve their internal control systems in accordance with supervisors' expectations. All these practices should be looked at as Best Practices.

4. Whereby allowed by domestic legislation, G7 MVTs supervisors should develop an information sharing mechanism (e.g. an MOU) that allows for the exchange of relevant supervisory information on MVTs providers and agents among the G7 supervisors. For example, in Italy, FI principal shall inform the relevant authority when a relationship with one or more controlled agents is terminated for non-commercial reasons (i.e. for non-compliance with the programmes and controls of the principal). Italy's MVTs supervisory authority makes this information available to any national or foreign requesting financial institution.
5. G7 MVTs supervisors should continue to identify ways to improve coordination of exams of multinational MVTs principals or exchange information about exams.